



CAYMAN ISLANDS
GOVERNMENT

OWNERSHIP AGREEMENTS

For the Financial Year:
1 January to 31 December 2026
For the Financial Year:
1 January to 31 December 2027



OWNERSHIP AGREEMENTS

FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027

PREPARED IN ACCORDANCE WITH SECTION 24 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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PREFACE

This document contains Ownership Agreements between the Cabinet and each Statutory Authority and Government Company (SAGC).

Although SAGCs are legally separate from the Government, they are all owned by the Government on behalf of the people of the Cayman Islands. This ownership relationship exists regardless of whether ownership is reflected in the form of shares or a formal capital holding.

Like any owner, the Government expects the organisations it owns to perform within agreed boundaries. The purpose of the Ownership Agreement is to specify the ownership performance that the Cabinet and the Board of each SAGC have agreed the Authority or Company will seek to achieve during the financial years ending 31 December 2026 and 31 December 2027.

Ownership performance is the performance that an owner of an organisation expects and can be categorised into five areas:

- Nature and Scope of Activities
- Strategic Goals and Objectives
- Financial Performance
- Maintenance of Human and Physical Capability
- Risk Management

Each of these five dimensions of performance is specified in the Ownership Agreement.

In addition, the Ownership Agreement specifies any ownership financial flows between the Authority or Company and the Government, namely:

- Equity Investments
- Capital Withdrawals
- Dividend or Profit Distributions
- Government Loans
- Government Guarantees

The Government also has a purchase relationship with some SAGCs. This performance is specified in a separate document entitled, Purchase Agreements.

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

AUDITORS OVERSIGHT AUTHORITY

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
 2. Nature and Scope of Activities
 3. Strategic Goals and Objectives
 4. Ownership Performance Targets
 5. Summarised Forecast Financial Statements
 6. Other Financial Information
- Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Auditors Oversight Authority (AOA) have agreed the AOA will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the AOA is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The AOA regulates and supervises audit firms who audit market traded, authority specified and designated companies (“Recognized Auditors”).

SCOPE OF ACTIVITIES

The scope of the AOA’s activities is as follows:

- Maintaining the Register of Recognized Auditors;
- Operating a system of oversight including carrying out periodic inspections of the work of Recognized Auditors;
- Conducting investigations on a discretionary basis;
- Issuing disciplinary measures and sanctions as deemed appropriate;
- Issuing and keeping under review “Rules” governing the relationship between the AOA and those auditors under its supervision;
- Maintaining relationships with key Cayman Islands based stakeholders;
- Membership of and participation in the International Forum of Independent Audit Regulators;
- Providing appropriate assistance to equivalent overseas regulatory authorities.

CUSTOMERS AND LOCATION OF ACTIVITIES

The AOA’s customers are the audit firms which audit the financial statements of market traded, authority specified and designated companies, and those that rely on such statements.

Government is a customer in the sense that the AOA forms part of Government’s mission to maintain a sound regulatory regime that meets internationally recognized standards.

Other equivalent overseas regulatory authorities are customers to the extent they may ask the AOA to assist in their oversight of Cayman Islands entities regulated in their jurisdictions.

Activities are carried out in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

Since inception, the Authority had been dependent on the Cayman Islands Government for materially all of its funding. Following a reassessment of the Authority's remit in the absence of a currently sustainable scope of operations, the AOA expects that it is probable that Government will decide to disband the Authority, with formal winding up procedures to be completed by 31 December 2026. In the meantime, the Authority will continue to maintain its operational effectiveness and discharge its obligations under the Act.

The key strategic goals and objectives for the AOA for the 2026 and 2027 financial years are as follows:

- Work with Government to complete the “Future of the AOA” project, which is a critical re-assessment of the AOA’s role and scope of activities in the light of the needs of the Cayman Island’s regulatory regime and international developments in audit regulation.
- Implement the practical implications of the completion of the “Future of the AOA” project including dealing with organizational and legal matters, and completing any run-off activities (settling assets and liabilities, dealing with stakeholder communications etc.).
- No inspections of audit firms are planned or expected to be required in 2026 or 2027.
- Continue to wholly implement all AOA board policies, including those specifically designed to ensure independence and compliance with legal and ethical standards.
- Continue to maintain:
 - relationships with key Cayman Islands based stakeholders;
 - membership of the International Forum of Independent Audit Regulators; and
 - appropriate dialogue with other equivalent overseas regulatory authorities.

Note: the AOA has assumed that no funding will be received from Government in 2026 and 2027, that operations will be funded from the AOA’s cash resources, and that any remaining cash left on hand after operations are fully wound up in 2027 will be paid to Government by way of repayment of capital invested and dividends.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Auditors Oversight Authority for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	201	-	284
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	9	-	17
OPERATING EXPENSES	343	124	301
OPERATING SURPLUS/DEFICIT	(133)	(124)	-
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	(328)	(141)	32
CASH FLOWS FROM INVESTING ACTIVITIES	472	-	(167)
CASH FLOWS FROM FINANCING ACTIVITIES	-	(161)	-
CHANGE IN CASH BALANCES	144	(302)	(135)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	15.56:1	-	2.91:1
TOTAL ASSETS: TOTAL LIABILITIES	15.56:1	-	2.91:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	1	1	1
STAFF TURNOVER (%)			
MANAGERS	-	100%	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	5	6	4
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

Note: The above data excludes acting MD currently operating part time under consultancy contract.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	304	-	637
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	1:1	1:1	1:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
NONE	-	-	-
TOTAL	-	-	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Expected decision to wind up/ suspend AOA operations could be proved erroneous based on future developments, and /or might attract negative perceptions.	Updated from 2025	Work with all stakeholders to obtain maximum input into decision making process. Proactively handle perception issues.	Unquantifiable
Failure to properly implement policy decisions resulting from completion of the “Future of the AOA” project in 2025.	Updated from 2025	Dedicate sufficient resources to properly plan and execute policy implementation. Continue to devote time and effort to involve all key stakeholders in the process.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the AOA is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	210	-	301
OPERATING EXPENSES	343	124	301
NET SURPLUS/(DEFICIT)	(133)	(124)	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	304	-	637
LIABILITIES	19	-	219
NET WORTH	285	-	418

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(328)	(141)	32
CASH FLOWS FROM INVESTING ACTIVITIES	472	-	(167)
CASH FLOWS FROM FINANCING ACTIVITIES	-	(161)	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO AUDITORS OVERSIGHT AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM AUDITORS OVERSIGHT AUTHORITY	-	100
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY AUDITORS OVERSIGHT AUTHORITY	-	61
GOVERNMENT LOANS TO BE MADE TO AUDITORS OVERSIGHT AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO AUDITORS OVERSIGHT AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ¹	-	-
REMUNERATION² PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	See note	See note
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	51	34

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	-	-
NUMBER OF KEY SENIOR MANAGEMENT (MD)	See note	See note

Note: acting MD is currently operating part time under consultancy contract (cost 2025: \$186k; 2026: \$220k; 2027: \$60K).

¹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

² Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the AOA undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Auditors Oversight Authority will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP

Minister for Financial Services and Commerce

On behalf of Cabinet



Chairman of the Board

Auditors Oversight Authority

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Auditors Oversight Authority for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board

Auditors Oversight Authority

31 December 2025

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AUDITORS OVERSIGHT AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

1. BACKGROUND INFORMATION

The Auditors Oversight Authority (the “Authority” or the “AOA”) was established as an independent entity by The Auditors Oversight Authority Act (the “Act”) and commenced operations on 1 May 2012 with responsibility for the regulation and supervision of auditors who audit the accounts of market traded companies and designated and Authority specified companies (as defined by the Act).

Since inception, the Authority had been dependent on the Cayman Islands Government for materially all of its funding. Following a reassessment of the Authority's remit in the absence of a currently sustainable scope of operations, the AOA expects that it is probable that Government will decide to disband the Authority, with formal winding up procedures to be completed by 31 December 2026. In the meantime, the Authority will continue to maintain its operational effectiveness and discharge its obligations under the Act. Accordingly, in preparing these financial statements the AOA has assumed that no funding will be received from Government in 2026 and 2027, that operations will be funded from the AOA’s cash resources, and that any remaining cash left on hand after operations are fully wound up in 2027 will be paid to Government by way of repayment of capital invested and dividends.

2. SIGNIFICANT ACCOUNTING POLICIES

The Authority prepares its financial statements in accordance with International Public Sector Accounting Standards (“IPSAS”) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board. The significant accounting policies used in the preparation of these forecast financial statements are:

(a) Basis of preparation

The financial statements have been prepared using the accrual basis of accounting and on a going concern basis. The accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting except as modified for the revaluation of financial instruments at fair value.

(b) Use of estimates

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expense during the year. The estimates and associated assumptions are

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the reporting period and in any future periods that are affected by those revisions.

(c) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statement date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of financial performance.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(e) Short-term investments

Short-term investments represent term deposits with banks with original maturities greater than three months but less than twelve months.

(f) Accounts receivable and work in progress

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. When there is objective evidence that a debt will not be collected by the Authority according to the agreed terms, a provision for bad debt is established by applying an expected credit loss model.

Work in progress, which represents time spent performing inspections, investigations and other work that has not yet been billed to Recognized Auditors, is stated at net realisable value.

AUDITORS OVERSIGHT AUTHORITY
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(g) Property, Plant and Equipment

Property, plant and equipment is recorded at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. When an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, when fair value can be reliably determined, and as revenue in the statement of financial performance in the year in which the asset is acquired.

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land), less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful life of improvements, whichever is shorter.

<u>Asset Type</u>	<u>Estimated Useful Life</u>
Computer Equipment	3 years
Furniture	12 years

(h) Liabilities for employee benefits

- i Annual leave entitlement: Annual leave due, but not taken, is recognized as a current liability at the current rates of pay.
- ii Pension obligations: Pension contributions are included in personnel costs in the statement of financial performance. The Authority makes contributions at the rate of 12% of eligible employees' salary to a third-party, multi-employer, defined contribution scheme.

(i) Revenue recognition and unearned revenue

- i. Sale of goods and services to Cabinet: Revenues are recognized when the outputs agreed in the Annual Plan and Estimates have been delivered. If the Authority is unable to make a reliable estimate of the percentage of completion of its obligations under the Ownership Agreement with Government, it will recognize as revenue only that portion of funding received from Government equal to the expenses incurred in the accounting period and will defer the balance and report it on the balance sheet as "unearned revenue".
- ii. Fees: Application and de-registration fees are recognized as earned when the related event is complete. Annual fees are recognized as earned over the period to which they relate. Inspection fees are recognized as earned over the period of the related inspection.

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

- iii. Financial sanctions: Financial sanctions imposed on those overseen by the Authority are recognised as revenue on receipt.

(j) Expense recognition

Expenses are recognised when incurred.

(j) Financial Instruments

- i. Initial Recognition: Financial assets and financial liabilities are recognised in the Authority's Statement of Financial Position when the Authority becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.
- ii. Subsequent measurement and classification: Financial assets are subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Financial liabilities are measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. All of the Authority's financial assets are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.

Cash and cash equivalents, short-term investments and trade receivables are recorded at amortized cost using the effective interest method less any expected credit losses.

Impairment of short-term deposits is considered on a 12-month expected credit loss basis and reflects the short maturities of the exposures. The simplified approach to providing for expected credit losses as prescribed by IPSAS 41 is applied to trade and other receivables. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses.

- iii. Derecognition: Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(l) Provisions and contingencies

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and when it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

(m) Subsequent events

Post year-end events that provide additional information about conditions that existed at the balance sheet date and affect the estimates made in preparing the financial statements (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to the financial statements when material.

(n) Revenue from Non-Exchange Transactions

The Authority receives various services from other government entities for which payment is made by the Cayman Islands Government. These services may include administrative and support services from the Ministry of Financial Services and Commerce (formerly the “Ministry of Financial Services and Home Affairs”), the Computer Services Department and the Portfolio of the Civil Service. The Authority has designated these non-exchange transactions as services in-kind as defined under IPSAS 23- Revenue from non-exchange transactions. When the fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. When the service in-kind offered is directly related to construction or acquisition of property, plant and equipment, such service in-kind is recognized in the cost of the asset.

No amounts are recognized in these financial statements in respect of services in-kind as management are unable to estimate the fair value of the goods and services received from other core government entities due to the lack of accounting systems to track the costs of these transactions in accordance with IPSAS 23.

AUDITORS OVERSIGHT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
292,609	157,707	Cash and cash equivalents	1	301,505	-
-	-	Marketable securities and deposits			
-	-	Trade receivables	2	-	-
3,149	4,500	Other receivables	2	-	-
-	-	Inventories	3	-	-
305,114	472,170	Investments	4	-	-
2,618	2,618	Prepayments	5	2,618	-
-	-	Loans	6	-	-
603,490	636,995	Total Current Assets		304,123	-
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
-	-	Property, plant and equipment	7	-	-
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
-	-	Total Non-Current Assets		-	-
603,490	636,995	Total Assets		304,123	-
		Current Liabilities			
-	-	Trade payables	11	-	-
17,650	17,650	Other payables and accruals	11	19,550	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
167,990	201,495	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
185,640	219,145	Total Current Liabilities		19,550	-
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
-	-	Total Non-Current Liabilities		-	-
185,640	219,145	Total Liabilities		19,550	-
417,850	417,850	Net Assets		284,573	-
		NET WORTH			
100,000	100,000	Contributed capital		100,000	-
-	-	Other Reserves		-	-
-	-	Revaluation reserve		-	-
317,850	317,850	Accumulated surpluses/(deficits)		184,573	-
417,850	417,850	Total Net Worth		284,573	-

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
292,505	286,097	Revenue			
11,567	14,930	Sale of goods and services	17	201,495	-
-	-	Investment revenue	18	8,068	-
		Donations	19	-	-
		Other revenue			
304,072	301,027	Total Revenue		209,563	-
		Expenses			
50,767	49,883	Personnel costs	20	50,901	33,776
199,305	185,894	Supplies and consumables	21	192,939	90,123
-	-	Depreciation and Amortisation	10	-	-
-	-	Impairment of Inventory, property, plant and equipment			
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
54,000	65,250	Other Operating expenses		99,000	
304,072	301,027	Total Expenses		342,840	123,899
-	-	Surplus or (Deficit) for the period		(133,277)	(123,899)

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
317,602	317,602	Sale of goods and services to Cabinet		-	-
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
-	-	Sale of goods and services - third party		-	-
8,418	13,579	Interest received		12,568	-
-	-	Donations / Grants		-	-
24,000	2,000	Other receipts		-	-
-	-	<i>Payments</i>		-	-
(50,767)	(49,883)	Personnel costs		(50,901)	(33,776)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
(17,500)	(17,500)	Supplies and consumables - Statutory Agencies and Government Companies		(17,500)	(38,800)
(193,147)	(168,394)	Supplies and consumables - third party		(173,539)	(68,255)
-	-	Interest paid		-	-
(54,000)	(65,250)	Other payments		(99,000)	-
34,606	32,154	Net cash flows from operating activities	25	(328,372)	(140,831)
		CASH FLOWS FROM INVESTING ACTIVITIES			
-	-	Purchase of property, plant and equipment		-	-
-	-	Proceeds from sale of property, plant and equipment		-	-
(1,057,763)	(936,672)	Purchase of investments		(478,940)	-
752,649	769,616	Proceeds from sale of investments		951,110	-
(305,114)	(167,056)	Net cash flows from investing activities		472,170	-
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	-
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	(160,674)
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
-	-	Net cash flows from financing activities		-	(160,674)
(270,508)	(134,902)	Net increase/(decrease) in cash and cash equivalents		143,798	(301,505)
563,117	292,609	Cash and cash equivalents at beginning of period		157,707	301,505
292,609	157,707	Cash and cash equivalents at end of period		301,505	-

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CHANGES IN NET WORTH FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	100,000	-	-	317,850	417,850
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	100,000	-	-	317,850	417,850
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2024	100,000	-	-	317,850	417,850
Balance at 31 December 2024 brought forward	100,000	-	-	317,850	417,850
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	100,000	-	-	317,850	417,850
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2025 carried forward	100,000	-	-	317,850	417,850

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	100,000	-	-	317,850	417,850
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	100,000	-	-	317,850	417,850
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	(133,277)	(133,277)
Total recognised revenues and expenses for the period	-	-	-	(133,277)	(133,277)
Balance at 31 December 2026 carried forward	100,000	-	-	184,573	284,573
Balance at 31 December 2026 brought forward	100,000	-	-	184,573	284,573
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	100,000	-	-	184,573	284,573
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	(100,000)	-	-	-	(100,000)
Dividends payable to Cabinet	-	-	-	(60,674)	(60,674)
Net revenue / expenses recognised directly in net worth	(100,000)	-	-	(60,674)	(160,674)
Surplus/(deficit)for the period 2027	-	-	-	(123,899)	(123,899)
Total recognised revenues and expenses for the period	(100,000)	-	-	(184,573)	(284,573)
Balance at 31 December 2027	-	-	-	-	-

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
500	500	Cash on hand	500	-
-	-	Cash in transit	-	-
138,805	157,207	CI\$ Account	301,005	-
153,304	-	Short-Term Fixed Deposits	-	-
292,609	157,707	TOTAL	301,505	-

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,149	4,500	Interest receivable	-	-
-	-	Less: provision for doubtful debts (Enter -ve number)	-	-
3,149	4,500	Total other receivables	-	-

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
3,149	4,500	Past due 1-30 days	-	-
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
3,149	4,500	Total	-	-

NOTE 4: INVESTMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Investments - at the lower of cost or market value	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Investments		
305,114	472,170	FD at bank	-	-
305,114	472,170	Investments - Current	-	-
-	-	Investments -Non-Current	-	-
305,114	472,170	Total Investments	-	-

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
2,618	2,618	Utility deposits and prepayments	2,618	-
2,618	2,618	Prepayments - Current	2,618	-
-	-	Prepayments -Non-Current	-	-
2,618	2,618	Total Prepayments	2,618	-

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	3,630	-	3,630
Additions	-	-	-
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2024	3,630	-	3,630

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	3,630	-	3,630
Additions	-	-	-
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2025	3,630	-	3,630

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	3,630	-	3,630
Additions	-	-	-
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2026	3,630	-	3,630

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	3,630	-	3,630
Additions	-	-	-
Disposals and Derecognition	(3,630)	-	(3,630)
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2027	-	-	-

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Accumulated Depreciation and impairment losses

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	3,630	-	3,630
Transfers	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-
Depreciation Expense 2024	-	-	-
Eliminate on Disposal or Derecognition 2024	-	-	-
Balance as at 31 December 2024	3,630	-	3,630

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	3,630	-	3,630
Transfers	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-
Depreciation Expense 2025	-	-	-
Eliminate on Disposal or Derecognition 2025	-	-	-
Balance as at 31 December 2025	3,630	-	3,630

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	3,630	-	3,630
Transfers	-	-	-
Impairment change 2026	-	-	-
Depreciation Expense 2026	-	-	-
Eliminate on Disposal or Derecognition 2026	-	-	-
Balance as at 31 December 2026	3,630	-	3,630

	<i>Computer Hardware</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	3,630	-	3,630
Transfers	-	-	-
Impairment change 2027	-	-	-
Depreciation Expense 2027	-	-	-
Eliminate on Disposal or Derecognition 2027	(3,630)	-	(3,630)
Balance as at 31 December 2027	-	-	-

Net Book value 31 December 2024	-	-	-

Net Book value 31 December 2025	-	-	-

Net Book value 31 December 2026	-	-	-

Net Book value 31 December 2027	-	-	-

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
17,650	17,650	Accrued Expenses	19,550	-
17,650	17,650	Trade payables other payables and accruals - Current	19,550	-
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
17,650	17,650	Total trade payables other payables and accruals	19,550	-

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
167,990	201,495	Outputs to cabinet unearned	-	-
167,990	201,495	Total current portion	-	-
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
167,990	201,495	Total Unearned Revenue	-	-

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,000	2,000	Fees and Charges	-	-
290,505	284,097	Sale of goods and services to Cabinet	201,495	-
292,505	286,097	Total sales of goods and services	201,495	-

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,000	2,000	Annual registration fees	-	-
2,000	2,000	Total Fees & Charges	-	-

		Sales of Outputs to Cabinet		
290,505	284,097	Sales of Outputs to Cabinet	201,495	-
		Other Outputs		
290,505	284,097	Total Sales of Outputs to Cabinet	201,495	-

		Other Interdepartmental Revenue		
-	-	Revenue from Ministries/Portfolios	-	-
-	-	Revenue from Statutory Authorities and Government Companies	-	-
-	-	Total Other Interdepartmental Revenue	-	-

292,505	286,097	Total Goods and Services	201,495	-

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,567	14,930	Interest on deposits	8,068	-
11,567	14,930	Total Investment revenue	8,068	-

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
45,542	44,538	Salaries, wages and allowances	45,448	23,406
5,225	5,345	Pension	5,453	3,619
-	-	Other personnel related costs	-	6,751
50,767	49,883	Total Personnel Costs	50,901	33,776

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,608	4,211	Supplies and Materials	2,000	1,000
167,991	155,946	Purchase of services	164,479	82,919
9,650	10,148	Lease of Property and Equipment	10,583	3,704
4,735	4,641	Utilities	4,877	2,500
190	-	General Insurance	-	-
13,655	10,948	Travel and Subsistence	11,000	-
1,476	-	Other	-	-
199,305	185,894	Total Supplies & consumables	192,939	90,123

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Surplus/(deficit) from ordinary activities	(133,277)	(123,899)
		Non-cash movements		
		Changes in current assets and liabilities:		
18,851	(1,351)	(Increase)/decrease in other current assets - Other	4,500	3
		(Increase)/(decrease) in current liabilities - Statutory Agencies and Government Companies	1,900	(19)
27,097	33,505	(Increase)/(decrease) in current liabilities - Ministries Portfolios	(201,495)	-
(11,342)	-	(Increase)/(decrease) in current liabilities - Other	-	-
34,606	32,154	Net cash flows from operating activities	(328,372)	(123,915)

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CAYMAN AIRWAYS LIMITED

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
 2. Nature and Scope of Activities
 3. Strategic Goals and Objectives
 4. Ownership Performance Targets
 5. Summarised Forecast Financial Statements
 6. Other Financial Information
- Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance targets the Cabinet of the Cayman Islands Government (the "**Cabinet**") and Cayman Airways Limited ("**CAL**" or "**Cayman Airways**" or the "**Airline**" or the "**Company**") have agreed that CAL will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations set out in Section 50 of the Public Management and Finance Act (2020 *Revision*) for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which Cayman Airways Limited is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

Cayman Airways Limited's activities involve providing scheduled passenger and cargo flights to, from and within the Cayman Islands.

SCOPE OF ACTIVITIES

Cayman Airways is the national flag carrier of the Cayman Islands and provides a wide range of services in support of the country's air transportation and economic development needs. The Company operates a fleet of four Boeing 737-8 MAX aircraft under lease arrangements, which are utilized to provide scheduled international passenger services between Grand Cayman and various gateway cities in the United States, Jamaica, Cuba, Honduras, and Panama, as well as regional connectivity between Grand Cayman and Cayman Brac. In addition to fee-based passenger services, Cayman Airways, Ltd. also provides dedicated air cargo transport on these routes, thereby supporting trade and commerce within the region.

Through its wholly owned subsidiary, Cayman Airways Express Limited ("**Cayman Airways Express**"), the Company owns and operates a fleet of two SAAB 340B and three DHC-6 Twin Otter aircraft. These turboprop aircraft provide high-frequency inter-island services between Grand Cayman, Cayman Brac, and Little Cayman, ensuring critical connectivity between the Cayman Islands and allowing for the movement of passengers, mail, medical supplies, and essential goods.

In addition to its core air transportation services, the Company generates ancillary revenue by providing ground handling services including check-in, ramp services, baggage handling, and other operational support to a number of foreign and regional carriers operating at Owen Roberts International Airport in Grand Cayman.

For planning and budgeting purposes, the Company's services are organized under its proprietary airlift framework, which segments the airline's operations into distinct strategic categories based on the underlying policy objective and economic rationale for each service. This framework serves as the backbone of operational planning and is a key component in the structure of the Company's funding models (the "**Airlift Framework**").

Airlift Framework Category	Definition
Core	Routes/Flights/Operations that CAL dominates and knows the market well Routes/Flights/Operations that provide good economic return or at least break-even
Strategic Domestic	Domestic Routes/Flights that are purchased by, and operated on behalf of, the Government

Strategic Tourism	International Routes/Flights that have national tourism importance which are purchased by, and operated on behalf of the Government
Surplus	Assumes prior 3 categories are being adequately serviced (without displacement and not affecting required redundancy to maintain reliability of service). Includes operations which must provide good economic return

Strategic Domestic and Strategic Tourism are operations which are considered critical for the Cayman Islands, but do not provide sufficient economic justification themselves for an airline to operate. Accordingly, the Government purchases these operations from the Company. During periods of economic slow-down, the Government may also purchase certain of the Core operations from the Company as well.

CUSTOMERS AND LOCATION OF ACTIVITIES

CAL provides air transportation and related services to a diverse customer base located both within the Cayman Islands and internationally. Scheduled jet services are operated between Grand Cayman and Cayman Brac, and major international destinations including Miami, Tampa, New York, Denver, Los Angeles, Havana, Kingston, Montego Bay, and La Ceiba. These services cater to residents, business travellers, tourists, and cargo customers.

Through Cayman Airways Express, the Company also operates high-frequency turboprop services between Grand Cayman, Cayman Brac, and Little Cayman to support essential inter-island travel for residents, visitors, and cargo shipment.

The Company continually assesses potential route opportunities in collaboration with the Ministry of Tourism and Ports and the Cayman Islands Department of Tourism to support national tourism and trade objectives. This ongoing evaluation ensures that any future route development aligns with the economic and strategic priorities of the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for Cayman Airways Limited for the 2026 and 2027 financial years are as follows:

1. The mission of Cayman Airways is to be the premier choice of safe, reliable, and enjoyable air transportation to all markets we serve, in the best interests of the Cayman Islands. A national airline of which we can all be immensely proud, one which reflects a top quality airline, delivering top quality service; an organization which is attracting the best and brightest Caymanian talent and developing its people and the airline to reach their full potential.

Goal: *Position Cayman Airways as the premier choice for safe, reliable, and enjoyable air service in all markets served, reinforcing national pride in the flag carrier.*

Objective: *Achieve consistently high levels of customer satisfaction (Net Promoter Score of 50+), delivering high-quality service on all international and domestic routes and strengthening the airline's brand as one of which Caymanians can be proud.*

2. The Airline is a major employer within the Cayman Islands and must strive to attract and develop the best and brightest Caymanian talent. The Airline offers several unique employment opportunities in specialised fields and will continue to create an environment of opportunity for Caymanians. This role has an immeasurable socio-economic impact on the Cayman Islands and is crucial to continued national development and growth. The Airline will therefore, as it continues to target cost reductions, do so in a manner that places emphasis on the retention and provision of services and employment locally, versus overseas when possible.

Goal: *Strengthen the Airline's role as a major employer and socio-economic contributor within the Cayman Islands.*

Objective: *Prioritise Caymanian recruitment and implement training and development programmes to attract and advance Caymanian talent, ensuring 1) at least 90% of the staff hired within the Cayman Islands to be Caymanian, and 2) providing technical and leadership opportunities to support national development to Caymanians in order to support national development.*

3. The Airline will continue the process of restructuring and operational reform in order to drive revenue, reduce costs, and achieve the maximum levels of efficiency where possible.

Goal: *Deliver sustainable financial performance through restructuring and operational reform.*

Objective: *Increase revenue by 5% through yield management and targeted growth initiative, and maintain or reduce controllable operating costs across operational areas.*

4. Utilizing the Airlift Framework as a funding model, the Airline and Government shall have a common objective to ensure that the Airline is adequately funded to undertake the core and strategic roles defined in the Airlift Framework. Adequate levels of Government funding and the Airline's continued efforts to operate at maximum efficiency are necessary to ensure that no deficit between revenue and expenses arises.

Goal: *Ensure sustainable and transparent Government funding under the Airlift Framework.*

Objective: *Align annual Government support with defined core and strategic airlift outputs, minimising supplemental funding requests and maintaining funding per available seat mile as budgeted.*

5. After years of historical losses, the Airline is faced with a severe deficiency of working capital. The Government and the Airline must together strive to create adequate levels of working capital in order to ensure that the Airline has the ability to invest where necessary to improve efficiency and viability. This working capital deficiency may from time to time require external borrowings or equity injections from the Government in order to ensure the Airline's continued viability. The Airline therefore aims to have its historical debt (formal and informal), refinanced in a manner that improves cash flow and provides adequate levels of working capital to be realised, in order to increase the viability and efficiency of the Airlines of the operations.

Goal: *Restore financial resilience by improving liquidity and working capital availability.*

Objective: *Work with the Government to determine the best option to refinance historical debt and secure sufficient working capital, whether through borrowing or equity support, in order to improve cash flow, safeguard ongoing operations, and support continued investment in efficiency and long-term viability.*

6. Should a deficit in respect of revenue arise due to unbudgeted situations during the course of the year, which are beyond the Airline's control, the Government may be asked to provide supplementary funding in order to ensure that the Airline maintains an ability to meet its operating obligations and fulfil the Government's strategic objectives for the Airline. The Airline will do all possible to avoid this scenario and will keep the Government promptly educated on all situations that may lead to a need for additional funding within the budget year.

Goal: *Preserve operational continuity in the face of unforeseen shocks.*

Objective: *Establish a contingency funding protocol with the Government by Q2 FY2026 with a minimal decision timeframe (less than 60 days) in order to respond quickly to extraordinary events beyond the Airline's control.*

7. The Airline is a major contributor to the Cayman Islands economy both directly and indirectly through employment and the purchase of goods and services within the Cayman Islands. The Airline is also a strategic tool used by the Government to drive economic activity, particularly in the tourism industry by providing guaranteed airlift and competitive market environment. This includes providing direct air service to the leading tourist source markets, targeted by the Cayman Islands Department of Tourism. The Airline will therefore continue to work with the Cayman Islands Department of Tourism to realise the maximum benefit from the Department of Tourism's marketing efforts by aligning capacity with the demand generated from the Department of Tourism's efforts.

Goal: *Maximise Cayman Airways' role as a strategic economic driver for the Cayman Islands.*

Objective: *Work in continuous partnership with the Cayman Islands Department of Tourism to align airlift capacity with demand from key source markets, thereby optimising visitor arrivals and economic activity generated by tourism.*

8. The total economic impact or contribution to the Cayman Islands by Cayman Airways (from studies going back more than twenty years), is over \$200 million per annum. The Airline must therefore continue to balance its efforts to operate at peak efficiency with its efforts to create the maximum economic impact possible. The Airline's value on a macroeconomic level outweighs the Government's annual investment through this Ownership Agreement. Whilst this is an overriding value and an excellent return on investment, the Airline's economic contribution must continue to be provided in the most efficient manner. The Airline and the Government must therefore maintain alignment through consultation in the budget year to ensure the correct balance between the Airline's performance and the Airline's contribution to the local economy.

Goal: *Deliver the highest possible economic return to the Cayman Islands while operating efficiently.*

Objective: *Maintain Cayman Airways' total annual economic contribution at \$200 million by achieving the right balance between operational efficiency and economic impact, supported through ongoing consultation and alignment with Government during the budget period.*

9. Whilst the Airline is equipped with the full infrastructure of a typical Airline, the Airline is challenged to cover all its fixed costs from operating revenues, because of its relatively small size and the relatively small markets served (economies of scale). The Airline must therefore seek out opportunities within the surplus category of the Airlift Framework that increases passenger and cargo throughput, in order to maximise efficiency and reduce dependence on Government funding. This should include the exploration of strategic partnerships with other airlines and potential industry partners, to reduce costs and enhance revenue potential, but in a manner that does not degrade the Airline's strategic value to the Cayman Islands. The Airline expects to continue working with the public sector as well as to embark on joint initiatives with the private sector to coordinate marketing and advertising efforts.

Goal: *Reduce dependence on Government funding by growing higher-margin traffic and partnerships.*

Objective: *Pursue new surplus-category opportunities and strategic partnerships (public and private sector) that increase passenger and cargo throughput (particularly incremental visitor arrivals) while maintaining the Airline's strategic value to the country.*

10. Fuel is the most volatile and unpredictable cost facing the Airline. The Company intends to continue to monitor and aggressively pursue alternatives to minimize, to the extent within its control, the costs of fuel. Cayman Airways however expects to continue to be faced with high fuel prices and extreme volatility for the budget year. The Airline expects fuel prices to be approximately US\$60 per barrel for the budget year³ and has budgeted fuel expense and associated revenue from airfares accordingly. It must be noted that the Airline is not always able to pass on increases in fuel, without negatively affecting demand and overall revenues. The Airline will therefore strive to recoup fuel increases from the consumer to the

³ The WTI (West Texas Intermediate) crude oil price is expected to average \$47.77 per barrel in 2026, according to the U.S. Energy Information Administration (EIA). <https://www.eia.gov/pressroom/releases/press573.php>

maximum extent possible, but will be limited in its efforts so as to not negatively impact the Airline's overall revenue performance nor the Airline's strategic value to the local economy and tourism industry.

Goal: *Mitigate the impact of fuel price volatility on airline performance.*

Objective: *Implement fuel-cost management strategies to limit controllable budget variance to less than 5%, while adjusting fares carefully to protect demand where possible.*

11. The Airline has historically been operating with several outdated or manual systems to manage and control some of its commercial and operating functions. The Airline will continue to strive to implement technological advances that will improve the Airline's operating and financial performance.

Goal: *Modernise operating systems and improve business processes.*

Objective: *Implement three technology upgrades by end-FY2027 (commercial, operational, and financial systems) to deliver efficiency gains and cost savings of at least CI\$1M annually.*

12. The National Flag Carrier will continue to explore commercial agreements with select international carriers where deemed beneficial to the Cayman Islands. Cayman Airways is committed to working closely with foreign carriers flying into that can provide more connectivity to Cayman Airways at its various overseas gateways.

Goal: *Pursue strategic relationships that deliver economic benefit to the Cayman Islands.*

Objective: *Conclude at least two new interline or other beneficial cooperative agreements by FY2027 which contribute an increase in connecting passenger traffic, while enhancing the airline's strategic value to the Islands.*

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision)), as amended for CAL for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	18,569	18,569	18,569
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	68,795	70,276	65,104
OPERATING EXPENSES	103,635	105,082	100,242
OPERATING SURPLUS/DEFICIT	(16,270)	(16,236)	(16,569)
NET WORTH	(27,410)	(33,647)	(23,140)
CASH FLOWS FROM OPERATING ACTIVITIES	(6,226)	(5,792)	(11,374)
CASH FLOWS FROM INVESTING ACTIVITIES	(4,727)	(5,543)	(6,300)
CASH FLOWS FROM FINANCING ACTIVITIES	10,177	8,177	19,977
CHANGE IN CASH BALANCES	(777)	(3,158)	2,303

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	0.12:1	0.09:1	0.13:1
TOTAL ASSETS: TOTAL LIABILITIES	0.53:1	0.41:1	0.62:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	395	395	395
STAFF TURNOVER (%)	5%	5%	5%
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	14 years	14 years	14 years
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	30,297	22,945	37,150
ASSET REPLACEMENTS: TOTAL ASSETS	7.29:1	5.58:1	6.64:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.8:1	0.8:1	0.8:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	1.65:1	2.34:1	2.07:1
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
TECHNOLOGY	50	50	50
AIRCRAFT/ENGINES	4,654	5,543	5,548
TOTAL	4,704	5,593	5,598

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Fuel Prices	Risk profile increased due to volatility in fuel prices	Given difficulty in hedging this is managed primarily through price negotiating and operations.	+/- CI\$3,000,000
Capital Structure	Improvement over prior year	Better cash management and improved financial performance targeted	None

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for CAL is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	87,364	88,845	83,673
OPERATING EXPENSES	103,635	105,082	100,242
NET SURPLUS/(DEFICIT)	(16,270)	(16,236)	(16,569)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	30,297	22,945	37,150
LIABILITIES	57,707	56,591	60,290
NET WORTH	(27,410)	(33,647)	(23,140)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(6,226)	(5,792)	(11,374)
CASH FLOWS FROM INVESTING ACTIVITIES	(4,727)	(5,543)	(6,300)
CASH FLOWS FROM FINANCING ACTIVITIES	10,177	8,177	19,977

6. OTHER FINANCIAL INFORMATION

A full set of forecast financial statements for CAL is provided in the Appendix to this Ownership Agreement.

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN AIRWAYS LIMITED	10,500	8,500
CAPITAL WITHDRAWALS FROM CAYMAN AIRWAYS LIMITED	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN AIRWAYS LIMITED	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN AIRWAYS LIMITED	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN AIRWAYS LIMITED	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁴	-	-
REMUNERATION⁵ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	1,690	1,690
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,690	1,690

DESCRIPTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	18	18

⁴ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

⁵ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, CAL undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Ownership Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than fifteen (15) working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other party within fifteen (15) working days about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.⁶
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance targets CAL will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Gary Ruddy, MP

Minister for Tourism and Trade Development

On behalf of Cabinet



Chairman of the Board

On behalf of

Cayman Airways Limited

⁶ Client to confirm: Do you wish to impose a period of 28 days to negotiate the terms.

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN AIRWAYS LIMITED
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for Cayman Airways Limited for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Airways Limited

31 December 2025

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CAYMAN AIRWAYS LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

The Company's financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, the significant accounting policies are:

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Cayman Airways Express, a company incorporated in the Cayman Islands. All significant intercompany accounts and transactions have been eliminated on consolidation.

Revenue: Scheduled passenger and cargo revenues are recognised in the period in which transportation is provided, net of Government taxes, at a point in time. Unearned revenue represents flight seats sold but not yet flown, a contract liability, and is included as a current liability in an unearned transportation liability account. Passengers are only able to make reservations up to a twelve-month period in advance of booking date. Consequently, all unearned transportation revenue is due within twelve months of the reporting date. It is released as income to the Consolidated Statement of Comprehensive Income as passengers fly. Unused tickets are generally recognised as revenue after an inactive period of thirteen (13) months has elapsed (the period after which the ticket becomes non-recoverable).

Handling Revenue: Handling revenue relates to revenue generated from technical handling and third-party maintenance agreements with other airlines flying to the Owen Roberts International Airport. Revenue from these agreements is recognised over time as the contract terms are met in the Consolidated Statement of Comprehensive Income when the service is provided.

Other Revenue: Other revenue comprises of revenue earned from the provision of other airline related services, including ticket change fees, refund penalties, in-flight sales and other product revenue. Inflight sales and certain other services are recognised in the Consolidated Statement of Comprehensive Income at the time the sale occurs, or the service is provided. Ticket change fees and refund penalties are recognised at the point in time in which transportation is provided in the Consolidated Statement of Comprehensive Income.

Aircraft maintenance:

- (a) Routine maintenance and annual periodic maintenance:

All routine aircraft maintenance expenses are expensed as incurred. These estimated costs are recorded as maintenance, materials and repairs in the statement of loss.

- (b) Periodic major maintenance and overhauls:

CAYMAN AIRWAYS LIMITED
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Liability for overhauls and periodic major maintenance is recognised at the time the Company becomes obligated for such costs. The actual cost of periodic major maintenance and overhauls is capitalized and depreciated over the estimated useful life of property, plant and equipment, which will normally be the expected interval to the next scheduled major maintenance or overhaul.

Property, plant and equipment: Property, plant and equipment is initially recorded at cost. Cost includes all direct attributable costs of bringing the asset to working condition for its intended use. The Company capitalises borrowing costs which are directly attributable to the acquisition of an asset and which are incurred in respect of the period of time before an asset is introduced into use or service.

Property, plant and equipment and other long lived, non-current assets, are reviewed annually at each balance sheet date for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying values exceed their recoverable amount are written down to the recoverable amount, being the higher of market value or value in use (on a discounted cash flow basis), and the resulting impairment loss recorded in the statement of operations. To the extent that a previously recognised impairment loss no longer exists or decreases, the carrying amount of the asset will be increased to the lower of recoverable amount or depreciated cost and the resulting reversal of impairment loss will be recorded in the statement of operations

Depreciation: Property, plant and equipment are depreciated to estimated residual value using the straight-line method over their estimated useful lives as follows:

Type of Property Plant and Equipment	Estimated Useful Life
Aircraft Airframe and Related Overhauls	
Owned aircraft airframe and related overhauls Airframe and related components	12-000-30,000 flight hours or 250-300 months
Other Property Plant and Equipment	
Buildings	20 – 50 years
Rotables	12 Years
Flight equipment	10 years
Ground equipment	7 years
Other property, plant and equipment	3 – 5 years

Leasehold improvements to aircraft are depreciated over the remainder of the lease. Land is not depreciated. The residual value for the aircraft engines is US\$50,000 per engine. The residual value for flight equipment is 5%. All other property, plant and equipment have no salvage value.

CAYMAN AIRWAYS LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Where impairment losses have been recorded against property, plant and equipment, the recoverable amount is depreciated to estimated residual value using the straight-line method over the remaining estimated useful life.

Cash and cash equivalents: For the purpose of the statement of cash flows, cash and cash equivalents includes balances with bankers, all of which are on demand or at short notice, net of short-term overdrafts.

Foreign currency translation: The accounting records of the Company are maintained in United States dollars. Monetary assets and liabilities in a foreign currency are translated into United States dollars at the prevailing rates of exchange at year end. Revenue receipts and expense payments are translated into United States dollars at the prevailing exchange rate on the respective dates of transactions. The rate of exchange between United States dollars and Cayman Islands Dollars is fixed at US\$1.00: CI\$0.84. All amounts are CI Dollars unless otherwise noted.

CAYMAN AIRWAYS LIMITED
**FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027**

12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
	Current Assets			
2,217,241	Cash and cash equivalents	1	-	-
	Marketable securities and deposits			
2,025,788	Trade receivables	2	2,100,000	2,058,000
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
1,288,034	Prepayments	5	1,416,838	1,558,521
-	Loans	6	-	-
5,531,063	Total Current Assets		3,516,838	3,616,521
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
4,462,001	Prepayments	5	4,462,001	4,462,001
-	Loans	6	-	-
-	Pension Plan Surplus	15	-	-
27,157,401	Property, plant and equipment	7	20,877,509	14,866,087
-	Right-of-use assets	9	-	-
-	Intangible Assets	8	-	-
31,619,402	Total Non-Current Assets		25,339,510	19,328,088
37,150,465	Total Assets		28,856,348	22,944,610
	Current Liabilities			
19,630,822	Trade payables	11	18,370,822	17,110,822
8,357,378	Other payables and accruals	11	8,357,378	8,357,378
-	Lease Liability	9	-	-
-	Dividends/Surplus Payable	11	-	-
-	Bank Overdraft	1	59,372	4,717,173
11,887,007	Unearned revenue	12	12,387,007	12,637,007
-	Employee entitlements	13	-	-
1,867,697	Current Portion of Borrowings	14	1,867,697	1,867,697
41,742,905	Total Current Liabilities		41,042,276	44,690,078
	Non-Current Liabilities			
-	Trade payables	11	-	-
8,318,770	Other payables and accruals	11	8,318,770	8,318,770
-	Lease Liability	9	-	-
-	Dividends/Surplus Payable	11	-	-
-	Unearned revenue	12	-	-
-	Employee entitlements	13	-	-
-	Unfunded pension liability	15	-	-
-	Unfunded post retirement health care	16	-	-
-	Currency Issued			
10,228,761	Long Term portion of Borrowings	14	8,405,553	6,582,344
18,547,531	Total Non-Current Liabilities		16,724,324	14,901,114
60,290,436	Total Liabilities		57,766,600	59,591,192
(23,139,970)	Net Assets		(28,910,252)	(36,646,582)
	NET WORTH			
187,571,247	Contributed capital		198,071,247	206,571,247
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(210,711,215)	Accumulated surpluses/(deficits)		(226,981,499)	(243,217,830)
(23,139,968)	Total Net Worth		(28,910,252)	(36,646,583)

CAYMAN AIRWAYS LIMITED
**FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
85,547,481	83,672,832	Revenue			
-	-	Sale of goods and services	17	87,364,444	88,845,225
-	-	Investment revenue	18	-	-
-	-	Donations	19	-	-
-	-	Other revenue		-	-
85,547,481	83,672,832	Total Revenue		87,364,444	88,845,225
		Expenses			
34,328,549	34,791,629	Personnel costs	20	34,657,155	34,517,322
59,499,391	54,545,660	Supplies and consumables	21	56,357,647	57,397,271
8,237,895	9,237,380	Depreciation and Amortisation	10	11,007,126	11,554,162
-	-	Impairment of Inventory, property, plant and equipment		-	-
1,413,155	1,666,922	Finance costs & overdraft interest (including lease interest)	22	1,612,800	1,612,800
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
103,478,991	100,241,591	Total Expenses		103,634,728	105,081,556
(17,931,510)	(16,568,759)	Surplus or (Deficit) for the period		(16,270,284)	(16,236,331)

CAYMAN AIRWAYS LIMITED
FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
	CASH FLOWS FROM OPERATING ACTIVITIES			
	<i>Receipts</i>			
18,568,993	Sale of goods and services to Cabinet		18,569,000	18,569,000
	Sale of goods and services to Ministries/Portfolios			
	Sale of goods and services to Statutory Agencies and Government Companies			
65,103,839	Sale of goods and services - third party		68,795,444	70,276,225
	Interest received			
	Donations / Grants			
	Other receipts			
	<i>Payments</i>			
(34,791,629)	Personnel costs		(34,657,155)	(34,517,322)
	Supplies and consumables - Ministries/Portfolios			
(8,000,000)	Supplies and consumables - Statutory Agencies and Government Companies		(2,300,000)	(2,300,000)
(52,254,810)	Supplies and consumables - third party		(56,633,460)	(57,819,756)
	Interest paid			
	Other payments			
(11,373,607)	Net cash flows from operating activities	25	(6,226,170)	(5,791,853)
	CASH FLOWS FROM INVESTING ACTIVITIES			
(6,300,000)	Purchase of property, plant and equipment		(4,727,234)	(5,542,740)
	Proceeds from sale of property, plant and equipment			
	Purchase of investments			
	Proceeds from sale of investments			
(6,300,000)	Net cash flows from investing activities		(4,727,234)	(5,542,740)
	CASH FLOWS FROM FINANCING ACTIVITIES			
21,800,000	Equity Investment from Cabinet		10,500,000	8,500,000
	Repayment of Surplus/Dividends or Capital withdrawal			
	Borrowings			
(1,823,208)	Repayment of Borrowings		(1,823,208)	(1,823,208)
	Currency Issues			
19,976,792	Net cash flows from financing activities		8,676,792	6,676,792
2,303,184	Net increase/(decrease) in cash and cash equivalents		(2,276,613)	(4,657,801)
(85,944)	Cash and cash equivalents at beginning of period		2,217,241	(59,372)
2,217,241	Cash and cash equivalents at end of period		(59,372)	(4,717,173)

CAYMAN AIRWAYS LIMITED
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	153,671,247			(176,210,946)	(22,539,699)
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2023	153,671,247	-	-	(176,210,946)	(22,539,699)
Changes in net worth for 2024					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments					-
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet	12,100,000				12,100,000
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet					-
Net revenue / expenses recognised directly in net worth	12,100,000	-	-	-	12,100,000
Surplus/(deficit)for the period 2024				(17,931,510)	(17,931,510)
Total recognised revenues and expenses for the period	12,100,000	-	-	(17,931,510)	(5,831,510)
Balance at 31 December 2024	165,771,247	-	-	(194,142,456)	(28,371,209)
Balance at 31 December 2024 brought forward	165,771,247	-	-	(194,142,456)	(28,371,209)
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2024	165,771,247	-	-	(194,142,456)	(28,371,209)
Changes in net worth for 2025					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments					-
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet	21,800,000				21,800,000
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet					-
Net revenue / expenses recognised directly in net worth	21,800,000	-	-	-	21,800,000
Surplus/(deficit)for the period 2025				(16,568,759)	(16,568,759)
Total recognised revenues and expenses for the period	21,800,000	-	-	(16,568,759)	5,231,241
Balance at 31 December 2025 carried forward	187,571,247	-	-	(210,711,215)	(23,139,968)

CAYMAN AIRWAYS LIMITED
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	187,571,247	-	-	(210,711,215)	(23,139,968)
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2025	187,571,247	-	-	(210,711,215)	(23,139,968)
Changes in net worth for 2026					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments					-
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet	10,500,000				10,500,000
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet					-
Net revenue / expenses recognised directly in net worth	10,500,000	-	-	-	10,500,000
Surplus/(deficit)for the period 2026				(16,270,284)	(16,270,284)
Total recognised revenues and expenses for the period	10,500,000	-	-	(16,270,284)	(5,770,284)
Balance at 31 December 2026 carried forward	198,071,247	-	-	(226,981,499)	(28,910,252)
Balance at 31 December 2026 brought forward	198,071,247	-	-	(226,981,499)	(28,910,252)
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2026	198,071,247	-	-	(226,981,499)	(28,910,252)
Changes in net worth for 2027					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments					-
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet	8,500,000				8,500,000
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet					-
Net revenue / expenses recognised directly in net worth	8,500,000	-	-	-	8,500,000
Surplus/(deficit)for the period 2027				(16,236,331)	(16,236,331)
Total recognised revenues and expenses for the period	8,500,000	-	-	(16,236,331)	(7,736,331)
Balance at 31 December 2027	206,571,247	-	-	(243,217,830)	(36,646,583)

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,217,241	Cash on hand	(59,372)	(4,717,173)
2,217,241	TOTAL	(59,372)	(4,717,173)

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,478,734	2,241,565	Sale of goods and services - third party	2,315,778	2,273,778
(215,778)	(215,778)	Less: provision for doubtful debts	(215,778)	(215,778)
2,262,956	2,025,788	Total trade receivables	2,100,000	2,058,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
2,262,956	2,025,788	Past due 1-30 days	2,100,000	2,058,000
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
2,262,956	2,025,788	Total	2,100,000	2,058,000

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(215,778)	(215,778)	Balance at beginning of period	(215,778)	(215,778)
(215,778)	(215,778)	Balance at 31st December	(215,778)	(215,778)

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
1,536,722	1,288,034	Prepayments and other current assets	1,416,838	1,558,521
1,536,722	1,288,034	Prepayments - Current	1,416,838	1,558,521
		Non-Current Prepayments		
4,270,386	4,462,001	Security deposits	4,462,001	4,462,001
4,270,386	4,462,001	Prepayments - Non-Current	4,462,001	4,462,001
5,807,108	5,750,035	Total Prepayments	5,878,839	6,020,522

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Buildings and Leasehold</i>	<i>Office Equipment</i>	<i>Aircraft</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2024	7,526,445	1,597,800	54,368,563	5,010,699	68,503,507
Additions	76,454	123,577	8,984,370	1,407,164	10,591,565
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2024	7,602,899	1,721,377	63,352,933	6,417,862	79,095,071

	<i>Buildings and Leasehold</i>	<i>Office Equipment</i>	<i>Aircraft</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2025	7,602,899	1,721,377	63,352,933	6,417,862	79,095,071
Additions	50,400	197,400	5,548,200	504,000	6,300,000
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2025	7,653,299	1,918,777	68,901,133	6,921,862	85,395,071

	<i>Buildings and Leasehold</i>	<i>Office Equipment</i>	<i>Aircraft</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2026	7,653,299	1,918,777	68,901,133	6,921,862	85,395,071
Additions	56,280	-	4,654,154	16,800	4,727,234
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2026	7,709,579	1,918,777	73,555,287	6,938,662	90,122,306

	<i>Buildings and Leasehold</i>	<i>Office Equipment</i>	<i>Aircraft</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2027	7,709,579	1,918,777	73,555,287	6,938,662	90,122,306
Additions	-	-	5,542,740	-	5,542,740
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2027	7,709,579	1,918,777	79,098,027	6,938,662	95,665,046

CAYMAN AIRWAYS LIMITED
**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**
Accumulated Depreciation and impairment losses

	<i>Buildings and Leasehold</i>	<i>Office Equipment</i>	<i>Aircraft</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2024	3,373,221	1,411,602	32,853,374	3,124,198	40,762,395
Transfers	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-
Depreciation Expense 2024	121,378	113,072	7,343,551	659,893	8,237,895
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-
Balance as at 31 December 2024	3,494,599	1,524,674	40,196,925	3,784,092	49,000,290
Balance as at 1 January 2025	3,494,599	1,524,674	40,196,925	3,784,092	49,000,290
Transfers	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-
Depreciation Expense 2025	126,000	163,073	8,221,604	726,703	9,237,380
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-
Balance as at 31 December 2025	3,620,599	1,687,747	48,418,529	4,510,795	58,237,670
Balance as at 1 January 2026	3,620,599	1,687,747	48,418,529	4,510,795	58,237,670
Transfers	-	-	-	-	-
Impairment change 2026	-	-	-	-	-
Depreciation Expense 2026	131,040	167,273	9,976,314	732,500	11,007,126
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-
Balance as at 31 December 2026	3,751,639	1,855,020	58,394,843	5,243,295	69,244,796
Balance as at 1 January 2027	3,751,639	1,855,020	58,394,843	5,243,295	69,244,796
Transfers	-	-	-	-	-
Impairment change 2027	-	-	-	-	-
Depreciation Expense 2027	131,040	167,160	10,478,564	777,398	11,554,162
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-
Balance as at 31 December 2027	3,882,679	2,022,180	68,873,407	6,020,693	80,798,959
Net Book value 31 December 2024	4,108,300	196,703	23,156,008	2,633,771	30,094,781
Net Book value 31 December 2025	4,032,700	231,030	20,482,604	2,411,067	27,157,401
Net Book value 31 December 2026	3,957,940	63,758	15,160,445	1,695,367	20,877,509
Net Book value 31 December 2027	3,826,900	(103,402)	10,224,621	917,969	14,866,087

CAYMAN AIRWAYS LIMITED
**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**
NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
8,237,895	9,237,380	Property Plant Equipment	11,007,126	11,554,162
8,237,895	9,237,380	Total depreciation expense	11,007,126	11,554,162

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
12,042,088	15,184,088	Creditors Third party	13,411,751	11,613,798
11,246,734	4,446,734	Creditors other Statutory Agencies and Government Companies	4,959,071	5,497,024
7,828,530	8,357,378	Operating Lease	8,357,378	8,357,378
31,117,352	27,988,200	Trade payables other payables and accruals - Current	26,728,200	25,468,200
		Non-Current Trade payables other payables and accruals		
7,696,466	6,638,770	Operating Lease	6,638,770	6,638,770
1,680,000	1,680,000	Other payables	1,680,000	1,680,000
9,376,466	8,318,770	Trade payables other payables and accruals - Non-Current	8,318,770	8,318,770
40,493,818	36,306,971	Total trade payables other payables and accruals	35,046,971	33,786,971

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
12,036,628	11,887,007	Unearned transportation liability and deferred revenue	12,387,007	12,637,007
12,036,628	11,887,007	Total current portion	12,387,007	12,637,007
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
12,036,628	11,887,007	Total Unearned Revenue	12,387,007	12,637,007

NOTE 14: BORROWINGS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Local Currency Debt	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Total Local Currency Debt	-	-
		Foreign Currency Debt (state in \$CI)		
1,867,696	1,867,697	Not later than one year	1,867,697	1,867,697
1,956,054	2,071,539	Between one and two years	2,192,541	2,323,289
6,587,370	6,976,286	Between two and five years	6,213,012	4,259,054
3,508,545	1,180,936	Later than five years		
13,919,665	12,096,458	Total Foreign Currency Debt	10,273,250	8,450,041
13,919,665	12,096,458	Total Outstanding Debt	10,273,250	8,450,041

CAYMAN AIRWAYS LIMITED
**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**
NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
62,862,060	63,086,053	General Sales	66,485,444	67,369,825
4,116,428	2,017,786	Other Goods & Services Revenue	2,310,000	2,906,400
18,568,993	18,568,993	Sale of goods and services to Cabinet	18,569,000	18,569,000
85,547,481	83,672,832	Total sales of goods and services	87,364,444	88,845,225

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
62,862,060	63,086,053	Passenger and Cargo Sales	66,485,444	67,369,825
62,862,060	63,086,053	Total General Sales	66,485,444	67,369,825

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,116,428	2,017,786	Other Revenue	2,310,000	2,906,400
4,116,428	2,017,786	Total Other Goods & Services Revenue	2,310,000	2,906,400

		Sales of Outputs to Cabinet		
18,568,993	18,568,993	Sales of Outputs to Cabinet	18,569,000	18,569,000
18,568,993	18,568,993	Total Sales of Outputs to Cabinet	18,569,000	18,569,000
		<i>Other Interdepartmental Revenue</i>		
-	-	Total Other Interdepartmental Revenue	-	-
85,547,481	83,672,832	Total Goods and Services	87,364,444	88,845,225

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
27,030,851	27,922,436	Salaries, wages and allowances	28,023,610	27,846,887
1,982,993	2,080,408	Health care other	2,087,330	2,128,910
2,191,934	2,249,035	Pension	2,367,149	2,359,474
3,122,772	2,539,750	Other personnel related costs	2,179,065	2,182,051
34,328,549	34,791,629	Total Personnel Costs	34,657,155	34,517,322

CAYMAN AIRWAYS LIMITED
**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**
NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
50,502,503	45,396,988	Supplies and Materials	46,115,968	47,101,480
340,256	282,695	Utilities	338,369	338,377
1,427,032	1,415,222	General Insurance	1,428,560	1,435,508
7,229,600	7,450,756	Other	8,474,750	8,521,907
59,499,391	54,545,660	Total Supplies & consumables	56,357,647	57,397,271

NOTE 22: FINANCE COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,413,155	1,666,922	Interest on borrowings	1,612,800	1,612,800
1,413,155	1,666,922	Total Finance cost	1,612,800	1,612,800

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(17,931,510)	(16,568,759)	Surplus/(deficit) from ordinary activities	(16,270,284)	(16,236,331)
		Non-cash movements		
8,237,895	9,237,380	Depreciation & Amortisation	11,007,126	11,554,162
		Changes in current assets and liabilities:		
-	485,865	(Increase)/decrease in other current assets - Other	(203,016)	(99,684)
-	1,271,908	(Increase)/(decrease) in current liabilities - Other	(759,999)	(1,010,001)
(9,693,615)	(5,573,607)	Net cash flows from operating activities	(6,226,173)	(5,791,853)

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CAYMAN ISLANDS AIRPORTS AUTHORITY

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
 2. Nature and Scope of Activities
 3. Strategic Goals and Objectives
 4. Ownership Performance Targets
 5. Summarised Forecast Financial Statements
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- Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Airports Authority (CIAA) have agreed CIAA will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the CIAA is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Airports Authority was established by the Airports Authority Act, 2004 as a statutory authority on July 1, 2004. The CIAA has been charged with the task of providing a safe environment for the movement of passengers and aircrafts while facilitating the highest level of customer service experience.

SCOPE OF ACTIVITIES

The CIAA was created with the responsibility for constructing, controlling, and managing airports; providing and maintaining runways, taxiways and terminals for the efficient operation of airports; providing facilities for customs and immigration services; health and security checks; and for incidental and connected purposes.

CUSTOMERS AND LOCATION OF ACTIVITIES

The CIAA currently owns and manages two international airports, Owen Robert International Airport (ORIA) and Charles Kirkconnell International Airport (CKIA) located in Cayman Brac. The CIAA provides services to local and international airlines, local and international charter aircraft, private aircraft, local businesses, government departments, and the travelling public.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for CIAA for the 2026 and 2027 financial years are as follows:

IMPROVE THE QUALITY OF LIFE FOR CAYMANIANS

- Prioritize staff welfare
- Ensure world-class passenger experience
- Optimize infrastructure and space
- Heighten safety and security

ENHANCE OUR COMPETITIVENESS WHILE MEETING INTERNATIONAL STANDARDS

- Ensure world-class passenger experience
- Heighten safety and security
- Ensure regulatory compliance
- Improve operational efficiency
- Commit to technology advancement

FUTURE PROOFING TO INCREASE RESILIENCY

- Heighten safety and security
- Commit to technology advancement
- Optimize infrastructure and space

MODERNISE GOVERNMENT TO IMPROVE PUBLIC SECTOR PERFORMANCE

- Increase stakeholder engagement
- Commit to technology advancement
- Improve operational efficiency

PROTECT AND PROMOTE CAYMANIAN CULTURE, HERITAGE, AND IDENTITY

- Foster a culture that has Caymanian value, people-focused, innovative, and integrity

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for CIAA for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	66,201	71,806	57,148
OPERATING EXPENSES	46,568	50,066	40,357
OPERATING SURPLUS/DEFICIT	19,633	21,740	16,791
NET WORTH	199,491	221,232	179,858
CASH FLOWS FROM OPERATING ACTIVITIES	18,500	32,874	20,693
CASH FLOWS FROM INVESTING ACTIVITIES	(19,400)	(19,541)	(11,174)
CASH FLOWS FROM FINANCING ACTIVITIES	(3,333)	(3,333)	(3,333)
CHANGE IN CASH BALANCES	(4,233)	10,000	6,186

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	10.61:1	8.76:1	10.53:1
TOTAL ASSETS: TOTAL LIABILITIES	3.49:1	3.82:1	3.15:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	298	320	252
STAFF TURNOVER (%)	8%	6%	6%
MANAGERS	12%	11%	9%
PROFESSIONAL AND TECHNICAL STAFF	9%	8%	6%
CLERICAL AND LABOURER STAFF	6%	5%	4%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	13yrs	14 yrs	11yrs
PROFESSIONAL AND TECHNICAL STAFF	12yrs	11ys	10yrs
CLERICAL AND LABOURER STAFF	13yrs	14yrs	12yrs
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	No	No	Yes

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	218,115	234,828	201,873
ASSET REPLACEMENTS: TOTAL ASSETS	80%	80%	80%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	80%	80%	80%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	none	none	none

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
Air Traffic Management System and Infrastructure Upgrade	7,470	3,735	1,982
CKIA Runway Strip Widening and Realignment of Road	960	281	-
CUPPS Replacement and construction	3,000	2,000	-
Long term parking lot (repaving)	872	-	138
New partner/staff car park East	3,000	-	-
Replace MEVA comms system	1,030	-	-
Build maintenance warehouses	673	-	-
Replace car park revenue system	1,075	1,075	150
Second floor departure hall fit out	2,261	-	178
ORIA concrete stands	776	776	-
Replace AWOS	1,585	-	-
CKIA repairs and runway end turn bay pads	750	750	-
Upgrade passenger screening	538	-	1,740
ORIA Runway and Taxiway Extension	1,107	138	-
Upgrade of ORIA and CKIA Terminal Facilities	640	640	3,300
ORIA General Aviation New Apron and Facilities Upgrade	24,000	16,000	-
Multi-story car park	1,250	23,750	-
Jetways	20,400	163,200	-
TOTAL	71,388	212,346	7,488
Air Traffic Management System and Infrastructure Upgrade	7,470	3,735	1,982
CKIA Runway Strip Widening and Realignment of Road	960	281	-
CUPPS Replacement and construction	3,000	2,000	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Tourism Related Risks	Risk profile increased due to potential changes in travel market and changes in changes in consumer behaviour. Global outlook favourable to market return however market volatile due to effect of pandemic.	• Greater partnership with DOT and tourism related entities • Forward planning and increased development of nonaeronautical revenues • New Routes • Spend management and fiscal discipline	=/- \$4,000,000
Natural disasters	No change	Insurance and business process	=/- \$2,000,000
Terrorism	Increase in germ and or biological war fare however likelihood is still considered low for the region	• Increased security screening and vigilance. • Manage profile to limit exposure • Security Aware Training • Business process	=/- \$2,000,000
Health-related incidents	Occurrence of pandemics and epidemics	• Close collaboration with health ministry and other airports • Business continuity plan in place	=/- \$40,000,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for CIAA is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	66,201	71,806	57,148
OPERATING EXPENSES	46,568	50,066	40,357
NET SURPLUS/(DEFICIT)	19,633	21,740	16,791

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	279,652	299,659	263,395
LIABILITIES	80,160	78,427	83,536
NET WORTH	199,491	221,232	179,858

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	18,500	32,874	20,693
CASH FLOWS FROM INVESTING ACTIVITIES	(19,400)	(19,541)	(11,174)
CASH FLOWS FROM FINANCING ACTIVITIES	(3,333)	(3,333)	(3,333)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
EQUITY INVESTMENTS INTO CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁷	-	-
REMUNERATION⁸ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	114	114
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,400	1,400

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	8	8

⁷ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

⁸ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Airports Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Airports Authority will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Johany Ebanks, MP

Minister for Planning, Lands, Agriculture, Housing and Infrastructure

On behalf of Cabinet



Chairman of the Board

Cayman Islands Airports Authority

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the CIAA for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands Airports Authority

31 December 2025

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CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE FINANCIAL YEARS ENDING 31 December 2026 AND 31 DECEMBER 2027

1. Background Information

The Cayman Islands Airports Authority (“the Authority”) is a statutory body established on June 14, 2004 under The Airports Authority Act (2005 Revision) and began operations on July 1, 2004. The registered office of the Authority is 298 Owen Roberts Drive, P.O. Box 10098 APO, KY1-1001, Grand Cayman, Cayman Islands. The Authority had 180 employees as of 31 December 2022.

The Authority is principally engaged in the general management and operation of airports, air traffic, and navigation within the Cayman Islands as set out in the aforementioned act. The Authority currently operates two (2) airports, one on Grand Cayman and the other on Cayman Brac. In addition, the Cayman Brac Office oversees an airfield on Little Cayman.

The operations of the Authority are regulated by the Civil Aviation Authority (“CAA”) of the Cayman Islands.

2. Significant Accounting Policies

The significant accounting policies adopted by the Authority in these financial statements are as follows:

a) Basis of accounting

The financial statements of the Authority are prepared on an accrual basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board except for: (1) the revaluation of land and buildings [see (b) below] and (2) unfunded past service obligation [see (11) below].

The reporting currency is Cayman Islands Dollars and figures presented have been rounded to the nearest dollar.

The accounting policies are consistent with those used in the previous year.

b) Property, plant, equipment, and intangible assets

Depreciation on revalued buildings is charged to the Statement of Comprehensive Income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE FINANCIAL YEARS ENDING 31 December 2026 AND 31 DECEMBER 2027

2. Significant Accounting Policies (continued)

b) Property, plant, equipment, and intangible assets (continued)

Properties under construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Authority's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant, and equipment are depreciated on the straight-line basis over the estimated useful lives. The estimated useful lives of the other assets are as follows:

Computer Equipment	4 Years
Furniture and Fixtures	3-12 years
Motor Vehicles	4-12 Years
Equipment	5-20 Years
Building Improvements	10-30 Years
Building, Runways, Aprons and Car Parks	5-30 Years

Intangible assets

Intangible assets substantially include the value of computer software.

Intangible assets with finite lives are amortized over the useful economic life. Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual value over their estimated useful lives:

Computer Software	4 Years

(i) Additions

The cost of an item of property, plant, equipment and intangible asset is recognized as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Work in progress is recognized at cost less impairment and is not depreciated.

(ii) Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Income.

CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant Accounting Policies (continued)

c) Property, plant, equipment, and intangible assets (continued)

(iii) Impairment

The carrying amount of the Authority's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each Statement of Financial Position date. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

d) Use of estimates and judgements

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year of the revision and future years, where applicable.

e) Cash and cash equivalents

Cash and cash equivalents include cash on demand and all term deposits with an original maturity date of three months or less.

f) Revenue recognition

The Authority recognizes revenues in the period in which they are earned. For example, taxes, rent and aircraft handling revenues are recognized when the related service is provided.

g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant Accounting Policies (continued)

h) Financial instruments

(i) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets comprise of cash and cash equivalents, term deposits, accounts receivables and other receivables. The classification of financial instruments at initial recognition depends on the purpose and management's intention when the asset was acquired.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise accounts payable and accrued expenses, unfunded pension obligation, loans payable and provisions.

(ii) Recognition

The Authority recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the Statement of Comprehensive Income.

A. Cash and cash equivalents

For the purposes of the statement of cash flows, the Authority considers cash on hand and in banks to be cash and cash equivalents, as well as fixed deposits with original maturities of three months or less. Bank accounts held at the same institution are presented at net amounts.

B. Accounts receivable

A non-derivative financial asset with fixed or determinable payments and not quoted in an active market is classified as accounts receivable.

C. Accounts payable and accrued expenses

Accounts payable and accrued expenses will be classified as financial liability and are measured at fair value when goods or services have been received or invoiced, with any adjustments to the carrying amount going through the Statement of Comprehensive Income.

(iii) Measurement

Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are carried at historical cost which is considered approximate to fair value due to short term or immediate nature of these instruments.

CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant Accounting Policies (continued)

h) Financial instruments (continued)

(iii) Measurement (continued)

Financial liabilities are subsequently measured at amortized cost, being the amount at which the liability was initially recognized less any principal repayments plus any amortization (accrued interest) of the difference between that initial amount and the maturity amount.

(iv) De-recognition

A financial asset is derecognised when the Authority realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

i) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the reporting date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates ruling at the time of those transactions. Gains and losses on exchange are credited or charged in the Statement of Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Cayman Islands dollars at the foreign currency exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the foreign exchange rates ruling at the dates that the values were determined.

j) Allowance for bad debts

The allowance for bad debts is established through a provision for bad debts charged to expenses. Accounts receivable are written off against the allowance when management believes that the collectability of the account is unlikely. The allowance is the amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant Accounting Policies (continued)

k) Employee benefits

The Authority's active employees receive free medical benefits while their dependants receive medical benefits in accordance with the Authority's policy for dependent beneficiaries.

The Authority provides post-employment benefits through defined benefit and defined contribution plan based on the Act and the individual employee's contractual entitlements.

Defined benefit plan

The Authority's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount, and deducting the fair value of plan assets. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees, and mortality rates. When the calculation results in a net benefit asset, the recognised assets are limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (loss). The net interest expense on the net defined benefit liability for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

The discount rate used to value the defined benefit obligation is based on a combination of high-quality corporate bonds, in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations and the long-term rate of return of plan assets.

Defined contribution plan

The Authority's obligations for contributions to employee defined contribution pension plans are recognized in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

CAYMAN ISLANDS AIRPORTS AUTHORITY
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
42,047,114	48,233,070	Cash and cash equivalents	1	44,000,000	54,000,000
-	-	Marketable securities and deposits		-	-
13,473,764	12,938,561	Trade receivables	2	17,184,081	10,465,288
243,046	240,000	Other receivables	2	243,000	245,000
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
133,397	109,553	Prepayments	5	110,000	120,000
-	-	Loans	6	-	-
55,897,320	61,521,184	Total Current Assets		61,537,081	64,830,288
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
193,439,321	201,621,096	Property, plant and equipment	7	217,896,733	234,644,803
-	-	Right-of-use assets	9	-	-
278,528	252,361	Intangible Assets	8	217,891	183,421
193,717,850	201,873,457	Total Non-Current Assets		218,114,624	234,828,224
249,615,170	263,394,641	Total Assets		279,651,705	299,658,512
		Current Liabilities			
5,521,147	5,842,845	Trade payables	11	5,800,000	7,400,000
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
5,521,147	5,842,845	Total Current Liabilities		5,800,000	7,400,000
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
38,045,447	38,045,447	Unfunded post retirement health care	16	38,045,447	38,045,447
-	-	Currency Issued		-	-
42,981,498	39,648,174	Long Term portion of Borrowings	14	36,314,850	32,981,526
81,026,945	77,693,621	Total Non-Current Liabilities		74,360,297	71,026,973
86,548,092	83,536,466	Total Liabilities		80,160,297	78,426,973
163,067,078	179,858,175	Net Assets		199,491,408	221,231,539
		NET WORTH			
44,829,212	44,829,212	Contributed capital		44,829,212	44,829,212
278,000	278,000	Other Reserves		278,000	278,000
74,893,556	74,893,556	Revaluation reserve		74,893,556	74,893,556
43,066,310	59,857,407	Accumulated surpluses/(deficits)		79,490,640	101,230,772
163,067,078	179,858,175	Total Net Worth		199,491,408	221,231,539

CAYMAN ISLANDS AIRPORTS AUTHORITY

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
49,581,184	56,709,826	Sale of goods and services	17	65,870,875	71,365,915
334,260	438,408	Investment revenue	18	330,000	440,000
-	-	Donations	19	-	-
2,152	-	Other revenue		-	-
49,917,596	57,148,234	Total Revenue		66,200,875	71,805,915
		Expenses			
20,254,632	21,961,513	Personnel costs	20	26,256,338	29,660,213
12,817,820	15,368,977	Supplies and consumables	21	17,152,471	17,578,570
4,421,867	3,026,647	Depreciation and Amortisation	10	3,158,833	2,827,000
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
73,608	-	Other Operating expenses		-	-
37,567,927	40,357,137	Total Expenses		46,567,642	50,065,783
12,349,669	16,791,097	Surplus or (Deficit) for the period		19,633,233	21,740,132

CAYMAN ISLANDS AIRPORTS AUTHORITY
FORECAST STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
-	-	- Sale of goods and services to Cabinet		-	-
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
49,581,184	56,709,826	Sale of goods and services - third party		65,870,875	71,365,915
-	-	- Interest received		-	-
-	-	- Donations / Grants		-	-
336,412	1,313,906	Other receipts		330,000	8,746,802
-	-	<i>Payments</i>		-	-
(20,254,632)	(21,961,513)	- Personnel costs		(26,256,338)	(29,660,213)
-	-	- Supplies and consumables - Ministries/Portfolios		-	-
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
(12,817,820)	(15,368,977)	Supplies and consumables - third party		(17,152,471)	(17,578,570)
-	-	- Interest paid		-	-
(73,608)	-	- Other payments		(4,291,803)	-
16,771,536	20,693,242	Net cash flows from operating activities	25	18,500,263	32,873,934
		CASH FLOWS FROM INVESTING ACTIVITIES			
(3,004,936)	(11,173,952)	Purchase of property, plant and equipment		(19,400,000)	(19,540,600)
-	-	- Proceeds from sale of property, plant and equipment		-	-
-	-	- Purchase of investments		-	-
-	-	- Proceeds from sale of investments		-	-
(3,004,936)	(11,173,952)	Net cash flows from investing activities		(19,400,000)	(19,540,600)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	- Equity Investment from Cabinet		-	-
-	-	- Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	- Borrowings		-	-
(3,333,333)	(3,333,333)	Repayment of Borrowings		(3,333,333)	(3,333,333)
-	-	- Currency Issues		-	-
(3,333,333)	(3,333,333)	Net cash flows from financing activities		(3,333,333)	(3,333,333)
10,433,267	6,185,957	Net increase/(decrease) in cash and cash equivalents		(4,233,070)	10,000,000
31,613,847	42,047,114	Cash and cash equivalents at beginning of period		48,233,070	44,000,000
42,047,114	48,233,070	Cash and cash equivalents at end of period		44,000,000	54,000,000

CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	44,829,212	278,000	74,893,556	30,716,641	150,717,409
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	44,829,212	278,000	74,893,556	30,716,641	150,717,409
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	12,349,669	12,349,669
Total recognised revenues and expenses for the period	-	-	-	12,349,669	12,349,669
Balance at 31 December 2024	44,829,212	278,000	74,893,556	43,066,310	163,067,078
Balance at 31 December 2024 brought forward	44,829,212	278,000	74,893,556	43,066,310	163,067,078
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	44,829,212	278,000	74,893,556	43,066,310	163,067,078
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	16,791,097	16,791,097
Total recognised revenues and expenses for the period	-	-	-	16,791,097	16,791,097
Balance at 31 December 2025 carried forward	44,829,212	278,000	74,893,556	59,857,407	179,858,175

CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	44,829,212	278,000	74,893,556	59,857,407	179,858,175
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	44,829,212	278,000	74,893,556	59,857,407	179,858,175
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	19,633,233	19,633,233
Total recognised revenues and expenses for the period	-	-	-	19,633,233	19,633,233
Balance at 31 December 2026 carried forward	44,829,212	278,000	74,893,556	79,490,640	199,491,408
Balance at 31 December 2026 brought forward	44,829,212	278,000	74,893,556	79,490,640	199,491,408
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	44,829,212	278,000	74,893,556	79,490,640	199,491,408
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027	-	-	-	21,740,132	21,740,132
Total recognised revenues and expenses for the period	-	-	-	21,740,132	21,740,132
Balance at 31 December 2027	44,829,212	278,000	74,893,556	101,230,772	221,231,539

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
31,646,162	42,852,636	CI\$ Account	44,000,000	54,000,000
10,400,952	5,380,434	Short-Term Fixed Deposits	-	-
42,047,114	48,233,070	TOTAL	44,000,000	54,000,000

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
13,473,764	12,938,561	Sale of goods and services - third party	17,184,081	10,465,288
-	-	Less: provision for doubtful debts	-	-
13,473,764	12,938,561	Total trade receivables	17,184,081	10,465,288

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
13,473,764	12,938,561	Past due 1-30 days	17,184,081	10,465,288
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
13,473,764	12,938,561	Total	17,184,081	10,465,288

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
243,046	240,000	Other	243,000	245,000
-	-	Less: provision for doubtful debts	-	-
243,046	240,000	Total other receivables	243,000	245,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
243,046	240,000	Past due 1-30 days	243,000	245,000
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
243,046	240,000	Total	243,000	245,000

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
133,397	109,553		110,000	120,000
133,397	109,553	Prepayments - Current	110,000	120,000
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
133,397	109,553	Total Prepayments	110,000	120,000

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	63,960,000	67,523,735	70,645,964	974,954	973,119	11,630,040	680,517	216,388,329
Additions	-	-	-	4,588	212,134	-	2,788,214	3,004,936
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	63,960,000	67,523,735	70,645,964	979,542	1,185,253	11,630,040	3,468,731	219,393,265

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	63,960,000	67,523,735	70,645,964	979,542	1,185,253	11,630,040	3,468,731	219,393,265
Additions	-	2,000,000	3,000,000	173,952	-	4,000,000	2,000,000	11,173,952
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	63,960,000	69,523,735	73,645,964	1,153,494	1,185,253	15,630,040	5,468,731	230,567,217

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	63,960,000	69,523,735	73,645,964	1,153,494	1,185,253	15,630,040	5,468,731	230,567,217
Additions	-	6,870,000	7,000,000	30,000	500,000	3,000,000	2,000,000	19,400,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	63,960,000	76,393,735	80,645,964	1,183,494	1,685,253	18,630,040	7,468,731	249,967,217

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	63,960,000	76,393,735	80,645,964	1,183,494	1,685,253	18,630,040	7,468,731	249,967,217
Additions	-	8,000,000	5,000,000	20,000	-	4,665,600	1,855,000	19,540,600
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	63,960,000	84,393,735	85,645,964	1,203,494	1,685,253	23,295,640	9,323,731	269,507,817

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	-	9,103,669	4,469,949	551,708	781,104	6,660,117	-	21,566,547
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	730,471	2,957,713	137,516	44,724	516,973	-	4,387,397
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	9,834,140	7,427,662	689,224	825,828	7,177,090	-	25,953,944

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	-	9,834,140	7,427,662	689,224	825,828	7,177,090	-	25,953,944
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	630,471	1,659,655	137,516	47,562	516,973	-	2,992,177
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	10,464,611	9,087,317	826,740	873,390	7,694,063	-	28,946,121

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	-	10,464,611	9,087,317	826,740	873,390	7,694,063	-	28,946,121
Transfers	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	430,471	2,017,341	117,516	47,562	511,473	-	3,124,363
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	10,895,082	11,104,658	944,256	920,952	8,205,536	-	32,070,484

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	-	10,895,082	11,104,658	944,256	920,952	8,205,536	-	32,070,484
Transfers	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	430,471	1,785,040	45,286	47,562	484,171	-	2,792,530
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	11,325,553	12,889,698	989,542	968,514	8,689,707	-	34,863,014

Net Book value 31 December 2024	63,960,000	57,689,595	63,218,302	290,318	359,425	4,452,950	3,468,731	193,439,321
Net Book value 31 December 2025	63,960,000	59,059,124	64,558,647	326,754	311,863	7,935,977	5,468,731	201,621,096
Net Book value 31 December 2026	63,960,000	65,498,653	69,541,306	239,238	764,301	10,424,504	7,468,731	217,896,733
Net Book value 31 December 2027	63,960,000	73,068,182	72,756,266	213,952	716,739	14,605,933	9,323,731	234,644,803

CAYMAN ISLANDS AIRPORTS AUTHORITY

**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	2,985,158	2,985,158
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	2,985,158	2,985,158

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	2,985,158	2,985,158
Additions	8,303	8,303
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	2,993,461	2,993,461

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	2,993,461	2,993,461
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	2,993,461	2,993,461

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	2,993,461	2,993,461
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	2,993,461	2,993,461

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	2,672,160	2,672,160
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	34,470	34,470
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	2,706,630	2,706,630

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	2,706,630	2,706,630
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	34,470	34,470
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	2,741,100	2,741,100

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	2,741,100	2,741,100
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	34,470	34,470
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	2,775,570	2,775,570

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	2,775,570	2,775,570
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	34,470	34,470
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	2,810,040	2,810,040

Net Book value 31 December 2024	278,528	278,528

Net Book value 31 December 2025	252,361	252,361

Net Book value 31 December 2026	217,891	217,891

Net Book value 31 December 2027	183,421	183,421

CAYMAN ISLANDS AIRPORTS AUTHORITY

**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,387,397	2,992,177	Property Plant Equipment	3,124,363	2,792,530
34,470	34,470	Intangible Assets	34,470	34,470
4,421,867	3,026,647	Total depreciation expense	3,158,833	2,827,000

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
5,521,147	5,842,845	Creditors Third party	5,800,000	7,400,000
		Dividends/Surplus Payable		
5,521,147	5,842,845	Trade payables other payables and accruals - Current	5,800,000	7,400,000
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
5,521,147	5,842,845	Total trade payables other payables and accruals	5,800,000	7,400,000

NOTE 14: BORROWINGS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Local Currency Debt	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Not later than one year	-	-
-	-	Between one and two years	-	-
-	-	Between two and five years	-	-
42,981,498	39,648,174	Later than five Years	36,314,850	32,981,526
42,981,498	39,648,174	Total Local Currency Debt	36,314,850	32,981,526
		Foreign Currency Debt (state in \$CI)		
-	-	Not later than one year	-	-
-	-	Between one and two years	-	-
-	-	Between two and five years	-	-
-	-	Later than five years	-	-
-	-	Total Foreign Currency Debt	-	-
42,981,498	39,648,174	Total Outstanding Debt	36,314,850	32,981,526

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(38,045,447)	(38,045,447)	Defined benefit liability- post retirement healthcare	(38,045,447)	(38,045,447)
(38,045,447)	(38,045,447)	Total Unfunded Health Care Liability	(38,045,447)	(38,045,447)

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
49,581,184	56,709,826	Fees and Charges	65,870,875	71,365,915
49,581,184	56,709,826	Total sales of goods and services	65,870,875	71,365,915

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,378,975	3,671,735	Aircraft Movements	9,922,126	13,283,262
38,301,039	44,865,144	Passenger Movement	48,865,653	50,793,826
7,555,968	7,949,357	Non-aeronautical revenue	6,728,096	6,928,827
345,202	223,590	Non-operating revenue	355,000	360,000
49,581,184	56,709,826	Total Fees & Charges	65,870,875	71,365,915
49,581,184	56,709,826	Total Goods and Services	65,870,875	71,365,915

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
334,260	438,408	Interest on deposits	330,000	440,000
334,260	438,408	Total Investment revenue	330,000	440,000

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
17,420,350	18,875,804	Salaries, wages and allowances	23,106,338	26,450,213
1,976,690	2,189,800	Health care other	2,250,000	2,300,000
857,592	895,909	Pension	900,000	910,000
20,254,632	21,961,513	Total Personnel Costs	26,256,338	29,660,213

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
9,893,415	11,443,471	Supplies and Materials	14,250,782	14,594,510
2,078,932	2,815,700	Utilities	2,076,192	2,158,563
845,473	1,109,806	General Insurance	825,497	825,497
12,817,820	15,368,977	Total Supplies & consumables	17,152,471	17,578,570

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
12,349,669	16,791,097	Surplus/(deficit) from ordinary activities	19,633,233	21,740,132
		Non-cash movements		
4,421,867	3,026,647	Depreciation & Amortisation	3,158,833	2,827,000
-	535,203	(Increase)/decrease in other current assets - Other	(3,043,120)	5,018,793
-	340,295	(Increase)/(decrease) in current liabilities - Other	(1,248,683)	3,288,009
16,771,536	20,693,242	Net cash flows from operating activities	18,500,263	32,873,934

NOTE 27: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
Capital Commitments					
Property, plant and equipment	1,200,000	-	-	1,200,000	1,200,000
Other fixed assets	-	-	-	-	-
Other commitments (list separately if material)	-	-	-	-	-
Total Capital Commitments	1,200,000	-	-	1,200,000	1,200,000
Operating Commitments					
Non-cancellable accommodation leases	-	-	-	-	-
Other non-cancellable leases	-	-	-	-	-
Non-cancellable contracts for the supply of goods and services	2,040,000	6,040,000	-	8,080,000	8,080,000
Other operating commitments	-	-	-	-	-
Total Operating Commitments	2,040,000	6,040,000	-	8,080,000	8,080,000
Total Commitments	3,240,000	6,040,000	-	9,280,000	9,280,000

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,343,075	1,388,652	Salaries & other short-term employee benefits	1,388,652	1,458,085
1,343,075	1,388,652	Total	1,388,652	1,458,085

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
 2. Nature and Scope of Activities
 3. Strategic Goals and Objectives
 4. Ownership Performance Targets
 5. Summarised Forecast Financial Statements
 6. Other Financial Information
- Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Attractions Authority have agreed the Cayman Islands National Attractions Authority will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Islands National Attractions Authority is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The activities of the Cayman Islands National Attractions Authority involve the oversight management and maintenance of tourist attractions which fall under its control. The Cayman Islands National Attractions Authority discharges its statutory obligations through its administrative office, which oversees the implementation of policies, and provides management assistance, including strategic marketing guidance and accounting expertise, to the staff of the attractions.

SCOPE OF ACTIVITIES

The scope of the Cayman Islands National Attractions Authority activities is as follows:

ADMINISTRATIVE OFFICE – Development and implementation of marketing strategies; personnel recruitment and management; general accounting, including the preparation of budgets and financial statements; property insurance management; the development of policies to address the strategic and operational issues affecting the sites; and the provision of secretarial services for the Board.

QUEEN ELIZABETH II BOTANIC PARK – Operational management for the display and maintenance of the Floral Colour Garden, Heritage Garden, Orchid Garden, Xerophytic Garden, Palm Walk, and the Children’s Garden; maintenance of nature trail; plant sales and maintenance; educational seminars; operation of a gift shop; and the promotion and rental of the site for special events.

PEDRO SAINT JAMES – Operational management and custody of a historic site; operation of a gift shop and the theatre audio-visual show; manage lease for the operation of an on-site restaurant; promote rental of the site for special events; generate revenue from onsite activities.

CAYMAN CRAFT MARKET – Organize and manage the activities of artists and vendors; maintenance of site and equipment; promotion of Caymanian arts and craft.

HELL GEOLOGICAL SITE – Preservation of natural resources; maintenance of buildings and site; collection of monthly rental fees.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers come from three markets – residents, stay-over tourists, and cruise ship passengers.

The services provided by the Cayman Islands National Attractions Authority are supplied through its attractions located at Pedro St. James, Savannah; the Queen Elizabeth II Botanic Park, Frank Sound Rd, North Side; the Cayman Craft Market, George Town, and the Hell Geological Site in West Bay. The Administrative Office of the Cayman Islands National Attractions Authority is located at the Pedro St. James site in Savannah.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands National Attractions Authority for the 2026 and 2027 financial years are as follows:

- To increase attendance at the attractions by redeveloping and maintaining a compelling offer for all visitors.
- To ensure the sustainability of the attractions as essential tourism products in the Cayman Islands.
- To preserve and further enhance the physical environment of the attractions.
- To enrich the visitor experience through education, improved signage, accessibility, and technological enhancements.
- To maintain existing partnerships aimed at cross-promotion of government owned tourist attractions, and develop new partnerships with private and public-sector tourist attractions.
- To enhance the brand and visual presence of the attractions.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Attractions Authority for the 2026 and 2027 financial years are as follows:

FINANCIAL PERFORMANCE MEASURE	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	2,300	2,300	1,980
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	2,000	2,194	1,871
OPERATING EXPENSES	4,347	4,427	4,272
OTHER EXPENSES	-	-	-
NET SURPLUS/DEFICIT	(46)	66	(422)
TOTAL ASSETS	12,184	12,260	12,252
TOTAL LIABILITIES	(313)	(322)	(334)
NET WORTH	11,871	11,937	11,917
CASH FLOWS FROM OPERATING ACTIVITIES	358	476	49
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(1,534)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	358	476	(1,485)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	6.21:1	7.79:1	4.59:1
TOTAL ASSETS: TOTAL LIABILITIES	38.88:1	38.08:1	36.66:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	46	48	40
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	13	14	12
CLERICAL AND LABOURER STAFF	13	10	7
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	20	24	21

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	12,184	12,260	12,252
ASSET REPLACEMENTS: TOTAL ASSETS	0%	0%	0%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	81%	80%	84%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	53%	65%	31%
CHANGES TO ASSET MANAGEMENT POLICIES	None Planned	None Planned	None planned

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
CINAA ADMINISTRATIVE BUILDING	-	-	-
PEDRO ST. JAMES LAND PURCHASE	-	-	1,350
TOTAL	-	-	1,350

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
<i>Queen Elizabeth II Botanic Park:</i> Public Liability Natural Disasters	None None	Insurance Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Unknown Cost of debris removal plus insurance deductible.
<i>Pedro St. James Castle:</i> Property Loss Due to Hurricanes or other Natural Disasters	None	Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Cost of debris removal plus insurance deductible.
<i>Craft Market:</i> Public Liability Natural Disasters	None None	Insurance Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Unknown Cost of debris removal plus insurance deductible
<i>Cayman Islands National Attractions Authority:</i> Property Loss Due to Hurricanes or other Natural Disasters	None	Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place	Cost of debris removal plus insurance deductible

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands National Attractions Authority is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	4,300	4,494	3,851
OPERATING EXPENSES	(4,347)	(4,427)	(4,272)
NET SURPLUS/(DEFICIT)	(46)	66	(422)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	12,184	12,260	12,252
LIABILITIES	(313)	(322)	(334)
NET WORTH	11,871	11,937	11,917

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	358	476	49
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(1,534)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁹	-	-
REMUNERATION ¹⁰ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

⁹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

¹⁰ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands National Attractions Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Attractions Board will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Gary Ruttie, MP

Minister for Tourism and Trade Development

On behalf of Cabinet



Chairman of the Board

Cayman Islands National Attractions Authority

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman Islands National Attractions Authority for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board

Cayman Islands National Attractions Authority

31 December 2025

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CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENTS OF ACCOUNTING POLICIES
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

The financial statements of the Cayman Islands National Attractions Authority (CINAA) are stated in Cayman Islands Dollars. A summary of the significant accounting and reporting policies used in preparing these statements are as follows:

(a) Basis of Preparation

In compliance with the Public Management and Finance Act (2020 Revision) these financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), on an accrual basis.

The continued existence of the CINAA is contingent on the ongoing support from the Government. As management considers that this support will be ongoing and there are no indications that suggest otherwise, management considers the preparation of the financial statements under the going concern assumption to be appropriate.

The measurement is based on applied historical cost convention, adjusted for revaluations of certain assets. No account is taken of the effects of inflation.

(c) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during year. Actual results could differ from these estimates, the impact of which would be recorded in future periods.

(d) New and revised standards and interpretations that are not yet effective:

Certain new accounting standards have been published that are not mandatory for the 31 December 2022 reporting period and have not been early adopted by the CINAA. The CINAA's assessments of the impact of these new standards are set out below.

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the CINAA's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENTS OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

Anticipated that IPSAS 42 will not have an impact on the CINAA’s financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out recognition, measurement, presentation and disclosure requirements for leases. IPSAS 43 introduces a right-of-use model that replaces the risk and rewards incidental to ownership model IPSAS13. It is anticipated that IPSAS 43 will not have a significant impact on the entity’s financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 44, Non-current assets held for sale issued In January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 defines non-current assets held for sale and determines the accounting, presentation and disclosure of the discontinued operations. It is anticipated that IPSAS 44 will not have an impact on the entity’s financial statements, but this will be assessed more fully closer to the effective date of adoption.

(e) Property, Plant and Equipment

Land, Buildings and External Works are stated at revalued cost less accumulated depreciation and impairment losses, with the exception of Heritage Assets. Other categories of Property, Plant and Equipment are stated at historical cost. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance. Property, plant and equipment are depreciated using the straight-line method. The following rates estimated to write off the cost of the assets over their expected useful lives are shown below:

Buildings	1.25 - 2.0%
Multimedia, Furniture and Fixtures	12.5%
Motor Vehicles	20.0%
Start-up Costs and Computer Equipment	33.3%

The capital costs of the Great House, Period Furnishings and the Botanical Gardens have not been depreciated since these will be maintained in perpetuity. These assets are considered Heritage Assets. All future expenditures on these assets will be expensed in the year that these costs are incurred.

(f) Foreign Currency Translation

Assets and liabilities denominated in currencies other than the Cayman Islands Dollar are translated at exchange rates in effect at the date of the Statement of Financial Position. Revenue and expense

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENTS OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

Transactions denominated in currencies other than Cayman Islands Dollar are translated at exchange rates at the time of those transactions. Gains and losses on exchange are taken to the Statement of Financial Performance.

(g) Inventory

Inventory is valued at the lower of cost and net realisable value on a first-in, first-out method. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(h) Pensions and Other Post-Retirement Benefits

In accordance with the Cayman Islands National Pensions Act, the CINAA joined a defined contribution pension plan. The employer and employees have monthly contributions at a rate of 6%. The employer's contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or a reduction in the future payments is available.

A defined contribution plan is a pension plan under which the CINAA pays fixed contribution into the Public Service Pension Board of Cayman Islands. The CINAA has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(i) Borrowing Costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

(j) Revenue Recognition

Revenue comprises the fair value of the consideration, received or receivable for the sale of goods or services in the ordinary course of the CINAA's activities. Revenue is shown net of returns and discounts. Income is recognised upon delivery of goods and customer acceptance, or on the performance of services.

(k) Government Grants

Grants that compensate the CINAA for expenses incurred are recognised as revenue in the Statement of Financial Performance on a systematic basis in the same period in which the expenses are incurred.

(l) Expenses

Expenses are recognised in the accounting period in which they are incurred.

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENTS OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

(m) Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Where incentives are received under an operating lease, the expenses are recognised on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

(n) Accounts Receivables

Trade receivables are recognised initially at fair value and subsequently measured at cost less provisions for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the CINAA will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquencies in payments (more than 180 days overdue) are considered indicators that the account receivables is impaired.

(o) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents includes cash in hand and cash deposits with original maturities of three months or less. All cash and cash equivalents are held at commercial banks in the Cayman Islands.

(p) Financial assets and liabilities

Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Recognition

The CINAA recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial liabilities measured at amortised cost are recognised in the statement of financial performance.

Financial assets comprise cash and cash equivalents, short term investments and accounts receivable. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENTS OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the CINAA has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2022 and 2021, there were no assets or liabilities reported on a net basis.

Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of financial performance.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the CINAA has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled or expires.

Fair value

The fair value of financial instruments approximates their carrying value principally due to the short-term nature of such instruments.

(q) Budget amounts

The budget amounts for the financial year are presented in the 2022 and 2023 Ownership Agreement and approved by the Board and Parliament.

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
1,504,707	19,231	Cash and cash equivalents	1	377,620	853,567
1,279,200	1,289,456	Marketable securities and deposits		1,334,587	1,377,529
105,071	81,810	Trade receivables	2	84,264	83,446
15,228	16,000	Other receivables	2	16,584	66,557
74,596	68,000	Inventories	3	74,000	75,480
-	-	Investments	4	-	-
62,677	60,000	Prepayments	5	60,000	50,000
-	-	Loans	6	-	-
3,041,479	1,534,497	Total Current Assets		1,947,055	2,506,580
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
9,653,209	10,717,077	Property, plant and equipment	7	10,237,410	9,752,947
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
9,653,209	10,717,077	Total Non-Current Assets		10,237,410	9,752,947
12,694,688	12,251,574	Total Assets		12,184,465	12,259,526
		Current Liabilities			
271,791	243,833	Trade payables	11	227,667	235,904
32,577	32,400	Other payables and accruals	11	28,000	28,000
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
26,116	26,116	Unearned revenue	12	25,000	25,000
25,213	31,844	Employee entitlements	13	32,695	33,034
-	-	Current Portion of Borrowings	14	-	-
355,697	334,193	Total Current Liabilities		313,362	321,938
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
-	-	Total Non-Current Liabilities		-	-
355,697	334,193	Total Liabilities		313,362	321,938
12,338,991	11,917,381	Net Assets		11,871,103	11,937,588
		NET WORTH			
11,782,590	11,782,590	Contributed capital		11,782,590	11,782,590
-	-	Other Reserves		-	-
4,741,149	4,741,149	Revaluation reserve		4,741,149	4,741,149
(4,184,748)	(4,606,357)	Accumulated surpluses/(deficits)		(4,652,636)	(4,586,151)
12,338,991	11,917,382	Total Net Worth		11,871,103	11,937,588

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
3,629,788	3,752,658	Sale of goods and services	17	4,225,236	4,418,928
49,698	48,000	Investment revenue	18	25,000	10,000
102,911	50,000	Donations	19	50,000	65,000
-	-	Other revenue		-	-
3,782,397	3,850,658	Total Revenue		4,300,236	4,493,928
		Expenses			
1,650,250	2,122,903	Personnel costs	20	2,179,699	2,202,268
1,559,658	1,679,102	Supplies and consumables	21	1,687,148	1,740,712
400,322	470,261	Depreciation and Amortisation	10	479,667	484,463
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
3,610,230	4,272,266	Total Expenses		4,346,515	4,427,443
172,167	(421,609)	Surplus or (Deficit) for the period		(46,279)	66,484

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
1,980,000	1,980,000	Sale of goods and services to Cabinet		2,300,000	2,300,000
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
1,564,707	1,515,611	Sale of goods and services - third party		1,925,236	2,118,928
49,698	48,000	Interest received		-	-
102,911	50,000	Donations / Grants		-	-
85,081	257,047	Other receipts		-	-
-	-	<i>Payments</i>		-	-
(1,650,251)	(2,122,903)	Personnel costs		(2,179,699)	(2,202,268)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(1,559,658)	(1,679,102)	Supplies and consumables - third party		(1,687,148)	(1,740,712)
-	-	Interest paid		-	-
(104,776)	-	Other payments		-	-
467,712	48,652	Net cash flows from operating activities	25	358,388	475,947
		CASH FLOWS FROM INVESTING ACTIVITIES			
(260,267)	(1,534,129)	Purchase of property, plant and equipment		-	-
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
(260,267)	(1,534,129)	Net cash flows from investing activities		-	-
		CASH FLOWS FROM FINANCING ACTIVITIES			
45,000	-	Equity Investment from Cabinet		-	-
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
45,000	-	Net cash flows from financing activities		-	-
252,445	(1,485,477)	Net increase/(decrease) in cash and cash equivalents		358,388	475,947
1,252,263	1,504,708	Cash and cash equivalents at beginning of period		19,231	377,620
1,504,708	19,231	Cash and cash equivalents at end of period		377,620	853,567

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	11,737,590	-	4,741,149	(4,365,011)	12,113,728
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	8,096	8,096
Restated balance 31 December 2023	11,737,590	-	4,741,149	(4,356,915)	12,121,824
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	45,000	-	-	-	45,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	45,000	-	-	-	45,000
Surplus/(deficit)for the period 2024	-	-	-	172,167	172,167
Total recognised revenues and expenses for the period	45,000	-	-	172,167	217,167
Balance at 31 December 2024	11,782,590	-	4,741,149	(4,184,748)	12,338,991
Balance at 31 December 2024 brought forward	11,782,590	-	4,741,149	(4,184,748)	12,338,991
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	11,782,590	-	4,741,149	(4,184,748)	12,338,991
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	(421,609)	(421,609)
Total recognised revenues and expenses for the period	-	-	-	(421,609)	(421,609)
Balance at 31 December 2025 carried forward	11,782,590	-	4,741,149	(4,606,357)	11,917,382

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	11,782,590	-	4,741,149	(4,606,357)	11,917,382
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	11,782,590	-	4,741,149	(4,606,357)	11,917,382
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	(46,279)	(46,279)
Total recognised revenues and expenses for the period	-	-	-	(46,279)	(46,279)
Balance at 31 December 2026 carried forward	11,782,590	-	4,741,149	(4,652,636)	11,871,103
Balance at 31 December 2026 brought forward	11,782,590	-	4,741,149	(4,652,636)	11,871,103
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	11,782,590	-	4,741,149	(4,652,636)	11,871,103
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027	-	-	-	66,484	66,484
Total recognised revenues and expenses for the period	-	-	-	66,484	66,484
Balance at 31 December 2027	11,782,590	-	4,741,149	(4,586,151)	11,937,588

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,610	4,700	Cash on hand	4,700	3,500
345,107	14,531	CI\$ Account	372,920	740,000
1,154,990	-	US\$ Account	-	110,067
1,504,707	19,231	TOTAL	377,620	853,567

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
143,261	120,000	Other	123,600	122,400
(38,190)	(38,190)	Less: provision for doubtful debts (Enter -ve number)	(39,336)	(38,954)
105,071	81,810	Total trade receivables	84,264	83,446

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
105,071	81,810	Past due 1-30 days	84,264	83,446
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
105,071	81,810	Total	84,264	83,446

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
15,228	16,000	Interest receivable	16,584	17,164
-	-	Other	-	49,393
-	-	Less: provision for doubtful debts	-	-
15,228	16,000	Total other receivables	16,584	66,557

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
15,228	16,000	Past due 1-30 days	16,584	66,557
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
		Non-Current		
-	-	Past due 1 year and above	-	-
15,228	16,000	Total	16,584	66,557

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(38,190)	(38,190)	Balance at beginning of period	(38,190)	(39,336)
-	-	Additional provisions made during the year	(1,146)	-
-	-	Receivables written off during the period	-	382
(38,190)	(38,190)	Balance at 31st December	(39,336)	(38,954)

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
74,596	68,000	Inventory held for use in the provision of goods and services	74,000	75,480
74,596	68,000	INVENTORIES - Current	74,000	75,480
-	-	INVENTORIES - Non-Current	-	-
74,596	68,000	TOTAL INVENTORIES	74,000	75,480

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
62,677	60,000		60,000	50,000
62,677	60,000	Prepayments - Current	60,000	50,000
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
62,677	60,000	Total Prepayments	60,000	50,000

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	3,100,000	7,367,611	941,637	121,238	201,652	11,732,138
Additions	-	175,778	39,789	-	44,700	260,267
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	(233,677)	(31,219)	(55,873)	(320,769)
Balance as at 31 December 2024	3,100,000	7,543,389	747,749	90,019	190,479	11,671,636

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	3,100,000	7,543,389	747,749	90,019	190,479	11,671,636
Additions	1,350,000	131,737	31,377	17,715	3,300	1,534,129
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	4,450,000	7,675,126	779,126	107,734	193,779	13,205,765

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	4,450,000	7,675,126	779,126	107,734	193,779	13,205,765
Additions	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2026	4,450,000	7,675,126	779,126	107,734	193,779	13,205,765

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	4,450,000	7,675,126	779,126	107,734	193,779	13,205,765
Additions	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2027	4,450,000	7,675,126	779,126	107,734	193,779	13,205,765

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	-	985,619	670,301	111,388	171,566	1,938,874
Transfers	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2024	-	335,799	47,176	5,380	11,967	400,322
Eliminate on Disposal or Derecognition 2024	-	-	(233,677)	(31,219)	(55,873)	(320,769)
Balance as at 31 December 2024	-	1,321,418	483,800	85,549	127,660	2,018,427

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	-	1,321,418	483,800	85,549	127,660	2,018,427
Transfers	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2025	-	390,799	64,714	4,470	10,278	470,261
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-
Balance as at 31 December 2025	-	1,712,217	548,514	90,019	137,938	2,488,688

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	-	1,712,217	548,514	90,019	137,938	2,488,688
Transfers	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-
Depreciation Expense 2026	-	398,616	66,008	4,559	10,484	479,667
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-
Balance as at 31 December 2026	-	2,110,833	614,522	94,578	148,422	2,968,355

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	-	2,110,833	614,522	94,578	148,422	2,968,355
Transfers	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-
Depreciation Expense 2027	-	402,601	66,668	4,605	10,588	484,463
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-
Balance as at 31 December 2027	-	2,513,434	681,191	99,183	159,010	3,452,818

Net Book value 31 December 2024	3,100,000	6,221,971	263,949	4,470	62,819	9,653,209

Net Book value 31 December 2025	4,450,000	5,962,909	230,612	17,715	55,841	10,717,077

Net Book value 31 December 2026	4,450,000	5,564,293	164,604	13,156	45,357	10,237,410

Net Book value 31 December 2027	4,450,000	5,161,692	97,935	8,551	34,769	9,752,947

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
400,322	470,261	Property Plant Equipment	479,667	484,463
400,322	470,261	Total depreciation expense	479,667	484,463

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
216,791	100,000	Creditors Third party	123,000	133,000
55,000	143,833	Creditors other Statutory Agencies and Government Companies	104,667	102,904
14,440	14,400	Payroll Deductions	10,000	10,000
18,137	18,000	Other payables	18,000	18,000
304,368	276,233	Trade payables other payables and accruals - Current	255,667	263,904
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
304,368	276,233	Total trade payables other payables and accruals	255,667	263,904

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
26,116	26,116		25,000	25,000
26,116	26,116	Total current portion	25,000	25,000
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
26,116	26,116	Total Unearned Revenue	25,000	25,000

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
25,213	31,844	Annual Leave/Comp-time	32,695	33,034
25,213	31,844	Total current portion	32,695	33,034
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
25,213	31,844	Total employee entitlements	32,695	33,034

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
931,448	1,071,098	Fees and Charges	1,103,183	1,208,262
399,140	444,513	General Sales	556,224	644,836
46,200	51,400	Rentals	51,400	51,400
273,000	205,647	Other Goods & Services Revenue	214,429	214,429
1,980,000	1,980,000	Sale of goods and services to Cabinet	2,300,000	2,300,000
3,629,788	3,752,658	Total sales of goods and services	4,225,236	4,418,928

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
929,998	1,069,498	Admissions	1,101,583	1,206,662
1,450	1,600	Application and Renewal	1,600	1,600
931,448	1,071,098	Total Fees & Charges	1,103,183	1,208,262

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
320,446	368,513	Gift Shop	481,224	569,836
78,694	76,000	Plant sales and Other	75,000	75,000
399,140	444,513	Total General Sales	556,224	644,836

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
46,200	51,400	Rental Income	51,400	51,400
46,200	51,400	Total Rentals	51,400	51,400

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
85,081	-	Summer Camp	-	-
26,238	30,000	Other	30,000	30,000
161,681	175,647	Events	184,429	184,429
273,000	205,647	Total Other Goods & Services Revenue	214,429	214,429

		Sales of Outputs to Cabinet		
1,980,000	1,980,000	Sales of Outputs to Cabinet	2,300,000	2,300,000
1,980,000	1,980,000	Total Sales of Outputs to Cabinet	2,300,000	2,300,000
		<i>Other Interdepartmental Revenue</i>		
-	-	Total Other Interdepartmental Revenue	-	-
3,629,788	3,752,658	Total Goods and Services	4,225,236	4,418,928

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
49,698	48,000	Interest on deposits	25,000	10,000
49,698	48,000	Total investment revenue	25,000	10,000

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
102,911	50,000	Donation	50,000	65,000
102,911	50,000	Total donations	50,000	65,000

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,435,428	1,882,855	Salaries, wages and allowances	1,878,199	1,891,723
97,510	104,000	Health care CINICO	126,600	130,398
31,802	34,000	Health care other	37,400	38,522
65,564	84,321	Pension	127,000	130,810
6,961	8,000	Leave	10,500	10,815
12,985	9,727	Other personnel related costs	-	-
1,650,250	2,122,903	Total Personnel Costs	2,179,699	2,202,268

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
234,245	269,382	Supplies and Materials	276,378	284,669
205,998	236,898	Purchase of services	245,090	252,443
234,037	239,558	Utilities	251,536	264,113
113,862	116,993	General Insurance	119,377	125,345
29,046	20,000	Travel and Subsistence	20,000	20,000
5,244	1,893	Recruitment and Training	-	-
737,226	794,379	Other	774,768	794,142
1,559,658	1,679,102	Total Supplies & consumables	1,687,148	1,740,712

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
172,167	(421,609)	Surplus/(deficit) from ordinary activities	(46,279)	66,484
		Non-cash movements		
400,322	470,261	Depreciation & Amortisation	479,667	484,463
1,937	-	Other Non-cash movement	-	-
		Changes in current assets and liabilities:		
(118,972)	21,504	(Increase)/decrease in other current assets - Other	(54,169)	(40,636)
14,195	(21,504)	(Increase)/(decrease) in current liabilities - Other	(20,831)	(34,364)
467,712	48,652	Net cash flows from operating activities	358,388	475,947

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
360,870	395,000	Salaries & other short-term employee benefits	398,950	410,919
360,870	395,000	Total	398,950	410,919

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CAYMAN ISLANDS DEVELOPMENT BANK

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Development Bank have agreed the Cayman Islands Development Bank will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Islands Development Bank is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Development Bank (“CIDB” or the “Bank”) was established under the Cayman Islands Development Bank Act (2018 Revision) which came into force on March 1, 2002, and is solely owned by the Cayman Islands Government. Upon the enactment of the Cayman Islands Development Bank Act (2018 Revision), two former statutory financial institutions, the Agricultural and Industrial Development Board and the Housing Development Corporation were dissolved and their functions as well as their assets and liabilities were transferred to the Bank.

SCOPE OF ACTIVITIES

The scope of the lending activities of the Cayman Islands Development Bank is primarily to:

1. Provide finance in order to promote and facilitate development in the Islands, with particular reference to Small Businesses especially in construction, electronics, commerce and tourism, and housing and human resource development.
2. Provide an advisory service to give advice and disseminate Information about matters relating to:
 - a) Housing, mortgage finance and the maintenance of dwellings
 - b) Advice in education and counselling in education
 - c) Agricultural, industrial and tourism development
3. Promote agricultural, tourism and industrial development in the Islands.

Act as administering agent for the Cayman Islands Government for the Government Guaranteed Student Loan Scheme, Government Guaranteed Home Mortgage Scheme and Disbursement of Scholarship Funds.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Cayman Islands Development Bank are provided in Grand Cayman, Cayman Brac and Little Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Development Bank for the 2026 and 2027 financial years are as follows:

Strategic Goals

1. To continue to operate as a prudently managed, efficiently operated and highly respected development financial institution while producing sound financial and operating results.
2. To focus on the development of the Islands by identifying, funding and implementing programmes, projects and services that will assist Caymanians in improving themselves and their communities especially those with bankable propositions who do not have ready access to conventional financing.

Objectives

The Objectives of the Cayman Islands Development Bank are as follows:

- Enlarge the lending portfolio by adding new quality loans especially in the areas of mortgage, tertiary education and small business loans, such that its investment will be sound and that the income generated contribute significantly to meeting the Bank's operating costs.
- Introduce new energy efficiency loans to reduce homes/businesses energy costs that will also improve those assets example replacement of windows/doors with hurricane impact products.
- Monitor access to housing market with other financial institutions and continue mortgage loan program to ensure housing remains achievable/affordable.
- Ensure that the programmes administered on behalf of the Cayman Islands Government and other agencies are also managed in an efficient and effective manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Development Bank for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	605	605	605
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	45	45	45
REVENUE FROM OTHERS	1,767	1,882	1,959
OPERATING EXPENSES	2,948	3,034	2,601
OPERATING SURPLUS/DEFICIT	(531)	(502)	8
NET WORTH	42,504	42,502	42,535
CASH FLOWS FROM OPERATING ACTIVITIES	(2,939)	(2,484)	(3,208)
CASH FLOWS FROM INVESTING ACTIVITIES	(360)	(10)	(297)
CASH FLOWS FROM FINANCING ACTIVITIES	493	493	993
CHANGE IN CASH BALANCES	(2,806)	(2,001)	(2,512)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	64.99:1	56.88:1	113.46:1
TOTAL ASSETS: TOTAL LIABILITIES	27.42:1	24.58:1	31.3:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	16	16	16
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	11	12	10
PROFESSIONAL AND TECHNICAL STAFF	11	12	10
CLERICAL AND LABOURER STAFF	11	12	10
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	2,832	2,842	2,472
ASSET REPLACEMENTS: TOTAL ASSETS	2,000:2,832	2,000:2,842	2,000:2,472
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	1,590: 2,832	1,490: 2,842	1,338: 2,472
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	108:360	110:10	:605
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
PURCHASE AND INSTALLATION OF GENERATOR FOR BUSINESS CONTINUITY	-	-	200
BANKING SOFTWARE AND HARDWARE	-	-	400
OFFICE RENOVATION	350	-	-
TOTAL	350	-	600

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Default on loan payments	Bank has had some success in recovering amounts some amounts on non-accrual loans and there is planned focus on reducing loan delinquency levels and improving collections even further	Increased focus on approving loans that are beneficial to the portfolio and an increased focus on collections	Reduced Loan Interest Income

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands Development Bank is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	2,417	2,532	2,609
OPERATING EXPENSES	2,948	3,034	2,601
NET SURPLUS/(DEFICIT)	(531)	(502)	8

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	44,113	44,304	43,935
LIABILITIES	1,609	1,803	1,400
NET WORTH	42,504	42,502	42,535

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(2,939)	(2,484)	(3,208)
CASH FLOWS FROM INVESTING ACTIVITIES	(360)	(10)	(297)
CASH FLOWS FROM FINANCING ACTIVITIES	493	493	993

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS DEVELOPMENT BANK	500	500
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS DEVELOPMENT BANK	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS DEVELOPMENT BANK	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS DEVELOPMENT BANK	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS DEVELOPMENT BANK	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ¹¹	-	-
REMUNERATION ¹² PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	873	894
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	873	894

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

¹¹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

¹² Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Development Bank undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Development Bank will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Rolston Anglin, MP

Minister for Finance and Economic Development

On behalf of Cabinet



Chairman of the Board of Directors

Cayman Islands Development Bank

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman Islands Development Bank for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.


Chairman of the Board of Directors
Cayman Islands Development Bank

31 December 2025

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CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

1. GENERAL INFORMATION

The Cayman Islands Development Bank (“CIDB” or the “Bank”) was established under the Cayman Islands Development Bank Act (2018 Revision) which came into force on 1 March, 2002, and is solely owned by the Cayman Islands Government. Upon the enactment of the Cayman Islands Development Bank Act (2018 Revision), two former statutory financial institutions, the Agricultural and Industrial Development Board and the Housing Development Corporation were dissolved and their functions as well as their assets and liabilities were transferred to the Bank. The Bank is regulated by the Cayman Islands Monetary Authority.

The principal function of CIDB is to mobilise, promote, facilitate, and provide finance for the expansion and strengthening of the economic development of the Islands. The Bank does this by providing financing for tertiary education, housing, agriculture and the development of small businesses.

The registered office of the Bank is at 36B Dr. Roy’s Drive, P.O. Box 2576, George Town, Grand Cayman, KY1-1103, Cayman Islands. For years ending December 31, 2026 and 2027, the Bank is projected to have 15 employees.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of CIDB are presented in Cayman Islands Dollars and are prepared on the accrual basis under the historical cost convention. All values are rounded to the nearest dollar, except when otherwise indicated.

Statement of Compliance

The financial statements of CIDB have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Significant Accounting Judgments and Estimates

In the process of applying the Bank’s accounting policies, Management has exercised judgment and estimates in determining the amounts recognized in the financial statements. Actual results could differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within one year from the date of these financial statements are listed below.

Impairment Losses on Loans to Customers and Other Financial Assets

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, particularly in estimating the amount and timing of future

cash flows and collateral when making a determination of impairment losses and assessing any significant increase in credit risk. These estimates are influenced by numerous factors, changes in which can result in differing levels of allowances.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Significant Accounting Judgments and Estimates (continued)

Impairment Losses on Loans and Advances to Customers (continued)

The Bank's Expected Credit Loss (ECL) calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit rating model
- The Bank's criteria for assessing if there has been a significant increase in credit risk
- Determining inputs into the ECL measurement model, including incorporation of forward-looking information
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposure at Default (EAD) and Loss Given Default (LGDs)

It is the Bank's policy to regularly review its models in the context of loss experience and adjust as necessary.

Write off of Loans

The Bank's accounting policy under IFRS 9 remains the same as it was under IAS 39. Loans are written off, in whole or in part, against the related expected credit loss allowance upon settlement (realization) of collateral or in advance of settlement (no realization) where the determination of the recoverable value is completed and there is no realistic prospect of recovery above the recoverable value. Any subsequent recoveries are credited to the statement of comprehensive income.

2.3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Recognition of Income

Revenue is recognized on the accrual basis to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Interest Income

Interest income is recorded on an accrual basis using the effective interest method until such time as a loan is classified as impaired. Interest on loans that are contractually 90 days in arrears are classified as impaired. Any accrued interest on impaired loans is

reversed against income for the current period. Thereafter, interest income on impaired loans is recognized in the period it is collected.

2. ACCOUNTING POLICIES (CONTINUED)
2.3 Summary of Significant Accounting Policies (continued)

b) Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method at rates considered adequate to write-off the cost over their estimated useful lives as listed below. The cost model is used for measurement after initial recognition for property and equipment except for building. The revaluation model is used for building. Under the revaluation model, the accumulated depreciation on building is eliminated against the gross carrying amount of the asset.

Office Furniture/Equipment	5 years
Computer Equipment	3 years – 5 years
Motor Vehicles	5 years
Building	45 years

Property and equipment are derecognized on disposal or when there are no future economic benefits expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of comprehensive income in the year the asset is derecognized.

c) Foreign Currency Transactions

Transactions during the year in currencies other than the Cayman Islands dollar are converted at exchange rates prevailing at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the statement of financial position date. Resulting gains and losses on exchange are recognized in the statement of comprehensive income.

d) Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain significant estimates and judgements that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

e) Employee Benefits

CIDB participates in the Public Service Pension Plan, a defined benefit and contribution pension fund, in accordance with the Public Service Pension Act. The Public Service Pension Fund is administered by the Public Service Pension Board and is operated as a multi-employer non-contributory Fund, whereby the employer pays both the employer and employee contributions.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of Significant Accounting Policies (continued)

f) Financial Instruments

(i) Classification

The classification of financial instruments at initial recognition depends on their contractual terms and business model for managing the instruments. The Bank classifies all of its financial assets based on the business model for managing the assets and the assets contractual terms measured at either; amortized cost, fair value through other comprehensive income (FVOCI), fair value through profit or loss (FVPL).

Effective January 1, 2018, the Bank measures loans to customers and fixed deposits held with banks at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model the objective of which is to hold the financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset or to exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. As of the projected period ends, financial assets comprise of cash and cash equivalents, deposit accounts and loans to customers. A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. As of the projected period ends, financial liabilities comprise of accounts payable and accrued liabilities and long-term loan.

CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

All financial assets and liabilities as of the projected period ends are non-derivative financial instruments and are measured at amortized cost based on the conditions above.

(ii) Recognition

The Bank recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the statement of comprehensive income.

(iii) Derecognition

Derecognition other than for substantial modification

A financial asset is derecognised when the Bank realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of Significant Accounting Policies (continued)

Derecognition due to substantial modification of terms and conditions

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans will then be classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognize a loan to a customer, the Bank considers the following factors:

- Change in the counterparty to the loan
- If the modification is such that the loan would no longer meet the SPPI criteria

If the modification in the loan does not result in cash flows that are substantially different, then the modification will not lead to derecognition. Based on the change in cash flows, discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(iv) Measurement

Financial instruments, other than derivatives and those at fair value through profit or loss, are measured at amortized cost. Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. Loans to customers are carried at amortized cost using the effective interest method, less any expected credit loss allowance.

3. FAIR VALUE AND RISK ASSESSMENT OF FINANCIAL INSTRUMENT

Risk Management

Financial assets of the Bank include cash, cash equivalents, fixed deposits, loans to customers. Financial liabilities include accounts payable and accrued liabilities and long-term loans.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest will affect future cash flows or the fair values of financial instruments. CIDB provides loans and technical assistance in the areas of human resource development, housing and small business, in particular in the agricultural, tourism, and industrial sectors. The Bank minimizes interest rate risk principally by on-lending at variable rates of interest from funding provided by long-term debts with variable interest rates.

The Bank manages the interest rate risk by securing funds from international financial institutions which review their lending rates to CIDB quarterly.

Credit Risk

Credit risk is the risk that the Bank will incur a loss because its customers fail to discharge their contractual obligations. The net carrying amount of loans and advances represents the maximum exposure to credit risk for this category of financial assets. However, this risk is partially mitigated by collateral held as security for certain loans. Collateral held includes raw land, commercial and residential properties.

Cash and fixed deposits are held with conventional banks. Total cash and equivalents and fixed deposit as reflected on the statement of Financial of Financial Position represent the Bank's maximum exposure to credit risk for this category of financial assets.

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

The Bank manages credit risks on loans advanced to individuals and companies, which satisfies the Bank's lending requirements, by requiring borrowers to provide adequate security, limiting the total value of loans to a single borrower to 10% of its total capital and spreading its risk over several developmental sectors.

Fair Value

The carrying values of cash, fixed deposits, loans and advances to customers, other receivables, accrued liabilities and long-term liabilities are not materially different from their fair values.

CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
14,685,474	12,172,998	Cash and cash equivalents	1	9,366,701	7,365,355
	1,241,983	Marketable securities and deposits		1,284,110	1,273,018
288,143	381,591	Trade receivables	2	466,462	557,044
7,480	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
29,810	37,645	Prepayments	5	39,917	40,576
823,206	1,417,240	Loans	6	1,547,698	1,658,673
15,834,113	15,251,457	Total Current Assets		12,704,888	10,894,666
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
25,828,008	26,927,564	Loans	6	29,406,255	31,514,790
-	-	Pension Plan Surplus	15	-	-
1,231,657	1,338,132	Property, plant and equipment	7	1,590,492	1,490,077
3,422	18,321	Right-of-use assets	9	11,638	4,955
-	400,000	Intangible Assets	8	400,000	400,000
27,063,087	28,684,017	Total Non-Current Assets		31,408,385	33,409,822
42,897,200	43,935,474	Total Assets		44,113,273	44,304,488
		Current Liabilities			
77,123	116,566	Trade payables	11	186,020	190,484
176,026	509	Other payables and accruals	11	509	509
4,166	17,348	Lease Liability	9	8,948	548
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
257,315	134,423	Total Current Liabilities		195,477	191,541
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
465	12,692	Other payables and accruals	11	19,444	76,087
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
1,112,000	1,253,000	Unfunded post retirement health care	16	1,394,000	1,535,000
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
1,112,465	1,265,692	Total Non-Current Liabilities		1,413,444	1,611,087
1,369,780	1,400,115	Total Liabilities		1,608,921	1,802,628
41,527,420	42,535,360	Net Assets		42,504,353	42,501,861
		NET WORTH			
44,819,185	45,819,185	Contributed capital		46,319,185	46,819,185
176,923	176,923	Other Reserves		176,923	176,923
960,287	960,287	Revaluation reserve		960,287	960,287
(4,428,975)	(4,421,035)	Accumulated surpluses/(deficits)		(4,952,042)	(5,454,534)
41,527,420	42,535,360	Total Net Worth		42,504,353	42,501,861

CAYMAN ISLANDS DEVELOPMENT BANK

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,696,514	2,538,003	Revenue			
-	-	Sale of goods and services	17	2,347,457	2,461,680
-	-	Investment revenue	18	-	-
-	-	Donations	19	-	-
10,222	71,000	Other revenue		70,000	70,000
2,706,736	2,609,003	Total Revenue		2,417,457	2,531,680
		Expenses			
1,923,856	1,862,172	Personnel costs	20	2,096,458	2,143,389
664,929	528,747	Supplies and consumables	21	701,546	718,383
51,329	105,208	Depreciation and Amortisation	10	114,323	117,098
(35,934)	31,818	Impairment of inventory, property, plant and equipment		(28,788)	(11,153)
469	1,200	Finance costs & overdraft interest (including lease interest)	22	496	507
-	-	Litigation costs	23	-	-
(11,237)	-	Other (Gains)/losses	24	-	-
59,868	71,918	Other Operating expenses		64,430	65,948
2,653,280	2,601,063	Total Expenses		2,948,464	3,034,172
53,456	7,940	Surplus or (Deficit) for the period		(531,007)	(502,492)

CAYMAN ISLANDS DEVELOPMENT BANK
FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
453,950	605,043	Sale of goods and services to Cabinet		605,043	605,043
33,750	45,000	Sale of goods and services to Ministries/Portfolios		45,000	45,000
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
2,522,549	3,227,699	Sale of goods and services - third party		2,934,650	3,150,376
2,032,480	1,887,960	Interest received		1,697,414	1,811,637
		Donations / Grants			
23,962,292	20,000,000	Other receipts		20,000,000	20,000,000
		<i>Payments</i>			
(1,845,856)	(1,721,172)	Personnel costs		(1,955,458)	(2,002,389)
		Supplies and consumables - Ministries/Portfolios			
		Supplies and consumables - Statutory Agencies and Government Companies			
(2,713,169)	(7,250,000)	Supplies and consumables - third party		(7,000,000)	(7,000,000)
		Interest paid			
(24,037,046)	(20,002,845)	Other payments		(19,265,746)	(19,093,813)
408,951	(3,208,315)	Net cash flows from operating activities	25	(2,939,097)	(2,484,146)
		CASH FLOWS FROM INVESTING ACTIVITIES			
(41,133)	(605,000)	Purchase of property, plant and equipment		(360,000)	(10,000)
10,000	-	Proceeds from sale of property, plant and equipment			
	-	Purchase of investments			
	308,039	Proceeds from sale of investments			
(31,133)	(296,961)	Net cash flows from investing activities		(360,000)	(10,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
3,000,000	1,000,000	Equity Investment from Cabinet		500,000	500,000
		Repayment of Surplus/Dividends or Capital withdrawal			
		Borrowings			
	(7,200)	Repayment of Borrowings		(7,200)	(7,200)
		Currency Issues			
3,000,000	992,800	Net cash flows from financing activities		492,800	492,800
3,377,818	(2,512,476)	Net increase/(decrease) in cash and cash equivalents		(2,806,297)	(2,001,346)
11,307,656	14,685,474	Cash and cash equivalents at beginning of period		12,172,998	9,366,701
14,685,474	12,172,998	Cash and cash equivalents at end of period		9,366,701	7,365,355

CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	41,819,185	176,923	960,287	(4,482,431)	38,473,964
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	41,819,185	176,923	960,287	-4,482,431	38,473,964
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	3,000,000	-	-	-	3,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	3,000,000	-	-	-	3,000,000
Surplus/(deficit) for the period 2024	-	-	-	53,456	53,456
Total recognised revenues and expenses for the period	3,000,000	-	-	53,456	3,053,456
Balance at 31 December 2024	44,819,185	176,923	960,287	-4,428,975	41,527,420
Balance at 31 December 2024 brought forward	44,819,185	176,923	960,287	(4,428,975)	41,527,420
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	44,819,185	176,923	960,287	-4,428,975	41,527,420
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	1,000,000	-	-	-	1,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,000,000	-	-	-	1,000,000
Surplus/(deficit) for the period 2025	-	-	-	7,940	7,940
Total recognised revenues and expenses for the period	1,000,000	-	-	7,940	1,007,940
Balance at 31 December 2025 carried forward	45,819,185	176,923	960,287	-4,421,035	42,535,360

CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	45,819,185	176,923	960,287	(4,421,035)	42,535,360
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	45,819,185	176,923	960,287	-4,421,035	42,535,360
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	500,000	-	-	-	500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	500,000	-	-	-	500,000
Surplus/(deficit)for the period 2026	-	-	-	(531,007)	(531,007)
Total recognised revenues and expenses for the period	500,000	-	-	(531,007)	(31,007)
Balance at 31 December 2026 carried forward	46,319,185	176,923	960,287	-4,952,042	42,504,353
Balance at 31 December 2026 brought forward	46,319,185	176,923	960,287	(4,952,042)	42,504,353
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	46,319,185	176,923	960,287	-4,952,042	42,504,353
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	500,000	-	-	-	500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	500,000	-	-	-	500,000
Surplus/(deficit)for the period 2027	-	-	-	(502,492)	(502,492)
Total recognised revenues and expenses for the period	500,000	-	-	(502,492)	(2,492)
Balance at 31 December 2027	46,819,185	176,923	960,287	(5,454,534)	42,501,861

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
500	500	Cash on hand	500	500
-	-	Cash in transit	-	-
2,964,706	2,457,470	CI\$ Account	1,491,858	688,756
394,313	326,849	US\$ Account	264,922	224,608
-	-	Bank Overdraft	-	-
190,594	157,985	Payroll Current Account	128,052	108,566
-	-	Bank Accounts held at other financial institutions	-	-
11,135,361	9,230,194	Short-Term Fixed Deposits	7,481,369	6,342,925
14,685,474	12,172,998	TOTAL	9,366,701	7,365,355

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	- Sale of goods and services to Cabinet	-	-
162,567	-	- Sale of goods and services to Ministries/Portfolios	-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies	-	-
108,600	381,591	Sale of goods and services - third party	466,462	557,044
16,977	-	Other	-	-
-	-	Less: provision for doubtful debts (Enter -ve number)	-	-
288,143	381,591	Total trade receivables	466,462	557,044

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
288,143	381,591	Past due 1-30 days	466,462	557,044
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
288,143	381,591	Total	466,462	557,044

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,480	-	Other	-	-
-	-	Less: provision for doubtful debts	-	-
7,480	-	Total other receivables	-	-

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
7,480		- Past due 1-30 days	-	-
-		- Past due 31-60 days	-	-
-		- Past due 61-90 days	-	-
-		- Past due 90 and above	-	-
-		Non-Current	-	-
-		- Past due 1 year and above	-	-
7,480		Total	-	-

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
29,810	37,645		39,917	40,576
29,810	37,645	Prepayments - Current	39,917	40,576
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
29,810	37,645	Total Prepayments	39,917	40,576

NOTE 6: LOANS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Loans	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Loans		
878,348	1,423,929		1,555,825	1,667,358
(55,142)	(6,689)	Less: provision for doubtful loans (Enter -ve number)	(8,127)	(8,685)
823,206	1,417,240	Loans - Current	1,547,698	1,658,673
		Non-Current Loans		
25,874,814	27,054,642		29,560,681	31,679,811
(46,806)	(127,078)	Less: provision for doubtful loans (Enter -ve number)	(154,426)	(165,021)
25,828,008	26,927,564	Loans -Non-Current	29,406,255	31,514,790
26,651,214	28,344,804	Total Loans	30,953,953	33,173,463

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	1,300,000	430,297	95,602	29,880	1,855,779
Additions	-	5,133	-	36,000	41,133
Disposals and Derecognition	-	-	-	(29,880)	(29,880)
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2024	1,300,000	435,430	95,602	36,000	1,867,032

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	1,300,000	435,430	95,602	36,000	1,867,032
Additions	-	5,000	200,000	-	205,000
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2025	1,300,000	440,430	295,602	36,000	2,072,032

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	1,300,000	440,430	295,602	36,000	2,072,032
Additions	350,000	5,000	5,000	-	360,000
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2026	1,650,000	445,430	300,602	36,000	2,432,032

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	1,650,000	445,430	300,602	36,000	2,432,032
Additions	-	5,000	5,000	-	10,000
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2027	1,650,000	450,430	305,602	36,000	2,442,032

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	86,668	418,421	85,561	29,880	620,530
Transfers	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-
Depreciation Expense 2024	28,889	5,428	8,008	2,400	44,725
Eliminate on Disposal or Derecognition 2024	-	-	-	(29,880)	(29,880)
Balance as at 31 December 2024	115,557	423,849	93,569	2,400	635,375

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	115,557	423,849	93,569	2,400	635,375
Transfers	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-
Depreciation Expense 2025	28,889	3,316	59,120	7,200	98,525
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-
Balance as at 31 December 2025	144,446	427,165	152,689	9,600	733,900

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	144,446	427,165	152,689	9,600	733,900
Transfers	-	-	-	-	-
Impairment change 2026	-	-	-	-	-
Depreciation Expense 2026	36,667	3,653	60,120	7,200	107,640
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-
Balance as at 31 December 2026	181,113	430,818	212,809	16,800	841,540

	<i>Buildings and Leasehold</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	181,113	430,818	212,809	16,800	841,540
Transfers	-	-	-	-	-
Impairment change 2027	-	-	-	-	-
Depreciation Expense 2027	36,667	5,428	61,120	7,200	110,415
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-
Balance as at 31 December 2027	217,780	436,246	273,929	24,000	951,955

Net Book value 31 December 2024	1,184,443	11,581	2,033	33,600	1,231,657
	-	-	-	-	-
Net Book value 31 December 2025	1,155,554	13,265	142,913	26,400	1,338,132
	-	-	-	-	-
Net Book value 31 December 2026	1,468,887	14,612	87,793	19,200	1,590,492
	-	-	-	-	-
Net Book value 31 December 2027	1,432,220	14,184	31,673	12,000	1,490,077

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	-	-
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	-	-

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	-	-
Additions	400,000	400,000
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	400,000	400,000

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	400,000	400,000
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	400,000	400,000

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	400,000	400,000
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	400,000	400,000

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	-	-
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	-	-

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	-	-
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	-	-

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	-	-
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	-	-

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	-	-
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	-	-

Net Book value 31 December 2024	-	-

Net Book value 31 December 2025	400,000	400,000

Net Book value 31 December 2026	400,000	400,000

Net Book value 31 December 2027	400,000	400,000

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
20,554	20,554	Balance at the start of the year	21,582	21,582
-	21,582	Additions in the year	-	-
-	(20,554)	Lease terminations in the year (enter as negative)	-	-
20,554	21,582	Balance at the end of the year	21,582	21,582

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
10,529	17,132	Balance at the start of the year	3,261	9,944
6,603	6,683	Additions in the year	6,683	6,683
-	(20,554)	Lease terminations in the year (enter as negative)	-	-
17,132	3,261	Balance at the end of the year	9,944	16,627

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,422	18,321	Net Book Value	11,638	4,955

-	-	TOTAL NON-CURRENT	-	-
4,166	17,348	TOTAL LEASE LIABILITY	8,948	548

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
6,603	6,683	Depreciation charge for right of use	6,683	6,683
469	-	Interest expense on lease liabilities	-	-
7,072	6,683	Total cash outflow for leases	6,683	6,683

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
10,897	4,166	Balance at the start of the year (Third Party)	17,348	8,948
469	-	Provision for lease restoration costs (Third Party)	-	-
-	21,582	Additions in the year (Third Party)	-	-
11,366	25,748		17,348	8,948
(6,731)	(7,200)	Repayments in the year - Principal (Third Party) (enter as negative)	(7,200)	(7,200)
(469)	(1,200)	Repayments in the year - Interest (Third Party) (enter as negative)	(1,200)	(1,200)
4,166	17,348	Balance at the end of the year (Third Party)	8,948	548
4,166	17,348	TOTAL CURRENT	8,948	548

-	-	TOTAL NON-CURRENT	-	-
4,166	17,348	TOTAL LEASE LIABILITY	8,948	548

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial risk management
As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	6,393	10,314	-	16,707	17,348

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	6,777	3,537	-	10,314	8,948

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	3,537	-	-	3,537	548

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
44,725	98,525	Property Plant Equipment	107,640	110,415
-	-	Intangible Assets	-	-
6,603	6,683	Right-of-use assets	6,683	6,683
51,329	105,208	Total depreciation expense	114,323	117,098

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
77,123	116,566	Creditors Third party	186,020	190,484
170,617	509	Accrued Expenses	509	509
5,410	-	Other payables	-	-
253,149	117,075	Trade payables other payables and accruals - Current	186,529	190,993
		Non-Current Trade payables other payables and accruals		
465	12,692	Other payables	19,444	76,087
-	-	Dividends/Surplus Payable	-	-
465	12,692	Trade payables other payables and accruals - Non-Current	19,444	76,087
253,614	129,767	Total trade payables other payables and accruals	205,973	267,080

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(1,112,000)	(1,253,000)	Defined benefit liability- post retirement healthcare	(1,394,000)	(1,535,000)
(1,112,000)	(1,253,000)	Total Unfunded Health Care Liability	(1,394,000)	(1,535,000)

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	- Fees and Charges	-	-
1,551,715	1,797,960	General Sales	1,607,414	1,721,637
-	-	Rentals	-	-
494,532	90,000	Other Goods & Services Revenue	90,000	90,000
605,267	605,043	Sale of goods and services to Cabinet	605,043	605,043
45,000	45,000	Sale of goods and services to Other Ministries and Portfolios	45,000	45,000
2,696,514	2,538,003	Total sales of goods and services	2,347,457	2,461,680

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,551,715	1,797,960	Interest from Loans	1,607,414	1,721,637
1,551,715	1,797,960	Total General Sales	1,607,414	1,721,637

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
494,532	90,000	Interest from Fixed deposits	90,000	90,000
494,532	90,000	Total Other Goods & Services Revenue	90,000	90,000

		Sales of Outputs to Cabinet		
605,267	605,043	Sales of Outputs to Cabinet	605,043	605,043
		Other Outputs		
605,267	605,043	Total Sales of Outputs to Cabinet	605,043	605,043
		Other Interdepartmental Revenue		
45,000	45,000	Revenue from Ministries/Portfolios	45,000	45,000
		Revenue from Statutory Authorities and Government Companies		
45,000	45,000	Total Other Interdepartmental Revenue	45,000	45,000
2,696,514	2,538,003	Total Goods and Services	2,347,457	2,461,680

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,268,067	1,240,807	Salaries, wages and allowances	1,331,470	1,363,426
414,709	326,505	Health care other	438,254	448,772
143,557	153,860	Pension	165,102	169,065
97,523	141,000	Other personnel related costs	161,631	162,126
1,923,856	1,862,172	Total Personnel Costs	2,096,458	2,143,389

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
29,552	20,503	Supplies and Materials	31,230	31,979
547,717	429,497	Purchase of services	578,813	592,705
46,452	45,135	Utilities	49,089	50,267
27,109	25,269	General Insurance	28,648	29,335
13,026	8,343	Travel and Subsistence	13,766	14,096
1,073	-	Other	-	-
664,929	528,747	Total Supplies & consumables	701,546	718,383

NOTE 22: FINANCE COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Interest on borrowings	-	-
469	1,200	Other borrowing costs	496	507
-	-	Interest on overdraft	-	-
469	1,200	Total Finance cost	496	507

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
53,456	7,940	Surplus/(deficit) from ordinary activities	(531,007)	(502,492)
		Non-cash movements		
51,329	105,208	Depreciation & Amortisation	114,323	117,098
(35,934)	31,818	Impairment	(28,788)	(11,153)
(10,000)	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
	(151,093)	(Increase)/decrease in other current assets - Cabinet	(1,118,850)	(275,070)
-	(11,250)	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
305,255	(1,929,820)	(Increase)/decrease in other current assets - Other	(1,306,970)	(1,759,822)
-	(1,150,452)	(Increase)/(decrease) in current liabilities - Ministries Portfolios	-	-
44,845	(110,666)	(Increase)/(decrease) in current liabilities - Other	(67,805)	(52,707)
408,951	(3,208,315)	Net cash flows from operating activities	(2,939,097)	(2,484,146)

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 27: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
Capital Commitments					
Property, plant and equipment	24,752	-	-	24,752	24,752
Other fixed assets	-	-	-	-	-
Other commitments (list separately if material)	383,157	-	-	383,157	383,157
Total Capital Commitments	407,909	-	-	407,909	407,909
Operating Commitments					
Non-cancellable accommodation leases	-	-	-	-	-
Other non-cancellable leases	-	-	-	-	-
Non-cancellable contracts for the supply of goods and services	-	-	-	-	-
Other operating commitments	-	-	-	-	-
Total Operating Commitments	-	-	-	-	-
Total Commitments	407,909	-	-	407,909	407,909

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
786,905	826,250	Salaries & other short-term employee benefits	826,250	826,250
-	-	Past employee benefits	-	-
68,859	72,302	Other long-term benefits	72,302	72,302
-	-	Termination benefits	-	-
343,507	326,332	Loans	310,015	294,514
1,199,271	1,224,884	Total	1,208,567	1,193,067

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS MONETARY AUTHORITY

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
 2. Nature and Scope of Activities
 3. Strategic Goals and Objectives
 4. Ownership Performance Targets
 5. Summarised Forecast Financial Statements
 6. Other Financial Information
- Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Monetary Authority (CIMA) have agreed the Cayman Islands Monetary Authority will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Islands Monetary Authority is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Monetary Authority's activities involve monetary, regulatory, co-operative, and advisory services.

SCOPE OF ACTIVITIES

The scope of the Cayman Islands Monetary Authority activities is as follows:

- The issue and redemption of currency notes and coins
- The management of the currency reserve
- The collection of fees from the financial services industry on behalf of Government
- The regulation and supervision of financial services business
- The monitoring of compliance with money laundering regulations
- The provision of assistance to overseas regulatory authorities
- Advising Government on the Authority's monetary, regulatory, and cooperative functions
- Advising Government whether the Authority's regulatory functions and cooperative functions are consistent with functions discharged by an overseas regulatory authority
- Advising Government whether the regulatory laws are consistent with the laws and regulations of foreign jurisdictions
- Representing the interest of the Cayman Islands at international forums and advising Government on recommendations of those organisations.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Islands Monetary Authority are provided to the following Customers both locally and internationally:

Customers of Monetary Authority include the Government, Cabinet, the Private Sector, and the General Public.

The services provided by the Cayman Islands Monetary Authority are provided mainly in the Cayman Islands to both local and foreign companies operating within the financial services industry. In order to effectively regulate some of the licensees, some services must be performed at overseas locations. CIMA attends and participates in conferences worldwide. CIMA customers also include other International Regulatory Bodies, and other Financial Associations both local and overseas.

In its Currency function, CIMA customers include the Banks and local residents and visitors. There are a number of Government Departments to whom CIMA provides services, the main one being the collection of fees from the financial services industry on behalf of the Government.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Monetary Authority for the 2026 and 2027 financial years are as follows:

DRAFT Strategic Priorities

1. Improve our technological/digital capability to support effective regulation of the financial services industry
2. Provide support for improving effectiveness in combating financial crime and a positive assessment on the FATF 5th Round Review of the Cayman Islands
3. Proactive, sustainable, and effective financial services regulation to promote new financial service products/models and enable the existing business products/models to thrive
4. Be recognised as an Employer of Choice
5. Improve the integrity and quality of Cayman Islands currency
6. Increase public outreach and education

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Monetary Authority for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	32,818	33,818	25,318
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	31,896	31,938	30,588
OPERATING EXPENSES	64,705	65,756	54,211
OPERATING SURPLUS/DEFICIT	9	-	1,695
NET WORTH	88,904	88,904	88,895
CASH FLOWS FROM OPERATING ACTIVITIES	8,374	33,208	(316)
CASH FLOWS FROM INVESTING ACTIVITIES	(2,062)	3,705	(5,562)
CASH FLOWS FROM FINANCING ACTIVITIES	(4,109)	(4,259)	(2,427)
CHANGE IN CASH BALANCES	2,203	32,654	(8,305)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	19.30:1	28.56:1	21.54:1
TOTAL ASSETS: TOTAL LIABILITIES	1.42:1	1.37:1	1.42:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	395	402	356
STAFF TURNOVER (%)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	36,489	40,395	31,863
ASSET REPLACEMENTS: TOTAL ASSETS	24%	19%	28%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	53%	50%	55%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	60%	73%	35%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
ADDITIONAL LEASEHOLD AT CRICKET SQUARE	-	-	16,229
VARIOUS IT AND OFFICE EQUIPMENT	4,576	3,906	804
TOTAL	4,576	3,906	17,033

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss and absence of critical staff	On-going	Regular training, succession planning, regular performance assessments, and recognition. Various incentives are now being offered to staff in an effort to deter turnover and increase attractiveness for new hires; i.e. personal days, mental health days, increased maternity and paternity leave, work-from-home options, and compressed work week.	Unquantifiable
Limited resources resulting in an inadequate regulatory framework and supervision processes. (The underpinning of Cayman as a reputable, successful regulator of financial services is, in addition to having a strong legal framework, policies and practices; heavily reliant on experienced and high calibre human resources in sufficient numbers and an effectual information systems and technology infrastructure.) This in turn places the Islands' reputation at stake from an inability to supervise financial services at the level required of an international regulator. Further impairment to the reputation of the Cayman Islands could impact the stability of the Cayman economy including the loss of Government revenues, potential failure of financial institutions in the Cayman Islands, financial losses for consumers and unemployment.	Marginal improvement as resources have increased but are still insufficient.	Continue to work along with Government with respect to legislative framework and budget. Continue regular review of systems and processes and take full advantage of IS technology to achieve highest efficiency. Amend CIMA's organizational structure. Facilitate more focused HR soft skills training for persons. Take full advantage of the online learning portals for all regulatory staff. Establish partnerships with local professionals and firms to conduct subject matter expert training. Outsource tasks/projects where efficient and or necessary. Maintain recruitment efforts (to expediently fill vacancies and new positions. Continue to develop and implement proposals on enhancement measures to attract and retain highly qualified and experienced persons.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
An inadequate regulatory framework that leads to a threat to the Islands' reputation with significant potential dangers. e.g., insufficient legislation, rules and or policies required to promote and ensure a sound financial system through effective regulation, supervision and risk management of the financial sector) can lead to: Unsafe and unsound practices or activities that pose risks to the financial system; Failures of financial entities or unfavourable (international or peer) assessments that would impact the stability of the Cayman economy.	On-going as there have been several new laws or revisions / amendments to legislation (e.g., Administrative Fines and Virtual Asset Service Providers). However, several proposals are still delayed, and other legislation remain inadequate.	Enhance framework by: Continuing the internal CIMA process in identifying and developing proposals and recommendations or, if within ambit, implementing measures for addressing areas for legislative and other regulatory requirements changes. Continue to work along with Government with respect to legislative framework and budget. Retain and build on existing technical expert knowledge and expertise and attract new high calibre staff to ensure proactive oversight and enforcement.	Unquantifiable
Increasing responsibilities with insufficient corresponding enhancement of resources limits CIMA's ability to carry out effectively and comprehensively the responsibilities of its regulatory functions.	On-going (resources have increased but so have regulatory and supervisory obligations).	Continue to work alongside Government with respect to legislative framework and budget. Continue regular review of systems and processes and take full advantage of IS technology to achieve highest efficiency. Outsourcing tasks/projects where efficient and or necessary. Defer (relatively) less critical work.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Failure to achieve and stay current with Industry developments, requirements, and standards (due to inadequate funding and or resources) resulting in: Inability or impaired ability in identifying and analysing trends at both the individual financial entity and system wide levels. Negative impact on jurisdiction reputation as a leading IFC.	On-going (resources have increased but utilised for other regulatory functions or tasks).	Continue involvement in and assessment of new or revised international regulatory standards by: Continuing to develop a cadre of representatives from the Legal, Compliance, Policy and Supervisory divisions with specialised knowledge, skills and experience capable of proactive engagement with standard setters and other regulators. Amending CIMA's organizational structure to enable a greater focus and efficiency in identifying, analysing and addressing developments.	Unquantifiable
Continued scrutiny and demands by international and or regional organisations or individual foreign jurisdictions, such as the G20, EU and the United States and misinformed allegations from these and other institutions (e.g. Tax Justice Network) can harm the reputation of the jurisdiction and consequently threaten business activity.	On-going	Continue dialogue with, and engagement in the work of standard-setting bodies and international and regional organisations. Allocate resources where necessary to focus on countermeasures. Send high-level delegations to meetings of IOSCO, IAIS, Basel, GFICS, CGBS, GICIS, ASBA and FSB. Conduct Visits to Key Jurisdictions.	Unquantifiable
The global review and advancement of regulatory standards, whether prudentially sound or flawed and overreaching, can negatively impact the islands financial industry e.g. financial stability measures, de-risking and impact on correspondent banking relationships, AIFMD.	On-going	Close oversight of, and dialogue with, (impacted) local industry and interaction with other jurisdictions and international organizations to share experiences and develop solutions.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Emerging trends, Market risks and developments can have a potential impact on regulated industries/institutions that in turn could require increased oversight/regulation by CIMA (e.g., technology, information security, cybercrime, Money Laundering and Terrorist Financing, outsourcing, financial innovation, de-risking by correspondent banks).	On-going	Be better informed of new or developing market trends and financial innovation by, inter-alia, leveraging experienced senior staff and CIMA's membership and participation in standard setting bodies, international, regional and local organisations, regulatory associations, conferences, international and regional regulatory bodies etc. Also, by keeping abreast of developments via media, training, etc.	Unquantifiable
Increased competition from other jurisdictions (potential risk to market confidence and sound financial system).	On-going	Monitor and analyse jurisdictional developments. Develop proposals for enhancing or amending regulatory regime for implementation and or submission to Government for its consideration.	Unquantifiable
Failure to apply breach identification, enforcement actions and documentation consistently across all Divisions.	On-going	Policies are continuously reviewed to identify and remediate inconsistencies and create centralised workflow and monitoring tools and procedures.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands Monetary Authority is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	64,714	65,756	55,906
OPERATING EXPENSES	64,705	65,756	54,211
NET SURPLUS/(DEFICIT)	9	-	1,695

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	299,533	327,158	298,296
LIABILITIES	210,629	238,254	209,401
NET WORTH	88,904	88,904	88,495

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	8,374	33,208	(316)
CASH FLOWS FROM INVESTING ACTIVITIES	(2,062)	3,705	(5,562)
CASH FLOWS FROM FINANCING ACTIVITIES	(4,109)	(4,259)	(8,305)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS MONETARY AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS MONETARY AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ¹³	-	-
REMUNERATION ¹⁴ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	198	198
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	5,209	5,367

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	25	25

¹³ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

¹⁴ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Monetary Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Monetary Authority will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP

Minister for Financial Services and Commerce

On behalf of Cabinet



Chairperson of the Board

Cayman Islands Monetary Authority

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS MONETARY AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman Islands Monetary Authority for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairperson of the Board
Cayman Islands Monetary Authority

31 December 2025

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CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Organisation and Objectives

The Cayman Islands Monetary Authority (the “Authority”) was established under The Monetary Authority Act, 1996 (the “Act”) on 1 January 1997. Under the Monetary Authority Act (2020 Revision) (the “Act (2020 Revision)”), the primary objectives of the Authority are (a) to issue and redeem currency notes and coins and to manage the Currency Reserve, (b) to regulate and supervise the financial services business (c) to provide assistance to overseas regulatory authorities, and (d) to advise the Cayman Islands Government on regulatory matters.

Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The financial statements of the Authority are prepared in accordance with International Financial Reporting Standards (IFRS), on the accrual basis under historical cost convention.

Foreign Currency

The reporting currency is Cayman Islands Dollars. Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Assets and liabilities are translated at the exchange rate in effect at the date of these financial statements.

Use of Estimates

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Authority’s business model for managing them. All debt instruments are classified as “Hold to collect and sell” and recognized as fair value through OCI.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables. Financial liabilities comprise accounts and other payables, accrued expenses and notes and coins in circulation.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

CAYMAN ISLANDS MONETARY AUTHORITY
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Investments

The principal investment objectives of the Authority are security, liquidity and income. The investment portfolio is managed by independent fund managers in accordance with investment guidelines established by the Board of Directors, in accordance with the Act (2020 Revision).

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of current and call deposits and fixed deposits maturing within three months from the date of acquisition.

Stock of Notes and Coins for/in Circulation

The stock of unissued currency notes is stated at cost. Only the cost of notes issued into circulation is expensed, on a “first in first out” basis. All associated cost such as shipping, handling and insurance are expensed immediately.

When currency is issued, the face value of the currency is also recognised as a liability within the “Demand Liabilities, Currency in Circulation”

Stocks of Numismatic Items

Stocks consist of gold and silver bullion arising from the melt-down of numismatic coins (the gold and silver bullion content of the following categories of numismatic coins: coins for resale, museum items and coins awaiting melt-down). Bullion stocks are stated at year-end market values for gold and silver bullion and unrealised gain/loss are recorded in the statement of comprehensive income.

Numismatic Coins in Circulation

The total nominal value of numismatic coins outstanding is approximately **\$14.5M**. No liability for redeeming numismatic coins is recognised in the financial statements, since the amount of redemption cannot be reasonably estimated, and the probability of material redemption is remote. Redemption costs and sales proceeds are recorded in the statement of comprehensive income as incurred.

Depreciation and Amortisation

Property and Equipment and Intangibles are stated at historical cost less accumulated depreciation/amortisation. Depreciation/amortisation is calculated using the straight-line method at the following rates estimated to write-off the cost of the assets over their expected useful lives:

	Years
Vehicles	5
Furniture and Fixtures	5
Computer Hardware and Intangibles	3 to 10
Office Equipment	5 to 7
	the shorter
	of the term
	of the lease
	and the
Leasehold Improvements	useful life.

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

The assets useful lives are reviewed at each year and adjusted where appropriate.

Pension Plans

The Authority makes pension contributions for its eligible employees to the Public Service Pensions Fund, which is administered by the Public Service Pensions Board. The Fund has both a defined benefit and a defined contribution element. There are a number of employees who participate in other private plans, which are all defined contribution schemes.

Under defined contribution plans, the Authority pays fixed contributions and has no obligation to pay further contributions if the fund does not have sufficient assets to pay employee benefits relating to employee service in the current and prior periods. A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

Obligations for contributions to defined contribution and defined benefits pension plans are recognised as pension expense in the statement of comprehensive income as incurred.

Demand Liabilities

Demand Liabilities represents the value of notes and coins in circulation. These liabilities are fully funded by the Currency Reserve Assets.

Allocation of Profits

Under Section 9 and 10 of the Act (2020 Revision), the net profits of the Authority, after provision for all expenditure and **reserves**, shall be allocated such that the Currency Reserve Assets represent at least 100% of Demand Liabilities and the General Reserve represents at least 15% of Demand Liabilities. Any surplus not allocated in accordance with the above shall be transferred to the General Revenue of the Cayman Islands Government.

General Reserve

The Authority maintains a General Reserve in accordance with Section 8 of the Act (2020 Revision), to provide additional funding if necessary, for Demand Liabilities and obligations arising from other business of the Authority. In accordance with section 8 of the Act (2020 Revision) the General Reserve shall represent at least 15% of Demand liabilities.

Currency Issue Reserve

The Currency Issue Reserve was adjusted as the stock of notes printed prior to 2003 was all issued into circulation. The Currency Issue Reserve remained at \$375k.

Capital Expenditures Reserves

Under Section 9 of the Act (2020 revision), the net profits of the Authority for any financial year shall include, but shall not be limited to, the income from the investments of the Authority, and the profit from the sales of investments belonging to the Authority, and shall be determined by the Authority after meeting or providing for all expenditure for that year and making such provisions for contingencies and the establishment of such additional reserves as it may consider desirable. The Capital Expenditures Reserve has been established for the implementation and acquisition of key capital projects.

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Contributed Capital

The authorised capital of the Authority is \$100 million; with The Cayman Islands Government being the sole subscriber. In 1998, the Government made a commitment to increase the Contributed Capital of the Authority to a minimum of \$10 million by yearly transfers of approximately \$0.5 million from Operating Surplus. In December 2009, Section 7 (5) of the Monetary Authority Act (2008 Revision) was amended by the Monetary Authority (Amendment Act, 2009), to allow Cabinet to vary the amount of paid-up capital held by the Authority, and where the capital is reduced any excess shall be transferred by the Authority to the Government. In June 2010 the Cayman Islands Government withdrew \$8.25 million.

Revenue Recognition

The Authority adopted IFRS 15 (Revenue from Contracts with Customers) from 1 January 2018. The new standard was applied using the modified retrospective method, with the cumulative effect recognised in general reserves on 1 January 2018. This core principle is delivered in a five-step model framework which are: (1) Identify the contract with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations in the contract; and (5) Recognise revenue when the Authority satisfies a performance obligation.

The Authority's main source of income is derived from the services it provides to the Government of the Cayman Islands. The Authority's other sources of income are generated from Directors Registration and Licensing Fees (DRL fees), CIMA transactional fees, its investments, bank balances, and other currency transactions.

To be compliant with the Directors Registration and Licensing Act, 2014, and therefore deemed to be fully registered, Directors are required to file an annual registration (prescribed form) and pay the fee by 15 January.

DRL fees received (for current and prior years) are recognised as revenue in the year that the Director has fully registered for those years.

Penalties for late registrations are recognised as revenue in the year in which they are received.

Any DRL or CIMA transactional fees received in advance of the year for which they are earned, are recorded as unearned revenue and subsequently recognised as revenue for the pertinent year.

Commission Income is recognised as earned on redemption of currency in circulation.

Rendering of Services (Services provided to the Cayman Islands Government and CIMA Transactional Fees) are recognised as revenue when the related service is rendered.

Net Loss or Gain on Numismatic Items – bullions stocks are stated at year-end market values. Numismatic coins sales and expenses are accounted for with the revaluation gain/loss.

Investment Income and other sources of income are accrued as earned.

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

IFRS 16 Leases

The objective of IFRS 16 is to report information that (i) faithfully represents lease transactions and (ii) provides a basis for users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. To meet the objective, the Authority has recognised assets and liabilities arising from its lease agreements

CAYMAN ISLANDS MONETARY AUTHORITY
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
152,676,767	144,371,795	Cash and cash equivalents	1	146,575,243	179,229,412
-	-	Marketable securities and deposits		-	-
1,126,944	2,016,058	Trade receivables	2	4,274,875	4,177,111
1,790,094	149,463	Other receivables	2	149,463	149,463
2,322,641	2,012,904	Inventories	3	1,422,386	4,753,458
21,491,524	18,866,647	Investments	4	14,618,995	6,293,158
1,059,540	600,000	Prepayments	5	550,000	500,000
-	-	Loans	6	-	-
180,467,510	168,016,867	Total Current Assets		167,590,962	195,102,602
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
75,817,743	79,106,895	Investments	4	80,790,819	81,505,752
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
7,568,000	7,794,000	Pension Plan Surplus	15	7,694,000	7,594,000
12,931,961	16,419,970	Property, plant and equipment	7	15,486,610	13,789,613
8,019,589	25,957,292	Right-of-use assets	9	24,170,159	22,605,300
1,323,800	1,000,870	Intangible Assets	8	3,800,512	6,561,115
105,661,093	130,279,027	Total Non-Current Assets		131,942,100	132,055,780
286,128,603	298,295,895	Total Assets		299,533,063	327,158,383
		Current Liabilities			
1,030,000	75,000	Trade payables	11	75,000	75,000
2,707,299	-	Other payables and accruals	11	-	-
1,910,487	2,477,041	Lease Liability	9	2,608,874	2,756,001
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
4,713,000	5,247,168	Unearned revenue	12	6,000,000	4,000,000
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
10,360,786	7,799,209	Total Current Liabilities		8,683,874	6,831,001
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
6,372,104	23,821,227	Lease Liability	9	22,266,422	20,519,644
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
8,555,000	9,204,000	Unfunded post retirement health care	16	9,853,000	10,502,000
173,640,515	168,576,576	Currency Issued		169,825,717	200,401,466
-	-	Long Term portion of Borrowings	14	-	-
188,567,619	201,601,803	Total Non-Current Liabilities		201,945,139	231,423,110
198,928,405	209,401,012	Total Liabilities		210,629,013	238,254,111
87,200,198	88,894,883	Net Assets		88,904,050	88,904,272
		NET WORTH			
2,328,349	2,328,349	Contributed capital		2,328,349	2,328,349
30,377,923	30,377,923	Other Reserves		30,377,923	30,377,923
-	-	Revaluation reserve		-	-
54,493,926	56,188,611	Accumulated surpluses/(deficits)		56,197,778	56,198,000
87,200,198	88,894,883	Total Net Worth		88,904,050	88,904,272

CAYMAN ISLANDS MONETARY AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
45,228,748	46,848,861	Sale of goods and services	17	55,400,543	56,392,099
11,218,025	9,057,248	Investment revenue	18	9,313,811	9,364,177
-	-	Donations	19	-	-
-	-	Other revenue		-	-
56,446,773	55,906,109	Total Revenue		64,714,354	65,756,276
		Expenses			
30,943,730	39,368,221	Personnel costs	20	46,984,324	48,665,755
8,873,386	10,607,590	Supplies and consumables	21	10,488,570	10,024,038
3,378,053	3,385,790	Depreciation and Amortisation	10	5,633,021	5,546,984
-	-	Impairment of Inventory, property, plant and equipment		-	-
591,526	849,823	Finance costs & overdraft interest (including lease interest)	22	1,599,272	1,519,277
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
43,786,695	54,211,424	Total Expenses		64,705,187	65,756,054
12,660,078	1,694,685	Surplus or (Deficit) for the period		9,167	222

CAYMAN ISLANDS MONETARY AUTHORITY

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
33,409,870	34,759,123	Sale of goods and services to Cabinet		32,818,000	33,818,000
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
11,455,853	12,079,068	Sale of goods and services - third party		22,582,543	22,574,099
11,218,025	9,057,130	Interest received		9,313,811	9,364,178
-	-	Donations / Grants		-	-
4,449,856	840,743	Other receipts		-	-
-	-	<i>Payments</i>		-	-
(42,095,805)	(40,198,149)	Personnel costs		(46,984,324)	(48,665,755)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(3,121,939)	(12,618,405)	Supplies and consumables - third party		(754,351)	22,656,764
-	-	Interest paid		(3,650)	(148,850)
4,126,855	(4,235,750)	Other payments		(8,597,897)	(6,390,511)
19,442,715	(316,241)	Net cash flows from operating activities	25	8,374,132	33,207,925
		CASH FLOWS FROM INVESTING ACTIVITIES			
(9,303,850)	(4,897,624)	Purchase of property, plant and equipment		(4,625,650)	(3,906,018)
-	-	Proceeds from sale of property, plant and equipment		-	-
(4,127,155)	(664,273)	Purchase of investments		(1,815,542)	(973,178)
130,867	-	Proceeds from sale of investments		4,379,271	8,584,082
(13,300,139)	(5,561,897)	Net cash flows from investing activities		(2,061,921)	3,704,886
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	-
(3,000,000)	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
(2,437,809)	(2,426,835)	Repayment of Borrowings		(4,108,762)	(4,258,642)
-	-	Currency Issues		-	-
(5,437,809)	(2,426,835)	Net cash flows from financing activities		(4,108,762)	(4,258,642)
704,767	(8,304,973)	Net increase/(decrease) in cash and cash equivalents		2,203,449	32,654,169
151,972,000	152,676,767	Cash and cash equivalents at beginning of period		144,371,794	146,575,243
152,676,767	144,371,794	Cash and cash equivalents at end of period		146,575,243	179,229,412

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	2,328,349	30,377,923	-	41,833,848	74,540,120
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	2,328,349	30,377,923	-	41,833,848	74,540,120
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	12,660,078	12,660,078
Total recognised revenues and expenses for the period	-	-	-	12,660,078	12,660,078
Balance at 31 December 2024	2,328,349	30,377,923	-	54,493,926	87,200,198
Balance at 31 December 2024 brought forward	2,328,349	30,377,923	-	54,493,926	87,200,198
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	2,328,349	30,377,923	-	54,493,926	87,200,198
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	1,694,685	1,694,685
Total recognised revenues and expenses for the period	-	-	-	1,694,685	1,694,685
Balance at 31 December 2025 carried forward	2,328,349	30,377,923	-	56,188,611	88,894,883

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	2,328,349	30,377,923	-	56,188,611	88,894,883
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	2,328,349	30,377,923	-	56,188,611	88,894,883
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	9,167	9,167
Total recognised revenues and expenses for the period	-	-	-	9,167	9,167
Balance at 31 December 2026 carried forward	2,328,349	30,377,923	-	56,197,778	88,904,050
Balance at 31 December 2026 brought forward	2,328,349	30,377,923	-	56,197,778	88,904,050
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	2,328,349	30,377,923	-	56,197,778	88,904,050
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027	-	-	-	222	222
Total recognised revenues and expenses for the period	-	-	-	222	222
Balance at 31 December 2027	2,328,349	30,377,923	-	56,198,000	88,904,272

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
15,279	1,000	Cash on hand	1,000	1,000
4,797,774	3,229,070	CI\$ Account	3,261,370	3,293,995
138,782,796	131,141,725	US\$ Account	133,312,873	160,934,417
9,080,918	10,000,000	Short-Term Fixed Deposits	10,000,000	15,000,000
152,676,767	144,371,795	TOTAL	146,575,243	179,229,412

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
668,113	1,941,351	Sale of goods and services to Cabinet	4,200,167	4,102,403
458,831	74,707	Other	74,708	74,708
-	-	Less: provision for doubtful debts	-	-
1,126,944	2,016,058	Total trade receivables	4,274,875	4,177,111

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
1,126,944	2,016,058	Past due 1-30 days	4,274,875	4,177,111
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
1,126,944	2,016,058	Total	4,274,875	4,177,111

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Advances (salary, Official Travel, etc)	-	-
-	-	Dishonoured cheques	-	-
1,790,094	149,463	Interest receivable	149,463	149,463
-	-	Other	-	-
-	-	Less: provision for doubtful debts (Enter -ve number)	-	-
1,790,094	149,463	Total other receivables	149,463	149,463

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
1,790,094	149,463	Past due 1-30 days	149,463	149,463
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
1,790,094	149,463	Total	149,463	149,463

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
2,322,641	2,012,904	Inventory Other	1,422,386	4,753,458
-	-	Impairment of Inventory	-	-
2,322,641	2,012,904	INVENTORIES - Current	1,422,386	4,753,458
-	-		-	-
-	-	INVENTORIES - Non-Current	-	-
2,322,641	2,012,904	TOTAL INVENTORIES	1,422,386	4,753,458

NOTE 4: INVESTMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Investments - at the lower of cost or market value	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Investments		
		Short Term Investments		
14,154,355	11,230,953	US Treasury Bills	8,567,882	-
7,337,170	7,635,694	Fixed Deposits	6,051,113	6,293,158
21,491,524	18,866,647	Investments - Current	14,618,995	6,293,158
		Non-Current Investments		
75,817,743	79,106,895		80,790,819	81,505,752
75,817,743	79,106,895	Investments - Non-Current	80,790,819	81,505,752
97,309,267	97,973,542	Total Investments	95,409,814	87,798,910

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
1,059,540	600,000		550,000	500,000
1,059,540	600,000	Prepayments - Current	550,000	500,000
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
1,059,540	600,000	Total Prepayments	550,000	500,000

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	4,514,853	1,246,888	2,524,138	445,874	20,000	3,118,032	11,869,785
Additions	-	-	77,174	15,205	-	-	92,379
Disposals and Derecognition	-	-	(70,203)	-	-	9,019,000	8,948,797
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2024	4,514,853	1,246,888	2,531,110	461,079	20,000	12,137,032	20,910,961

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	4,514,853	1,246,888	2,531,110	461,079	20,000	12,137,032	20,910,961
Additions	-	-	548,764	91,212	-	4,091,929	4,731,905
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	16,228,961	-	-	-	-	(16,228,961)	-
Balance as at 31 December 2025	20,743,814	1,246,888	3,079,874	552,291	20,000	-	25,642,866

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	20,743,814	1,246,888	3,079,874	552,291	20,000	-	25,642,866
Additions	-	-	1,000,000	213,150	50,000	-	1,263,150
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2026	20,743,814	1,246,888	4,079,874	765,441	70,000	-	26,906,016

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	20,743,814	1,246,888	4,079,874	765,441	70,000	-	26,906,016
Additions	-	-	353,817	189,700	-	-	543,517
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2027	20,743,814	1,246,888	4,433,691	955,141	70,000	-	27,449,533

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	3,802,000	949,000	1,718,000	387,000	17,000	-	6,873,000
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2024	712,000	177,000	258,000	26,000	3,000	-	1,176,000
Eliminate on Disposal or Derecognition 2024	-	-	(70,000)	-	-	-	(70,000)
Balance as at 31 December 2024	4,514,000	1,126,000	1,906,000	413,000	20,000	-	7,979,000

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	4,514,000	1,126,000	1,906,000	413,000	20,000	-	7,979,000
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2025	814,225	79,546	313,046	37,079	-	-	1,243,896
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	5,328,225	1,205,546	2,219,046	450,079	20,000	-	9,222,896

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	5,328,225	1,205,546	2,219,046	450,079	20,000	-	9,222,896
Transfers	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-
Depreciation Expense 2026	1,622,896	40,490	458,629	64,522	9,973	-	2,196,510
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-
Balance as at 31 December 2026	6,951,121	1,246,036	2,677,675	514,601	29,973	-	11,419,406

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	6,951,121	1,246,036	2,677,675	514,601	29,973	-	11,419,406
Transfers	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-
Depreciation Expense 2027	1,622,896	539	503,966	103,113	10,000	-	2,240,514
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-
Balance as at 31 December 2027	8,574,017	1,246,575	3,181,641	617,714	39,973	-	13,659,920

Net Book value 31 December 2024	853	120,888	625,110	48,079	-	12,137,032	12,931,961
Net Book value 31 December 2025	15,415,589	41,342	860,828	102,212	-	-	16,419,970
Net Book value 31 December 2026	13,792,693	852	1,402,199	250,840	40,027	-	15,486,610
Net Book value 31 December 2027	12,169,797	313	1,252,050	337,427	30,027	-	13,789,613

CAYMAN ISLANDS MONETARY AUTHORITY
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FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	5,666,305	284,000	5,950,305
Additions	146,000	107,000	253,000
Disposals and Derecognition	(88,333)	(59,666)	(147,999)
Revaluation	-	-	-
Transfers	171,000	(171,000)	-
Balance as at 31 December 2024	5,894,972	160,334	6,055,306

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	5,894,972	160,334	6,055,306
Additions	120,685	43,495	164,180
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	146,000	(146,000)	-
Balance as at 31 December 2025	6,161,657	57,829	6,219,486

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	6,161,657	57,829	6,219,486
Additions	775,000	2,587,500	3,362,500
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2026	6,936,657	2,645,329	9,581,986

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	6,936,657	2,645,329	9,581,986
Additions	775,000	2,587,500	3,362,500
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2027	7,711,657	5,232,829	12,944,486

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	4,334,394	-	4,334,394
Transfers	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-
Depreciation Expense 2024	485,112	-	485,112
Eliminate on Disposal or Derecognition	(88,000)	-	(88,000)
Balance as at 31 December 2024	4,731,506	-	4,731,506

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	4,731,506	-	4,731,506
Transfers	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-
Depreciation Expense 2025	487,110	-	487,110
Eliminate on Disposal or Derecognition	-	-	-
Balance as at 31 December 2025	5,218,616	-	5,218,616

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	5,218,616	-	5,218,616
Transfers	-	-	-
Impairment change 2026	-	-	-
Depreciation Expense 2026	562,858	-	562,858
Eliminate on Disposal or Derecognition	-	-	-
Balance as at 31 December 2026	5,781,474	-	5,781,474

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	5,781,474	-	5,781,474
Transfers	-	-	-
Impairment change 2027	-	-	-
Depreciation Expense 2027	601,897	-	601,897
Eliminate on Disposal or Derecognition	-	-	-
Balance as at 31 December 2027	6,383,371	-	6,383,371

Net Book value 31 December 2024	1,163,466	160,334	1,323,800

Net Book value 31 December 2025	943,041	57,829	1,000,870

Net Book value 31 December 2026	1,155,183	2,645,329	3,800,512

Net Book value 31 December 2027	1,328,286	5,232,829	6,561,115

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
16,555,918	16,950,421	Balance at the start of the year	36,542,908	37,629,428
394,503	19,592,487	Additions in the year	1,086,520	1,139,714
16,950,421	36,542,908	Balance at the end of the year	37,629,428	38,769,142

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,213,891	8,930,832	Balance at the start of the year	10,585,616	13,459,269
1,716,941	1,654,784	Additions in the year	2,873,653	2,704,573
8,930,832	10,585,616	Balance at the end of the year	13,459,269	16,163,842

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
8,019,589	25,957,292	Net Book Value	24,170,159	22,605,300

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,704,809	1,910,487	Balance at the start of the year (Third Party)	2,477,041	2,608,874
205,678	566,554	Additions in the year (Third Party)	131,833	147,127
1,910,487	2,477,041	Balance at the end of the year (Third Party)	2,608,874	2,756,001
1,910,487	2,477,041	TOTAL CURRENT	2,608,874	2,756,001

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
8,029,562	6,372,104	Balance at the start of the year (Third Party)	23,821,227	22,266,422
986,029	20,442,310	Additions in the year (Third Party)	2,685,792	2,716,554
9,015,591	26,814,414		26,507,019	24,982,976
(2,643,487)	(2,993,187)	Repayments in the year - Principal (Third Party)	(4,240,597)	(4,463,332)
6,372,104	23,821,227	Balance at the end of the year (Third Party)	22,266,422	20,519,644
6,372,104	23,821,227	TOTAL NON-CURRENT	22,266,422	20,519,644
8,282,591	26,298,268	TOTAL LEASE LIABILITY	24,875,296	23,275,645

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,716,941	1,654,784	Depreciation charge for right of use	2,873,653	2,704,573
591,526	849,823	Interest expense on lease liabilities	1,599,272	1,519,277
2,308,467	2,504,607	Total cash outflow for leases	4,472,925	4,223,850

Financial risk management
As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	2,477,041	23,821,226		26,298,267	26,298,268

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	2,608,874	22,266,421		24,875,295	24,875,296

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	2,756,001	20,519,643		23,275,644	23,275,645

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,176,000	1,243,896	Property Plant Equipment	2,196,510	2,240,514
485,112	487,110	Intangible Assets	562,858	601,897
1,716,941	1,654,784	Right-of-use assets	2,873,653	2,704,573
3,378,053	3,385,790	Total depreciation expense	5,633,021	5,546,984

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
1,030,000	75,000	Creditors Third party	75,000	75,000
2,170,000	-	Accrued Expenses	-	-
537,299	-	Other payables	-	-
3,737,299	75,000	Trade payables other payables and accruals - Current	75,000	75,000
-	-	Non-Current Trade payables other payables and accruals	-	-
-	-	Trade payables other payables and accruals - Non-Current	-	-
3,737,299	75,000	Total trade payables other payables and accruals	75,000	75,000

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
4,713,000	5,247,168	Unearned Director's Fees & CIMA Transaction Fees	6,000,000	4,000,000
4,713,000	5,247,168	Total current portion	6,000,000	4,000,000
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
4,713,000	5,247,168	Total Unearned Revenue	6,000,000	4,000,000

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
17,389,000	7,794,000	Value of pension fund allocated assets	7,694,000	7,594,000
(9,821,000)	-	Past service liability	-	-
7,568,000	7,794,000	Fund (deficiency)/Surplus	7,694,000	7,594,000

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description Enter liability as -ve.	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(8,555,000)	(9,204,000)	Defined benefit liability- post retirement healthcare	(9,853,000)	(10,502,000)
(8,555,000)	(9,204,000)	Total Unfunded Health Care Liability	(9,853,000)	(10,502,000)

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
19,547,972	21,520,440	Fees and Charges	22,582,543	22,574,099
363,026	10,670	General Sales	-	-
-	-	Rentals	-	-
-	-	Other Goods & Services Revenue	-	-
25,317,750	25,317,751	Sale of goods and services to Cabinet	32,818,000	33,818,000
-	-	Sale of goods and services to Other Ministries and Portfolios	-	-
45,228,748	46,848,861	Total sales of goods and services	55,400,543	56,392,099

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
9,905,994	10,559,186	Director Registration and Licensing Fees	10,650,000	10,650,000
8,092,120	9,441,372	CIMA Transaction Fees	10,400,200	10,397,804
1,549,858	1,519,882	Commission Income	1,532,343	1,526,295
19,547,972	21,520,440	Total Fees & Charges	22,582,543	22,574,099

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
363,026	10,670	Numismatic and other income	-	-
363,026	10,670	Total General Sales	-	-

		Sales of Outputs to Cabinet		
25,317,750	25,317,751	Sales of Outputs to Cabinet	32,818,000	33,818,000
		Other Outputs		
25,317,750	25,317,751	Total Sales of Outputs to Cabinet	32,818,000	33,818,000
		<i>Other Interdepartmental Revenue</i>		
-	-	Total Other Interdepartmental Revenue	-	-
45,228,748	46,848,861	Total Goods and Services	55,400,543	56,392,099

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,055,298	8,975,315	Interest on deposits	9,295,811	9,352,177
162,727	81,933	Other	18,000	12,000
11,218,025	9,057,248	Total Investment revenue	9,313,811	9,364,177

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
29,021,248	33,083,725	Salaries, wages and allowances	37,669,482	38,169,207
2,897,609	5,186,705	Health care other	6,750,092	7,663,275
1,931,216	2,153,719	Pension	2,468,400	2,584,423
(2,906,343)	(1,055,928)	Other personnel related costs	96,350	248,850
30,943,730	39,368,221	Total Personnel Costs	46,984,324	48,665,755

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,723,147	3,946,523	Supplies and Materials	3,994,930	4,244,876
3,030,427	3,594,905	Purchase of services	3,775,861	3,129,948
264,074	1,211,582	Lease of Property and Equipment	229,315	272,648
685,648	720,787	Utilities	822,200	828,500
185,322	325,626	General Insurance	403,587	429,344
483,464	480,888	Travel and Subsistence	877,658	740,769
500,610	327,279	Recruitment and Training	385,019	377,953
694	-	Other	-	-
8,873,386	10,607,590	Total Supplies & consumables	10,488,570	10,024,038

NOTE 22: FINANCE COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
591,526	849,823	Other borrowing costs	1,599,272	1,519,277
591,526	849,823	Total Finance cost	1,599,272	1,519,277

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
12,660,078	1,694,685	Surplus/(deficit) from ordinary activities	9,167	222
		Non-cash movements		
3,378,053	3,385,790	Depreciation & Amortisation	5,633,021	5,546,984
591,526	849,823	Other Non-cash movement	1,599,272	1,519,277
		Changes in current assets and liabilities:		
(1,011,000)	1,945,332	(Increase)/decrease in other current assets - Other	109,034	(3,378,307)
3,824,058	(8,191,871)	(Increase)/(decrease) in current liabilities - Other	1,023,638	29,519,749
19,442,715	(316,241)	Net cash flows from operating activities	8,374,132	33,207,925

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

**CAYMAN ISLANDS NATIONAL INSURANCE COMPANY
LTD.**

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Insurance Company Ltd. (CINICO) have agreed the Cayman Islands National Insurance Company Ltd. will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which CINICO is to operate during the period.

GENERAL NATURE OF ACTIVITIES

Incorporated by the Cayman Islands Government (CIG) on December 18, 2003 and granted a Class “A” Insurance Licence on February 1, 2004, CINICO is a wholly owned subsidiary of CIG.

CINICO provides CIG with a management infrastructure (with its own Board of Directors and committees of the Board), management team, and service providers that are experienced in managing the risks related to health insurance plans. As a separate insurance underwriting business, the Company is regulated by the Cayman Islands Monetary Authority (“CIMA”), audited by internal Government auditors, the Office of the Auditor General (OAG) and an external auditor.

As a Class “A” Insurance Company, CINICO is required by CIMA to maintain a minimum capital requirement (“MCR”) and prescribed capital requirement (“PCR”) in accordance with “The Insurance (Capital and Solvency) (Class A Insurers Regulations, 2012)”.

CINICO’s insurance offerings are classified under Health Insurance and Property and Casualty. CINICO also administers health benefits on behalf of the Ministry of Health (MOH), on an Administrative Services Only (ASO) basis.

SCOPE OF ACTIVITIES

The "delivery model" presented in this section represents the activities and outputs that CINICO delivers to fulfil its mandated responsibilities, the inputs that are used to deliver these activities and produce these outputs and the desired impacts or outcomes to which CINICO contributes with these outputs.

This delivery model is comprised of the following elements:

- **Inputs** represent the resources and outputs from other parties that are consumed by our activities.
- **Activities** describe collections of actions and services that we deliver under our mandate.
- **Outputs** are the products or services generated by our activities.
- **Direct outcomes** are the first level of outcomes or impacts– those over which we have the most direct influence with our outputs.
- **Intermediate outcomes** comprise the second level of outcomes – those over which we have less influence with our outputs and where the influence may be shared with our stakeholders.
- **Ultimate outcomes** are the highest-level outcomes that can be attributed to our outputs and are subject to many influences beyond those of CINICO.

Through its delivery model, CINICO offers health insurance products in the following categories:

Group 30100

The largest area of CINICO programming is health insurance coverage for civil servants and pensioners, and their designated dependants. CIG is financially responsible for 100% of the associated costs of most services, and funds this coverage through monthly premium payments to CINICO. A number of Statutory Authorities and Government Companies (SAGCs) also subscribe to this plan.

Group 30101

This health plan is administered on behalf of the Ministry of Finance (MOF), and provides health insurance coverage for Seafarers, Veterans, and their respective dependents. Eligibility for this plan is determined by The Veterans and Seaman Society of Cayman Brac and Little Cayman and The Cayman Islands Veterans Association, with the MOF responsible for approving coverage.

Group 31304

The Health Insurance Act (Revision 2013) mandates that all Class 'A' Health Insurers provide, as a minimum, the Standard Health Insurance Contract (SHIC) to all residents of the Cayman Islands. CINICO offers subscription to its SHIC plans year-round. There are two categories of SHIC Plans: a) Silver – available to residents to 60 years of age and over, and b) available to any resident between 18 and 59 years of age as an individual, couple or family subscription. Children under the age of 18 can also be added to individual or couple coverage. Children over the age of 18 and under 30, can also be added to a policy as a "dependent offspring" subject to the Health Insurance Act.

Enhanced SHIC and Retiree Plan

In this budget period, CINICO will introduce an enhanced SHIC plan, to the general public which will provide a cost-effective option to bridge the gap between the limited coverage offered under the SHIC, and the wide coverage offered under more comprehensive policies.

A retiree plan will be introduced approximately six months after the successful launch of enhanced plan. This plan will be similar in scope to the Enhanced SHIC plan.

ASO

On behalf of the CIG, CINICO also provides administration of health benefits for those deemed indigent through an Administrative Services Only (ASO) arrangement. The ASO arrangement is also provided for Seafarers and Veterans who receive overseas medical care. The Ministry of Health funds the associated costs of this program via the NGS-55 output.

Other

CINICO has a Medical Case Management Unit (MCMU) that is responsible for case management of all CINICO members seeking medical services locally and overseas, ensuring that members are receiving appropriate and timely care, with suitable follow-up periods when necessary.

CINICO's primary network provider is the Cayman Islands Health Services Authority (CIHSA or HSA).

Property and Casualty Insurance:

In 2024 CINICO introduced Home and Motor Insurance. The Home Insurance coverage offers protection against the usual perils associated with this type of insurance, and includes product innovation through parametric coverage, the first of its kind in at least the local market. The parametric benefit provides a payout to policyholders based on the proximity of a tropical storm and windspeed, even without damage to the building being covered. This provides the policyholder with funds to reimburse their incidental costs while preparing for the storm.

The Motor Insurance coverage is for private motor vehicles and covers the usual perils associated with this type of insurance.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by CINICO are provided to civil servants, pensioners, various SAGCs, seamen and veterans, indigents, advance patients and the general public subscribing to the Standard Health Insurance Contract. The services are provided from offices at Maiden Place, George Town, and Stake Bay, Cayman Brac.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for CINICO for the 2026 and 2027 financial periods are listed below.

CINICO Expansion

In 2022 Cabinet approved a plan for the expansion of CINICO's operations, as outlined below. CINICO has been working on these initiatives since 2022. Implementation of various initiatives of the expansion plan will be staggered throughout 2023 and 2024.

1. Introduce an open-market product designed to address some of the deficiencies in the coverage available under the Standard Health Insurance Contract (SHIC).
2. Introduce an open-market product similar to 1. above, designed to provide a cost-effective option for retirees who are unable to access affordable private insurance coverage.
3. Introduce Property and Casualty Insurance products in the form of Residential and Motor insurance.

2019 Strategic Plan

In addition to the Expansion plans outlined above, CINICO will continue to pursue the strategic objectives outlined in our 2019 Strategic Plan which are summarized below.

Strategic Goals

In 2019, the company developed a 5-year strategic plan from 2019 to 2024. The Company's strategic goals are as follows:

1. Ensure CINICO's long term sustainability.
2. Deliver an exceptional customer experience enabled by strong stakeholder relations; and
3. Strengthen our strategic and operational foundation for delivery.

OBJECTIVES/PROJECTS

With respect to each strategic goal, the following projects will be completed or commenced in the 2026 and 2027 financial period.

STRATEGIC GOAL #1: ENSURE CINICO'S LONG TERM SUSTAINABILITY

During the life of this strategic plan and this two-year budget, we will continue to:

- Maintain adequate reinsurance coverage in line with CINICO's risk appetite.
- Maintain and improve robust client management and claims review.
- Work with key stakeholders to implement cost containment measures.
- Leverage technology to improve efficiency and enhance data security.

Over the next two years we will also plan to engage reputable local/overseas providers, thus achieving value for money.

STRATEGIC GOAL #2: DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE ENABLED BY STRONG STAKEHOLDER RELATIONS

During the life of our strategic plan, therefore, we will continue to:

- Improve the level of customer service to members on all three islands.
- Improve the nature and type of data analytics to stakeholders enabling informed decisions on health care policies and programmes.
- Provide recommendations to CIG on how to lower healthcare costs within their current plans.
- Provide more convenient accessibility to filling prescriptions.

Over the next two years we plan on successfully undertaking the following initiatives:

- Update our eligibility system.
- Further enhance our medical case management capabilities, including but not limited to wellness initiatives that would focus on better lifestyle choices and achieving better health.

STRATEGIC GOAL #3: STRENGTHEN OUR STRATEGIC AND OPERATIONAL FOUNDATION FOR DELIVERY

During the life of this strategic plan, therefore, we will continue to:

- Update our policies and procedures to ensure they provide our staff with a clear understanding of how we are managing for results; and
- Carry out extensive staff training and include cross-training of staff for more effective use of our personnel and to ensure that there is a robust succession plan for key positions in the Company.

During the life of the strategic plan, we will undertake the following initiatives:

- Develop and implement risk management and performance measurement policies and frameworks.
- Review the process to ensure the accuracy and timeliness of member data

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Insurance Company Ltd. for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	77,565	83,919	67,038
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	104,274	113,014	95,632
REVENUE FROM OTHERS	9,889	15,697	3,935
OPERATING EXPENSES	188,946	208,465	165,844
OPERATING SURPLUS/DEFICIT	2,782	4,165	761
NET WORTH	56,509	60,675	53,727
CASH FLOWS FROM OPERATING ACTIVITIES	5,871	5,779	6,002
CASH FLOWS FROM INVESTING ACTIVITIES	(4,740)	(3,299)	1,579
CASH FLOWS FROM FINANCING ACTIVITIES	(431)	(520)	(580)
CHANGE IN CASH BALANCES	700	1,960	7,001

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	3.38:1	3.31:1	3.52:1
TOTAL ASSETS: TOTAL LIABILITIES	3.22:1	3.21:1	3.29:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	70	70	65
STAFF TURNOVER (%)			
SENIOR MANAGERS	0%	0%	17%
PROFESSIONAL AND TECHNICAL STAFF	0%	0%	0%
ADMINISTRATIVE STAFF	0%	0%	13.4%

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	81,978	88,153	77,215
ASSET REPLACEMENTS: TOTAL ASSETS	0.7%	0.2%	0.5%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	201%	25%	157%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
TECHNOLOGY	279	90	335
PHYSICAL INFRASTRUCTURE/OPERATIONAL	318	56	87
RIGHT OF USE ASSETS (IFRS 16)	-	-	-

RISK MANAGEMENT

In 2024, CINICO undertook a comprehensive company-wide gap analysis to identify and document enterprise-wide risks. This initiative was aimed at ensuring that CINICO's risk management framework met the regulatory expectations of CIMA's rule on risk management, and industry best practices. The enterprise-wide risk management framework was approved by the Board of Director in 2025. The following risk universe categories have been determined.

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
<u>Corporate Governance</u> - Corporate Governance Framework - Insufficient expertise in insurance, risk management or financial services - Succession planning - Board evaluations and training - Conflicts of Interest - Regulatory requirements for Corporate Governance	New Enterprise-Wise risk management framework (EWRMF)	- Corporate Governance Charter (Policies and Procedures) which clearly establishes the tone from the top - Qualified, Diverse and effective board of directors - Adequate succession planning in place – key roles and successors outlined - Board self-assessments conducted on an annual basis - Conflict of Interest Policy in place and updated on an annual basis - Regular Board Meetings held, and minutes evidenced outlining action points and approvals. - Implementation of Rules and Statements of Guidance on Corporate Governance and gap analysis conducted - Regular review of strategy / business plan - Remuneration Policy	Not quantifiable
<u>AML / CTF / PF</u> - AML/CTF/PF Framework - Record keeping - Customers - Training - Sanctions - Reporting Record Retention	New EWRMF	- Established AML Policies and Procedures – annually updated - Client Identification and Verification Procedures / Risk Assessments - Ongoing monitoring (risk, trigger, unusual transactions reviews) - Training and Awareness in place - Sanction monitoring in place. - Reporting (SARs, Sanctions, TF and PF) - Record keeping requirements in place	Not quantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
<u>Regulatory Compliance</u> - Licensing and Fees - Administrative fines and enforcement actions - Regulatory measures - Labor and Pensions - Data Protection - Control deficiencies	New EWRMF	- Tracked on an ongoing basis - Implementation of applicable regulatory measures. - Conduct risk assessments (AML and EWRA) - Labour and Pension Requirements tracked and reviewed on an annual basis - Data Protection policies and procedures in place and updated on an annual basis. In addition, training is delivered to all staff. - Internal Audit Function in place and testing conducted on a periodic basis.	Fines
<u>Accounting and Finance</u> - Reporting - Collection of receivables - Expenses - Capital Management and Reserving - Investments - Payables and Liabilities	New EWRMF	- Financial Reporting framework in place - Forecasting and budgeting - Revenue - Collection of receivables - Administrative Expenses payment schedule - Capital Management and Actuarial reserving in place - Investment, termination policies tracked and reported - Accounts payable and other liabilities	Not quantifiable
<u>Outsourcing</u> - Outsourcing Framework and oversight - Procurement handling - SOC Exposures	New EWRMF	- Outsourcing Policy - Materiality and Risk Assessments - CIG Procurement policy - SOC reports completed on an annual basis	Not quantifiable
<u>Operational Risks</u> - Health Insurance Exposures - Property and Casualty Exposures - Market Conduct - Reinsurance Exposures - Compliance Monitoring and Oversight - Fraud Exposures	New EWRMF	- Established policies covering related risks - Established policies covering related risks - Fair Treatment of Customers, complaints, appeals - Compliance monitoring aligned with CIMA requirements. - Comprehensive policies and procedures in place and controls for fraud.	Not quantifiable
<u>Human Resources</u> H.R. Framework	New EWRMF	- Established policies and procedures - Organizational structure / job descriptions updated on an ongoing basis - Employee management (recruitment, hiring, retention) conducted - Training conducted	Not quantifiable

		• Performance Management and Talent Management conducted • Employee benefits monitored and framework in place • Compensation benefits.	
<u>Information Technology/Cyber Risks</u> • Information Technology Exposures	New EWRMF	• IT Policies and Procedures, Risk Management, Strategy and Infrastructure • System acquisition and maintenance • Network Operations and Controls • Physical and environmental security • Information Security, Testing and Monitoring • Disaster Recovery • Privacy and Data Protection • Detection, response • Table Top Exercise conducted • Support and training, Recovery and planning undertaken • Multi-layered security measures, including penetration testing and monitoring.	Not quantifiable
<u>Business Continuity</u> • Continuity Exposures • Disaster Recovery	New EWRMF	• Policies and Procedures updated on an annual basis • Business Impact Analysis conducted • Established Communications with staff and stakeholders • Training conducted • Testing conducted on an annual basis • Reporting	Not quantifiable
<u>Product Risk</u> • Product line exposures • Claims Handling	New EWRMF	• Health insurance (general public - SHIC) • Property and Casualty – customers and associated risks • Claims policies and procedures in place. • Risk assessment and Board approval for new products undertaken	Not quantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
<u>Strategic and Business Risks</u> • Innovation and Insurtech adoption • Market size and Competition • Reputation Risk	New EWRMF	• Established Strategic Plan • Transparent communication with policyholders, regulators and reinsurers • Digital transformation – Insurtech and process automation currently in progress to ensure competitiveness is not impacted. • Claims and solvency framework in place to mitigate missteps that could impact reinsurance relationship.	Not quantifiable
<u>Credit Risk</u> • Incoming/Outgoing Payments • Liquidity Risks	New EWRMF	• Policies and Procedures in place • Onboarding significant parties such as reinsurer, contract provider	Not quantifiable
<u>Insurance/Underwriting Risk</u> • Concentration exposures • Reinsurance exposures/withdrawals • Catastrophe risk • Pricing and reserving risk	New EWRMF	• Product portfolio expanded to reduce concentration risk, • Diversified reinsurance panel • Actuarial governance • Actuarial Reserving in place	Not quantifiable
<u>Market Risk</u> • Inflation	New EWRMF	• Inflation assumptions for escalation of medical, auto repair and construction costs incorporated in pricing and reserving.	Not quantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands National Insurance Company Ltd. is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	191,728	212,630	166,605
OPERATING EXPENSES	188,946	208,465	165,844
NET SURPLUS/(DEFICIT)	2,782	4,165	761

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	81,978	88,153	77,215
LIABILITIES	25,469	27,479	23,488
NET WORTH	56,509	60,675	53,727

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	5,871	5,779	6,002
CASH FLOWS FROM INVESTING ACTIVITIES	(4,740)	(3,299)	1,579
CASH FLOWS FROM FINANCING ACTIVITIES	(431)	(520)	(580)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ¹⁵	-	-
REMUNERATION ¹⁶ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	\$1,232,594	\$1,241,594
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	\$1,034,594	\$1,043,594

DESCRIPTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8	8
NUMBER OF KEY SENIOR MANAGEMENT (MD)	6	6

¹⁵ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

¹⁶ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands National Insurance Company Ltd. undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Insurance Company Ltd. will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Rolston Anglin

Minister for Finance and Economic Development

On behalf of Cabinet



Chairman of the Board

Cayman Islands National Insurance Company

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman Islands National Insurance Company Ltd. for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands National Insurance Company Ltd.

31 December 2025

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CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In 2023, IFRS 17 (Insurance Contracts) comes into effect. In previous years IFRS 4 was used as the reporting basis. For purposes of consolidating with Government, CINICO will use the traditional IFRS 4 basis of reporting. As such the budgeted projections are made using IFRS 4 structure of accounts with minor adjustments. From a financial point of view the main difference in IFRS 17 versus IFRS 4 is that IFRS 17 includes a risk adjustment in the provision for claims incurred (see below section "ultimate liability arising from claims made under insurance contracts"). The risk adjustment is included in the budget figures.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's policies.

Critical accounting estimates and judgements

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The item which may have the most effect on the Company's financial statements is set out below.

The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims.

The provision for claims incurred is an estimate determined by an independent actuary, using actuarial claims projection techniques and includes amounts for all losses reported but not settled and loss adjustment expenses, as well as reserves for losses which have been incurred but not yet reported at the end of the reporting period. The provisions for claims incurred also include a risk adjustment required for IFRS 17. The risk adjustment is an amount that an insurer would pay to remove the uncertainty that future cash flows will exceed the expected value amount. CINICO estimates the risk adjustment using a margin approach of 3% to 5% of provision for claims incurred.

Insurance and reinsurance contracts – classification

Insurance and reinsurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Company defines as significant insurance risk using historical claims data and conducting an actuarial analysis of various reinsurance retention limits, to determine the optimum

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Reinsurance retention limit. Under its reinsurance contract, the Company is entitled to any claims in excess of the reinsurance limit which is held or recognized as reinsurance assets.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on policies issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

Insurance/reinsurance assets and liabilities

The Company assesses its insurance/reinsurance assets for impairment on a regular basis, and if there is objective evidence that the insurance/reinsurance asset is impaired, the Company reduces the carrying amount of these assets to their recoverable amounts. The impairment loss is recognised in the statements of income and comprehensive income. Insurance/reinsurance liabilities are recognised when incurred/due.

Claims and provision for claims incurred

Claims paid are recorded based on claims reported to the Company and adjudicated by its third-party administrator. The provision for claims incurred is an estimate determined by an independent actuary, using standard actuarial claims projection techniques and includes amounts for all losses reported but not settled and loss adjustment expenses, as well as reserves for losses which have been incurred but not yet reported at the statement of financial position date. The Company records its estimated liability gross of any amounts recoverable under its own reinsurance. Recoverable amounts, under the reinsurance contract, if any, are estimated and reported separately as assets. The reinsured portion, if any, of reserves for losses is estimated in a manner consistent with the estimation of reserves for losses on the reinsured policies.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and interest-bearing deposits with original maturities of three months or less.

Premiums

Premiums are accounted for on a pro-rata basis over the periods covered by the insurance policy. Premiums for privately insured persons are payable monthly in advance on the first day of the month.

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Premiums for Government insured persons are payable monthly. Premiums received in advance are deferred and included in Premiums received in advance in the balance sheet. Reinsurance premiums ceded are similarly recognized on a pro-rata basis based on the contractual premium rate and number of insureds covered under the reinsurance policy.

It is the Company's policy to lapse any policies where the premiums are unpaid for generally around forty-five days after the due date.

Leases

The Company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the asset is determined if the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and has the right to direct use of the asset.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases. The Company recognises a right-of-use asset and the lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Disclosures about fair value of financial instruments

With the exception of balances in respect of insurance contracts, the carrying amounts of all financial instruments approximate their fair values due to their short-term maturities.

Depreciation

Fixed assets are carried at cost less depreciation and impairment. Depreciation is calculated on a straight-line basis over their expected useful lives of these assets. The following depreciation rates have been estimated by management to approximate the expected useful life of each class of assets:

Office Equipment	5 years
Computer and Telecommunications Equipment	3 years
Leasehold Improvements	Over the term of the lease
System Development Costs	3 to 5 years

The assets' useful lives are reviewed at each balance sheet date and adjusted where appropriate.

Income taxes

There is presently no taxation imposed on the Company by the Government of the Cayman Islands. As a result, no tax liability or expense has been recorded in the accompanying financial statements.

Administrative Services Only Fees

Administrative Services Only Fees ("ASO") are recognised as earned on a per month basis and recognized in full each month.

Investment and other income

Investment and other income are accrued as earned.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Cayman Islands dollars, which is the Company's presentation and functional currency.

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Revenue and expense transactions denominated in currencies other than the Cayman Islands dollar have been translated using exchange rates ruling at the dates of those transactions. Assets and liabilities denominated in currencies other than the Cayman Islands dollar have been translated using year-end foreign exchange rates. Gains or losses on translation of foreign currency transactions are included in general and administrative expenses.

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
26,128,208	33,128,817	Cash and cash equivalents	1	33,828,806	35,789,032
-	-	Marketable securities and deposits		-	-
1,758,404	2,545,225	Trade receivables	2	3,154,135	4,427,215
13,398,144	10,636,130	Other receivables	2	10,364,589	10,869,215
-	-	Inventories	3	-	-
28,739,304	26,739,303	Investments	4	30,882,162	34,034,592
229,057	766,000	Prepayments	5	666,000	716,000
-	-	Loans	6	-	-
70,253,117	73,815,475	Total Current Assets		78,895,692	85,836,054
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
605,048	646,738	Property, plant and equipment	7	847,908	699,954
2,478,497	2,470,486	Right-of-use assets	9	1,950,383	1,430,281
234,848	282,175	Intangible Assets	8	284,182	187,204
3,318,393	3,399,398	Total Non-Current Assets		3,082,474	2,317,438
73,571,510	77,214,874	Total Assets		81,978,166	88,153,492
		Current Liabilities			
245,745	-	Trade payables	11	-	-
16,891,812	20,637,441	Other payables and accruals	11	23,053,856	25,470,419
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
158,037	-	Bank Overdraft	1	-	-
721,831	315,378	Unearned revenue	12	311,421	424,367
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
18,017,425	20,952,819	Total Current Liabilities		23,365,277	25,894,786
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
2,588,562	2,534,884	Lease Liability	9	2,103,960	1,583,980
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
2,588,562	2,534,884	Total Non-Current Liabilities		2,103,960	1,583,980
20,605,987	23,487,703	Total Liabilities		25,469,237	27,478,767
52,965,523	53,727,170	Net Assets		56,508,929	60,674,725
		NET WORTH			
46,073,251	46,073,251	Contributed capital		46,073,251	46,073,251
-	-	Other Reserves		-	-
-	-	Revaluation reserve		-	-
6,892,272	7,653,919	Accumulated surpluses/(deficits)		10,435,678	14,601,474
52,965,523	53,727,170	Total Net Worth		56,508,929	60,674,725

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
150,038,194	165,013,313	Sale of goods and services	17	190,239,101	211,156,389
1,582,194	1,526,859	Investment revenue	18	1,442,429	1,433,189
-	-	Donations	19	-	-
85,816	65,600	Other revenue		46,000	41,000
151,706,204	166,605,772	Total Revenue		191,727,530	212,630,578
		Expenses			
5,691,969	6,775,467	Personnel costs	20	8,095,678	8,260,878
3,564,762	3,404,464	Supplies and consumables	21	3,402,563	3,388,431
751,308	866,606	Depreciation and Amortisation	10	914,170	911,244
-	-	Impairment of Inventory, property, plant and equipment			
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
(4,585)	-	Litigation costs	23	-	-
138,596,965	154,797,589	Other (Gains)/losses	24	-	-
148,600,419	165,844,126	Total Expenses		176,533,360	195,904,229
				188,945,771	208,464,782
3,105,785	761,647	Surplus or (Deficit) for the period		2,781,759	4,165,796

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
61,702,518	67,038,474	Sale of goods and services to Cabinet		77,565,084	83,918,678
79,352,217	90,375,110	Sale of goods and services to Ministries/Portfolios		99,197,702	106,423,194
4,639,811	5,038,003	Sale of goods and services to Statutory Agencies and Government Companies		5,462,938	5,791,243
1,338,032	1,796,304	Sale of goods and services - third party		7,729,961	13,484,264
1,582,194	1,406,859	Interest received		1,392,429	1,433,189
-	-	Donations / Grants		-	-
85,816	185,600	Other receipts		96,000	41,000
		<i>Payments</i>			
(5,691,969)	(6,775,467)	Personnel costs		(8,095,678)	(8,260,878)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(3,564,762)	(3,404,464)	Supplies and consumables - third party		(3,402,563)	(3,388,431)
		Interest paid			
(140,577,268)	(149,658,521)	Other payments		(174,074,853)	(193,663,417)
(1,133,411)	6,001,897	Net cash flows from operating activities	25	5,871,020	5,778,843
		CASH FLOWS FROM INVESTING ACTIVITIES			
(266,367)	(421,505)	Purchase of property, plant and equipment		(597,247)	(146,208)
-	-	Proceeds from sale of property, plant and equipment		-	-
(5,743,251)	2,000,001	Purchase of investments		(4,142,859)	(3,152,429)
-	-	Proceeds from sale of investments		-	-
(6,009,618)	1,578,496	Net cash flows from investing activities		(4,740,106)	(3,298,637)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	-
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
(353,985)	(579,783)	Repayment of Borrowings		(430,926)	(519,980)
		Currency Issues			
(353,985)	(579,783)	Net cash flows from financing activities		(430,926)	(519,980)
(7,497,014)	7,000,610	Net increase/(decrease) in cash and cash equivalents		699,988	1,960,226
33,625,221	26,128,207	Cash and cash equivalents at beginning of period		33,128,817	33,828,806
26,128,207	33,128,817	Cash and cash equivalents at end of period		33,828,806	35,789,032

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	46,073,251			3,786,487	49,859,738
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	46,073,251	-	-	3,786,487	49,859,738
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit) for the period 2024	-	-	-	3,105,785	3,105,785
Total recognised revenues and expenses for the period	-	-	-	3,105,785	3,105,785
Balance at 31 December 2024	46,073,251	-	-	6,892,272	52,965,523
Balance at 31 December 2024 brought forward	46,073,251	-	-	6,892,272	52,965,523
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	46,073,251	-	-	6,892,272	52,965,523
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit) for the period 2025	-	-	-	761,647	761,647
Total recognised revenues and expenses for the period	-	-	-	761,647	761,647
Balance at 31 December 2025 carried forward	46,073,251	-	-	7,653,919	53,727,170

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	46,073,251	-	-	7,653,919	53,727,170
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	46,073,251	-	-	7,653,919	53,727,170
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit) for the period 2026	-	-	-	2,781,759	2,781,759
Total recognised revenues and expenses for the period	-	-	-	2,781,759	2,781,759
Balance at 31 December 2026 carried forward	46,073,251	-	-	10,435,678	56,508,929
Balance at 31 December 2026 brought forward	46,073,251	-	-	10,435,678	56,508,929
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	46,073,251	-	-	10,435,678	56,508,929
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit) for the period 2027	-	-	-	4,165,796	4,165,796
Total recognised revenues and expenses for the period	-	-	-	4,165,796	4,165,796
Balance at 31 December 2027	46,073,251	-	-	14,601,474	60,674,725

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
482	500	Cash on hand	500	500
-	-	Cash in transit	-	-
25,423,572	31,278,317	CI\$ Account	31,728,306	32,938,532
237,427	1,500,000	US\$ Account	1,750,000	2,500,000
(158,037)	-	Bank Overdraft	-	-
466,727	350,000	Payroll Current Account	350,000	350,000
-	-	Bank Accounts held at other financial institutions	-	-
-	-	Short-Term Fixed Deposits	-	-
25,970,171	33,128,817	TOTAL	33,828,806	35,789,032

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Sale of goods and services to Cabinet	-	-
1,132,201	1,507,674	Sale of goods and services to Ministries/Portfolios	1,598,104	2,077,536
284,729	379,154	Sale of goods and services to Statutory Agencies and Government Companies	401,896	522,464
368,474	678,397	Sale of goods and services - third party	1,174,135	1,852,215
-	-	Other	-	-
(27,000)	(20,000)	Less: provision for doubtful debts	(20,000)	(25,000)
1,758,404	2,545,225	Total trade receivables	3,154,135	4,427,215

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Current	-	-
1,742,241	1,682,478	Past due 1-30 days	1,861,597	2,875,965
4,554	862,747	Past due 31-60 days	1,292,537	1,551,250
2,604	-	Past due 61-90 days	-	-
9,005	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
1,758,404	2,545,225	Total	3,154,135	4,427,215

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Advances (salary, Official Travel, etc)	-	-
-	-	Dishonoured cheques	-	-
667,675	550,000	Interest receivable	650,000	650,000
12,730,469	10,086,130	Other	9,714,589	10,219,215
-	-	Less: provision for doubtful debts	-	-
13,398,144	10,636,130	Total other receivables	10,364,589	10,869,215

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Current	-	-
13,398,144	10,636,130	Past due 1-30 days	10,364,589	10,869,215
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
13,398,144	10,636,130	Total	10,364,589	10,869,215

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(27,000)	(20,000)	Balance at beginning of period	(20,000)	(20,000)
-	-	Additional provisions made during the year	-	(5,000)
-	-	Receivables written off during the period	-	-
(27,000)	(20,000)	Balance at 31st December	(20,000)	(25,000)

NOTE 4: INVESTMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Investments - at the lower of cost or market value	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Current Investments	-	-
28,739,304	26,739,303	Short-Term Fixed Deposits	30,882,162	34,034,592
28,739,304	26,739,303	Investments - Current	30,882,162	34,034,592
-	-	Non-Current Investments	-	-
-	-	Investments - Non-Current	-	-
28,739,304	26,739,303	Total Investments	30,882,162	34,034,592

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Current Prepayments	-	-
-	84,000	CIMA Fees	84,000	84,000
6,842	10,000	Work Permit	10,000	12,000
73,121	72,000	Prepaid Rent/Other (incl insurance)	68,000	59,000
149,094	600,000	Other/software	504,000	561,000
229,057	766,000	Prepayments - Current	666,000	716,000
-	-	Non-Current Prepayments	-	-
-	-	Prepayments - Non-Current	-	-
229,057	766,000	Total Prepayments	666,000	716,000

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2024	1,051,601	787,962	337,172	2,176,735
Additions	172,753	31,403	9,371	213,527
Disposals and Derecognition	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2024	1,224,354	819,365	346,543	2,390,262

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2025	1,224,354	819,365	346,543	2,390,262
Additions	40,999	155,431	45,943	242,373
Disposals and Derecognition	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2025	1,265,353	974,796	392,486	2,632,635

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2026	1,265,353	974,796	392,486	2,632,635
Additions	300,000	111,346	17,900	429,246
Disposals and Derecognition	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2026	1,565,353	1,086,142	410,386	3,061,881

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2027	1,565,353	1,086,142	410,386	3,061,881
Additions	-	70,358	55,850	126,208
Disposals and Derecognition	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2027	1,565,353	1,156,500	466,236	3,188,089

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2024	588,945	718,036	250,102	1,557,083
Transfers	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-
Depreciation Expense 2024	142,619	54,495	31,017	228,131
Eliminate on Disposal or Derecognition 2024	-	-	-	-
Balance as at 31 December 2024	731,564	772,531	281,119	1,785,214

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2025	731,564	772,531	281,119	1,785,214
Transfers	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-
Depreciation Expense 2025	105,699	58,829	36,156	200,683
Eliminate on Disposal or Derecognition 2025	-	-	-	-
Balance as at 31 December 2025	837,263	831,360	317,275	1,985,897

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2026	837,263	831,360	317,275	1,985,897
Transfers	-	-	-	-
Impairment change 2026	-	-	-	-
Depreciation Expense 2026	113,914	82,523	31,637	228,075
Eliminate on Disposal or Derecognition 2026	-	-	-	-
Balance as at 31 December 2026	951,177	913,883	348,912	2,213,972

	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2027	951,177	913,883	348,912	2,213,972
Transfers	-	-	-	-
Impairment change 2027	-	-	-	-
Depreciation Expense 2027	143,914	103,504	26,745	274,163
Eliminate on Disposal or Derecognition 2027	-	-	-	-
Balance as at 31 December 2027	1,095,091	1,017,387	375,657	2,488,135

Net Book value 31 December 2024	492,790	46,834	65,424	605,048

Net Book value 31 December 2025	428,090	143,437	75,211	646,738

Net Book value 31 December 2026	614,176	172,259	61,473	847,908

Net Book value 31 December 2027	470,262	139,114	90,578	699,954

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	1,294,406	1,294,406
Additions	52,840	52,840
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	1,347,246	1,347,246

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	1,347,246	1,347,246
Additions	179,133	179,133
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	1,526,379	1,526,379

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	1,526,379	1,526,379
Additions	168,000	168,000
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	1,694,379	1,694,379

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	1,694,379	1,694,379
Additions	20,000	20,000
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	1,714,379	1,714,379

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	1,040,260	1,040,260
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	72,138	72,138
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	1,112,398	1,112,398

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	1,112,398	1,112,398
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	131,806	131,806
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	1,244,204	1,244,204

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	1,244,204	1,244,204
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	165,992	165,992
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	1,410,196	1,410,196

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	1,410,196	1,410,196
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	116,979	116,979
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	1,527,175	1,527,175

Net Book value 31 December 2024	234,848	234,848

Net Book value 31 December 2025	282,175	282,175

Net Book value 31 December 2026	284,182	284,182

Net Book value 31 December 2027	187,204	187,204

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,105,546	3,031,868	Balance at the start of the year	3,557,973	3,557,973
2,821,655	526,105	Additions in the year	-	-
(895,333)	-	Lease terminations in the year (enter as negative)	-	-
3,031,868	3,557,973	Balance at the end of the year	3,557,973	3,557,973

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
945,843	553,371	Balance at the start of the year	1,087,488	1,607,590
451,039	534,117	Additions in the year	520,102	520,102
(843,511)	-	Lease terminations in the year (enter as negative)	-	-
553,371	1,087,488	Balance at the end of the year	1,607,590	2,127,692

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,478,497	2,470,486	Net Book Value	1,950,383	1,430,281

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
177,299	2,588,562	Balance at the start of the year (Third Party)	2,534,884	2,103,960
2,929,393	209,561	Additions in the year (Third Party)	-	-
(56,407)	-	Lease terminations in the year (Third Party) (enter as negative)	-	-
3,050,285	2,798,123		2,534,884	2,103,960
(461,723)	(263,239)	Repayments in the year - Principal (Third Party) (enter as negative)	(430,925)	(519,980)
2,588,562	2,534,884	Balance at the end of the year (Third Party)	2,103,960	1,583,980
2,588,562	2,534,884	TOTAL NON-CURRENT	2,103,960	1,583,980
2,588,562	2,534,884	TOTAL LEASE LIABILITY	2,103,960	1,583,980

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
451,039	534,117	Depreciation charge for right of use	520,102	520,102
451,039	534,117	Total cash outflow for leases	520,102	520,102

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial risk management
As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	430,925	2,103,959		2,534,884	2,534,884

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	519,980	1,583,980		2,103,960	2,103,960

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	571,574	1,012,406		1,583,980	1,583,980

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
228,131	200,683	Property Plant Equipment	228,075	274,163
72,138	131,806	Intangible Assets	165,992	116,979
451,039	534,117	Right-of-use assets	520,102	520,102
751,308	866,606	Total depreciation expense	914,170	911,244

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
244,875	-	- Creditors Third party	-	-
870	-	- Creditors other Statutory Agencies and Government Companies	-	-
2,395	-	- Payroll Deductions	-	-
1,898,116	1,500,000	Accrued Expenses	1,500,000	1,650,000
14,991,301	19,137,441	Other payables	21,553,856	23,820,419
-	-	- Dividends/Surplus Payable	-	-
17,137,557	20,637,441	Trade payables other payables and accruals - Current	23,053,856	25,470,419
		Non-Current Trade payables other payables and accruals		
-	-	- Trade payables other payables and accruals - Non-Current	-	-
17,137,557	20,637,441	Total trade payables other payables and accruals	23,053,856	25,470,419

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
206,183	200,000	Premiums received in advance	160,000	200,000
461,373	115,378	Unearned premiums	151,421	224,367
54,275	-	Unearned commission income	-	-
-	-		-	-
721,831	315,378	Total current portion	311,421	424,367
-	-	Non-Current Unearned Revenue	-	-
-	-	Total non-current portion	-	-
721,831	315,378	Total Unearned Revenue	311,421	424,367

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,333,823	2,342,593	Other Goods & Services Revenue	8,400,205	14,223,273
61,489,714	67,038,474	Sale of goods and services to Cabinet	77,565,084	83,918,678
87,214,657	95,632,246	Sale of goods and services to Other Ministries and Portfolios	104,273,812	113,014,437
150,038,194	165,013,313	Total sales of goods and services	190,239,101	211,156,389

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,865,471	4,754,851	SHIC premium/SHIC enhanced (net of brokerage)	10,874,956	16,635,722
(2,956,221)	(5,338,220)	Reinsurance Premium (Offset with Gross premium)	(7,175,360)	(8,319,082)
	21,552	Seafarer and Veterans self Pay	25,812	27,036
21,473	565,061	Commission income	849,876	1,128,038
403,100	2,339,349	P&C Revenue and UPR	3,824,921	4,751,559
1,333,823	2,342,593	Total Other Goods & Services Revenue	8,400,205	14,223,273

		Sales of Outputs to Cabinet		
61,489,714	67,038,474	Sales of Outputs to Cabinet	77,565,084	83,918,678
		Other Outputs		
61,489,714	67,038,474	Total Sales of Outputs to Cabinet	77,565,084	83,918,678
		Other Interdepartmental Revenue		
82,568,668	90,499,818	Revenue from Ministries/Portfolios	98,788,132	107,102,625
4,645,989	5,132,429	Revenue from Statutory Authorities and Government Companies	5,485,680	5,911,812
87,214,657	95,632,246	Total Other Interdepartmental Revenue	104,273,812	113,014,437
150,038,194	165,013,313	Total Goods and Services	190,239,101	211,156,389

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,582,194	1,526,859	Interest on deposits	1,442,429	1,433,189
1,582,194	1,526,859	Total Investment revenue	1,442,429	1,433,189

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,225,022	4,978,886	Salaries, wages and allowances	5,917,521	5,970,521
867,286	1,023,955	Health care CINICO	1,293,600	1,398,600
492,490	590,726	Pension	701,657	707,857
107,171	181,900	Other personnel related costs	182,900	183,900
5,691,969	6,775,467	Total Personnel Costs	8,095,678	8,260,878

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
33,585	42,000	Supplies and Materials	45,000	45,000
2,853,894	748,452	Purchase of services	782,704	750,404
104,629	87,079	Lease of Property and Equipment	79,723	81,714
241,151	153,144	Utilities	153,315	153,403
10,438	20,400	General Insurance	20,700	20,700
50,290	90,000	Travel and Subsistence	100,000	80,000
49,917	100,000	Recruitment and Training	100,000	100,000
220,858	2,163,389	Other	2,121,121	2,157,210
3,564,762	3,404,464	Total Supplies & consumables	3,402,563	3,388,431

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	- Net (gain) / loss on disposal of property, plant and equipment	-	-
(4,585)	-	- Net (gain) / loss on Derecognition and revaluation of assets	-	-
-	-	- Net (gain) / loss on foreign exchange Transactions	-	-
(4,585)	-	- Total gains/ (losses)	-	-

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,105,785	761,647	Surplus/(deficit) from ordinary activities	2,781,759	4,165,796
		Non-cash movements		
751,308	866,606	Depreciation & Amortisation	914,170	911,244
(4,585)	-	(Gain) / loss on Derecognition and revaluation of assets	-	-
		Changes in current assets and liabilities:		
(735,996)	1,581,552	(Increase)/decrease in other current assets - Cabinet	37,040	(154,661)
(49,305)	(22,536)	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(21,058)	(127,599)
(3,302,706)	19,069	(Increase)/decrease in other current assets - Ministries Portfolios	412,937	(693,491)
(473,198)	(139,836)	(Increase)/decrease in other current assets - Other	(666,288)	(851,956)
(424,714)	2,935,395	(Increase)/(decrease) in current liabilities - Other	2,412,459	2,529,509
(1,133,411)	6,001,897	Net cash flows from operating activities	5,871,020	5,778,843

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,052,018	1,027,754	Salaries & other short-term employee benefits	1,034,594	1,043,594
105,447	114,541	Other long-term benefits	114,541	114,541
1,157,465	1,142,295	Total	1,149,135	1,158,135

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CAYMAN ISLANDS NATIONAL MUSEUM

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Museum have agreed the Cayman Islands National Museum will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Islands National Museum is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands National Museum was established as a permanent institution committed to the preservation of the tangible and intangible cultural and natural heritage of the Cayman Islands: to collect, care for, conserve, research, interpret and display objects of historical, cultural, environmental, artistic, or scientific value to the Cayman Islands, both terrestrial and underwater, for the benefit of present and future generations.

Through the organisation's dynamic programmes, exhibits, and collections the National Museum is the living connection with the Cayman Islands' past and ensures that future generations value our unique natural and cultural heritage.

SCOPE OF ACTIVITIES

The scope of the Cayman Islands National Museum activities is as follows:

- Collection and preservation of material evidence significant to our culture, history and heritage, including:
 - Collection, documentation, and preservation of material; and
 - Protection, scientific research of, and controlled public access to Museum Collections, and materials of Caymanian Heritage.
- Public access to and educational services from displays, exhibitions, library, publications, research collections and programs of the Cayman Islands National Museum including:
 - Providing museum facilities, exhibitions and displays, and general public access to them
 - Providing tours, lectures, panel discussions, workshops, outreach events and publications to engage the public with the history and natural and cultural heritage of the Cayman Islands
 - Provision and updating of a land-based Maritime Heritage Trail
 - Provision of restaurants, shops and other facilities for the use by the public and in furtherance of the mission and purposes of the Museum
 - Liaising with local and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information
- Services to support the Ministry, Cabinet, and Other Departments:
 - Direct, manage and assist the National Museum in fulfilling its mission and purposes.
 - Support Government's requests for information to further the cultural well-being of the Cayman Islands
 - Assist the Ministry in creating National Culture Policies and plans, and any necessary legislation.
 - Provide reports and other documentation requested by the Ministry, Cabinet, and other Government Departments

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Islands National Museum are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands National Museum for the 2026 and 2027 financial years are as follows:

CINM 1 - COLLECTIONS, CONSERVATION, CURATION AND RESEARCH

- 1.1 Continue to collect, conserve, protect, research, and manage material evidence of artistic, historic, or scientific significance to the Cayman Islands, both terrestrial and underwater (*Note - The Museum would like to re-establish and revitalize the Museum Conservation Program by employing a Conservator and developing a Conservation Policy and revitalized Conservation Plan).
- 1.2 As common practice, incorporate on-going research and critical findings on collections, terrestrial and underwater archaeological sites into public exhibitions, programs and publications *Note: to execute this part of its mandate, the Museum needs to employ a Curator of Collections/Collections Manager and a Curator of Exhibitions).
- 1.3 Liaise with local, regional and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information.

CINM 2 – OPERATIONS, EDUCATION AND EXHIBITS

- 2.1 Enhance the effectiveness of the Board in support of the vision, mission and goals.
- 2.2 Align organisational structure in support of vision, mission and core values.
- 2.3 Acquire a purposed Collections facility (*Note - This is dependent upon Governmental Capital Funding being granted and Museum supplemental fundraising)
- 2.4 Move the Collections to the purposed Collections facility (*Note - This is dependent upon capital funding for acquisition of a purposed facility).
- 2.6 Provide exhibitions and displays and general public access to them.
- 2.7 Develop and promote a variety of educational programmes in support of the Museum's mission, vision and goals, e.g. Changing exhibits, Museum tours, Speakers' Series, Traditional arts, Summer camps, Special opportunities for older person and for youth (*Note - The Museum seeks to enhance our educational programme offerings through employing an Education/Engagement Curator).
- 2.8 Re-establish and revitalise the Museum Archaeology Programme by employing a supporting Archaeologist, developing an Archaeology Policy, and updating a National Archaeology Plan (*Note: to achieve this, the Museum needs to be able to employ an Archaeologist).
- 2.9 Continue to partner with our Maritime Heritage Trail Partners in initiatives of the Cayman Islands Maritime Archaeology Programme (CIMAP): National Archive, National Trust and the Department

of Environment and other organizations on maritime related issues in the protection, research, legislation, and educational programmes and activities relating to the Islands maritime heritage. Work with all partners to develop a marketing plan that maximises learning and visibility.

2.10 Continue to partner with cultural organisations: Cayman National Cultural Foundation, National Trust, National Archive, National Gallery, and the Cayman Brac Museum to promote The Cayman Islands cultural heritage.

2.11 Assist the Department of Tourism and other related organizations/institutions in marketing the cultural product of the Cayman Islands.

2.12 Coordinate the following special events: Looky Ya craft markets (4 per year), International Museum Day, Mango Fest (June/July), Summer Camp (July), VIP Pirates Landing and Parade Event (November), Museum Anniversary (November), and any other national events requiring the Museum's involvement.

2.13 Continue to assist the Sister Islands and the districts in Grand Cayman with Museum related issues and activities as needed.

2.14 Provide a café, a gift shop, and other facilities to include a Museum Library (reference and research books and digital/virtual images of the Collection), Education and Research Centre, and Interpretive Gardens for the benefit and enjoyment of the public, and to enhance income streams for the Museum.

2.15 Maintain an up-to-date Emergency Management Plan that addresses professional standards of protection and security for Museum visitors, staff, collections, building contents, and facilities, and that addresses continuity of business in the event of an emergency or disaster.

2.16 To develop a robust Membership plan and network to ensure appreciation and awareness of the Museum, its mission, vision, and goals, and to provide income to the Museum.

2.17 Regularly update gift shop and visitor services and policies.

CINM 3- MINISTRY AND GOVERNMENTAL DEPARTMENT SUPPORT

3.1 Continue to prepare and support Government's requests for information in a timely manner to further the cultural well-being of the Cayman Islands.

3.2 Provide reports and other documents requested by the Ministry on a monthly, quarterly, and annual basis, and as needs arise.

3.3 Assist the Ministry in developing an Implementation Plan to the National Culture and Heritage Policy and Strategic Plan and provide support to any other culture related plans as requested.

3.4 Assist the Ministry and Board in review or development of any necessary legislation.

Seek Cabinet approval for extending the lease for the Old Courts Building to 99 years (current 50- year lease term is 5 June 1990 - 5 June 2040) or vesting the Old Courts Building to the Museum.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Museum for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	1,012	1,012	892
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	523	523	257
OPERATING EXPENSES	1,529	1,544	1,474
OPERATING SURPLUS/DEFICIT	6	(9)	(324)
NET WORTH	2,494	2,885	1,888
CASH FLOWS FROM OPERATING ACTIVITIES	58	77	117
CASH FLOWS FROM INVESTING ACTIVITIES	(600)	(400)	(115)
CASH FLOWS FROM FINANCING ACTIVITIES	600	400	30
CHANGE IN CASH BALANCES	58	77	32

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	39.63:1	41.66:1	37.57:1
TOTAL ASSETS: TOTAL LIABILITIES	66.42:1	76.68:1	50.53:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	8	8	7
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	10	10	10
PROFESSIONAL AND TECHNICAL STAFF	3	3	3
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	2,603	3,603	2,003
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	38%	44%	23%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
20K SQ. FT. MUSEUM, PURPOSED SUPPORT FACILITY: LAND	400	-	-
20K SQ. FT. MUSEUM, PURPOSED SUPPORT FACILITY: CONSTRUCTION	-	600	-
MUSEUM BUILDING ENHANCEMENTS (I.E. ELEVATOR, FIRE SUPPRESSION); RE-ESTABLISH AND ENHANCE NATIONAL HERITAGE TRAIL AND BEGIN ESTABLISHMENT OF SHIPWRECK PRESERVES	400	600	
TOTAL	800	1,200	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
1. Loss or damage to the non-renewable National Collection by:	No	Insurance, roof and building repairs and maintenance, monitoring systems	N.B. see note (k) or accounting policies regarding the Collection
a) Fire	Yes	Sufficient fire extinguishers that are regularly serviced. Hired security on a 24-hour basis. Install fire suppression systems in the Museum and any purpose-built facilities.	Replacement or restoration cost of items lost or damaged as a result of the event
b) Hurricane or Severe Storm Due to the close proximity to the water the National Collection is at risk throughout the year	No	Annual hurricane preparedness exercises and updating of the plan and supplies. Removal and/or safe storage of artefacts when a hurricane is approaching. Continuous internal and external building maintenance.	Replacement or restoration cost of items lost or damaged as a result of the event
c) Pest infestation The building's materials and construction increase its vulnerability	No	Regular pest control management	Replacement or restoration cost of items lost or damaged as a result of the event
d) Insurance	No	Basic insurance coverage is in place for the buildings and their contents. Need to review and revise as needed. Seek the expertise of a certified art appraiser to establish the replacement values of the Museum's Art Collection for insurance purposes.	Financial loss of the replacement value of the Museum's art collection and other measurable items

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
2. Inadequate shelving and storage facilities and inactive conservation programme result in gradual deterioration of the National Collection	Yes	The collection is in a new rental storage since 2025 (2 facilities) Plan and build a purpose-built facility to accommodate the current and future needs of the National Collection.	Replacement or restoration cost of items lost or damaged as a result of the event.
3. The Museum needs specialized staff in the areas of conservation, curation, collections management, design, archaeology, business, public relations, programmes and operations.	Yes	Staff are continually being encouraged to undertake studies and obtain qualifications. The Museum is working to improve professional staffing of the organisation to create a positive professional environment and to address the specialized needs of the Museum. New hires in 2025 with specialist qualifications in collections management, new technologies, and exhibition curation, installation and fabrication.	Inability to professionally manage, research, care for, curate, interpret, and exhibit the Museum's collections - resulting in replacement or restoration cost of items lost.

5.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands National Museum is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	1,535	1,535	1,149
OPERATING EXPENSES	1,529	1,544	1,474
NET SURPLUS/(DEFICIT)	6	(9)	(324)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	2,532	2,923	1,926
LIABILITIES	38	38	38
NET WORTH	2,494	2,885	1,888

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	58	77	117
CASH FLOWS FROM INVESTING ACTIVITIES	(600)	(400)	(115)
CASH FLOWS FROM FINANCING ACTIVITIES	600	400	30

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL MUSEUM	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL MUSEUM	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL MUSEUM	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL MUSEUM	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL MUSEUM	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ¹⁷	-	-
REMUNERATION ¹⁸ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	1	1
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2	2

¹⁷ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

¹⁸ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands National Museum undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Museum will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Isaac Rankine, MP

Minister for Youth, Sports, Culture and Heritage

On behalf of Cabinet



Chairman of the Board

Cayman Islands National Museum

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman Islands National Museum for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands National Museum

31 December 2025

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CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

a) Reporting periods

In compliance with the *Public Management and Finance Act (2020 Revision)*, the current financial statements are prepared for 12 months from 1 January to 31 December.

(b) Basis of preparation

In compliance with the *Public Management and Finance Act (2020 Revision)*, the Museum's financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS").

As outlined in Note 1, the continued existence of the Museum is contingent on the ongoing support from the Government. As Management considers that this support will be ongoing and there are no indications which suggest otherwise, Management considers the preparation of the financial statements under the going concern assumption to be appropriate.

These financial statements are presented in Cayman Islands dollars ("CI\$"), which is the Museum's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

The measurement base applied to these financial statements is the historical cost basis.

(c) Use of estimates

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements, relate to estimating the useful lives of property, plant and equipment and management's assessment of whether an impairment is required to be recognized in respect of property and equipment (Note 7) and whether an impairment provision is required in respect of inventory (Note 6).

(d) New and revised standards and interpretations that are not yet effective

Certain new accounting standards have been published. The Museum's assessments of the impact of these new standards are set out below.

IPSAS 41, *Financial Instruments* was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, *Financial Instruments: Recognition and Measurement*. It is anticipated that IPSAS 41 will not have a significant impact on the Museum's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, *Social Benefits* was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured.

CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

It is anticipated that IPSAS 42 will not have an impact on the Museum's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(e) Cash and cash equivalents

The Museum considers all cash and short-term deposits with a maturity of three months or less to be cash or cash equivalents.

(f) Inventories

Inventories consist of products sold in the Museum gift shop and are valued at the lower cost or net realizable value, using an average cost basis less an allowance for obsolete and slow-moving items.

(g) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of financial performance. Depreciation is charged to write-off the cost of the asset over their estimated useful life, using the straight-line method.

Estimated useful lives are as follows:

Computer hardware and software	3-5 years
Furniture, fixtures and equipment	5-8 years
Leasehold improvements	10-25 years
Permanent exhibits	30 years
Vehicles	5 years

Cost comprises the purchase price of an asset and any directly attributable costs of bringing the asset to working condition for its intended use such as import duties, initial delivery and storage cost. Repairs and maintenance are charged to expenses as incurred.

(h) Income recognition

Income on the sale of goods is recognized in the statement of financial performance at the point of the sale. Rental income, interest and other income are recognized on an accrual basis. Income earned from admissions, membership dues, fundraising, and donations are recorded in the period in which the payment is received.

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(i) Government grants

Government grants are recognized and accrued quarterly. Certain grants cover staff costs and related expenditures of the Museum. Grant income and expenditures are recorded gross in the financial statements.

(j) Foreign currency translation

Transactions during the year and assets and liabilities at the statement of financial position dates denominated in United States dollars are translated into Cayman Islands dollars at a fixed rate of US\$1.00 = CI\$0.80. Gains and losses on foreign currencies, if any, are included in administration and other expenses.

(k) Collections, exhibits and artefacts

Consistent with the practice followed by many museums, collections, exhibits (excluding permanent exhibits) and artefacts purchased and donated are not recorded in the Statement of Financial Position. The costs of all objects purchased are recorded as an expense in the Statement of Financial Performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation of these items.

(l) Contributed services

During the course of the period covered by these financial statements, unpaid volunteers made contributions of their time and resources to support the Museum's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(m) Financial assets and liabilities

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Recognition

The Museum recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and liabilities measured at amortised cost are recognised in the Statement of Financial Performance. Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Museum has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis. At December 31 2020 and December 31 2019, there were no assets or liabilities reported on a net basis.

(v) Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortized cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognized in the statement of financial performance.

(vi) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Museum has transferred all the risks and rewards of ownership. Financial liability is derecognized when it is discharged, cancelled or expires.

(vii) Fair value

The fair value of financial instruments approximates their carrying value principally due to the short-term nature of such instruments.

(n) Restricted funds

Restricted funds are derived from gifts, grants, and contracts received by the Museum for operating purposes but restricted by donors, grantors, and outside agencies as to the specific purpose for which the funds may be expended. As these funds have traditionally not been reimbursable, and the Museum does not consider there to be a legal or constructive obligation to do so, they form a part of the Museum's equity position as reflected on the Statement of Financial Position. Contributions that are restricted for specific purposes by the donor must be used as intended and cannot fund other activities or general operations without the proper consent of the original donor.

(o) Operating leases

Operating lease payments are recognized as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

(l) Contributed services

During the course of the period covered by these financial statements, unpaid volunteers made contributions of their time and resources to support the Museum's activities. The value of these

CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(p) Financial assets and liabilities

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favorable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

(ii) Recognition

The Museum recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and liabilities measured at amortized cost are recognized in the Statement of Financial Performance.

Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Museum has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis. At December 31, 2020 and December 31, 2019, there were no assets or liabilities reported on a net basis.

(v) Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortized cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognized in the statement of financial performance.

(vi) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Museum has transferred all the risks and rewards of ownership. Financial liability is derecognized when it is discharged, cancelled or expires.

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(vii) Fair value

The fair value of financial instruments approximates their carrying value principally due to the short-term nature of such instruments.

(q) Restricted funds

Restricted funds are derived from gifts, grants, and contracts received by the Museum for operating purposes but restricted by donors, grantors, and outside agencies as to the specific purpose for which the funds may be expended. As these funds have traditionally not been reimbursable, and the Museum does not consider there to be a legal or constructive obligation to do so, they form a part of the Museum's equity position as reflected on the Statement of Financial Position. Contributions that are restricted for specific purposes by the donor must be used as intended and cannot fund other activities or general operations without the proper consent of the original donor.

(r) Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
1,064,660	1,096,707	Cash and cash equivalents	1	1,154,452	1,231,788
-	-	Marketable securities and deposits		-	-
674,719	231,980	Trade receivables	2	252,980	252,980
7,583	-	Other receivables	2	-	-
72,285	67,764	Inventories	3	67,764	67,764
-	-	Investments	4	-	-
19,132	35,648	Prepayments	5	35,648	35,648
-	-	Loans	6	-	-
1,838,380	1,432,099	Total Current Assets		1,510,844	1,588,180
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
432,111	494,177	Property, plant and equipment	7	1,021,318	1,335,126
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
432,111	494,177	Total Non-Current Assets		1,021,318	1,335,126
2,270,491	1,926,276	Total Assets		2,532,162	2,923,305
		Current Liabilities			
70,442	18,652	Trade payables	11	18,652	18,652
17,544	17,459	Other payables and accruals	11	17,459	17,459
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	2,010	Bank Overdraft	1	2,010	2,010
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
87,986	38,121	Total Current Liabilities		38,121	38,121
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
-	-	Total Non-Current Liabilities		-	-
87,986	38,121	Total Liabilities		38,121	38,121
2,182,505	1,888,155	Net Assets		2,494,041	2,885,184
		NET WORTH			
1,485,211	1,515,211	Contributed capital		2,115,211	2,515,211
384,831	384,831	Other Reserves		384,831	384,831
-	-	Revaluation reserve		-	-
312,463	(11,887)	Accumulated surpluses/(deficits)		(6,001)	(14,857)
2,182,504	1,888,155	Total Net Worth		2,494,041	2,885,184

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
1,098,966	1,148,129	Sale of goods and services	17	1,319,920	1,319,920
4,932	2,682	Investment revenue	18	2,682	2,682
32,777	-	Donations	19	212,209	212,209
988	(1,596)	Other revenue		-	-
1,137,664	1,149,215	Total Revenue		1,534,811	1,534,811
		Expenses			
350,148	597,413	Personnel costs	20	706,481	706,481
608,423	823,709	Supplies and consumables	21	750,002	751,411
41,338	52,859	Depreciation and Amortisation	10	72,859	86,192
66,110	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
(373)	(417)	Other (Gains)/losses	24	(417)	(417)
9,073	-	Other Operating expenses		-	-
1,074,720	1,473,565	Total Expenses		1,528,925	1,543,667
62,944	(324,349)	Surplus or (Deficit) for the period		5,886	(8,857)

CAYMAN ISLANDS NATIONAL MUSEUM

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
1,314,734	1,280,383	Sale of goods and services to Cabinet		990,920	1,011,920
-	-	Sale of goods and services to Ministries/Portfolios		-	-
6,669	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
116,758	134,293	Sale of goods and services - third party		158,000	158,000
4,932	2,682	Interest received		2,682	2,682
32,777	-	Donations / Grants		212,209	212,209
84,607	120,320	Other receipts		150,000	150,000
-	-	<i>Payments</i>		-	-
(350,148)	(597,413)	Personnel costs		(706,481)	(706,481)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(608,423)	(823,709)	Supplies and consumables - third party		(750,002)	(751,411)
-	-	Interest paid		-	-
(8,700)	417	Other payments		417	417
593,206	116,973	Net cash flows from operating activities	25	57,745	77,336
		CASH FLOWS FROM INVESTING ACTIVITIES			
(29,390)	(114,925)	Purchase of property, plant and equipment		(600,000)	(400,000)
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
(29,390)	(114,925)	Net cash flows from investing activities		(600,000)	(400,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	30,000	Equity Investment from Cabinet		600,000	400,000
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
-	30,000	Net cash flows from financing activities		600,000	400,000
563,816	32,047	Net increase/(decrease) in cash and cash equivalents		57,745	77,336
500,844	1,064,660	Cash and cash equivalents at beginning of period		1,096,707	1,154,452
1,064,660	1,096,707	Cash and cash equivalents at end of period		1,154,452	1,231,788

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	1,485,211	334,831	-	299,519	2,119,561
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	1,485,211	334,831	-	299,519	2,119,561
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	50,000	-	(50,000)	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	50,000	-	(50,000)	-
Surplus/(deficit)for the period 2024	-	-	-	62,944	62,944
Total recognised revenues and expenses for the period	-	50,000	-	12,944	62,944
Balance at 31 December 2024	1,485,211	384,831	-	312,463	2,182,504
Balance at 31 December 2024 brought forward	1,485,211	384,831	-	312,463	2,182,504
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	1,485,211	384,831	-	312,463	2,182,504
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	30,000	-	-	-	30,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	30,000	-	-	-	30,000
Surplus/(deficit)for the period 2025	-	-	-	(324,349)	(324,349)
Total recognised revenues and expenses for the period	30,000	-	-	(324,349)	(294,349)
Balance at 31 December 2025 carried forward	1,515,211	384,831	-	(11,887)	1,888,155

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	1,515,211	384,831	-	(11,887)	1,888,155
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	1,515,211	384,831	-	(11,887)	1,888,155
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	600,000	-	-	-	600,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	600,000	-	-	-	600,000
Surplus/(deficit)for the period 2026	-	-	-	5,886	5,886
Total recognised revenues and expenses for the period	600,000	-	-	5,886	605,886
Balance at 31 December 2026 carried forward	2,115,211	384,831	-	(6,001)	2,494,041
Balance at 31 December 2026 brought forward	2,115,211	384,831	-	(6,001)	2,494,041
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	2,115,211	384,831	-	(6,001)	2,494,041
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	400,000	-	-	-	400,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	400,000	-	-	-	400,000
Surplus/(deficit)for the period 2027	-	-	-	(8,857)	(8,857)
Total recognised revenues and expenses for the period	400,000	-	-	(8,857)	391,143
Balance at 31 December 2027	2,515,211	384,831	-	(14,857)	2,885,184

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,123	(2,010)	Cash on hand	(2,010)	(2,010)
672,093	676,701	CI\$ Account	736,455	813,791
112,192	139,414	US\$ Account	139,414	139,414
279,252	280,593	Short-Term Fixed Deposits	280,593	280,593
1,064,660	1,094,697	TOTAL	1,154,452	1,231,788

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
675,585	222,980	Sale of goods and services to Cabinet	243,980	243,980
20,689	5,500	Sale of goods and services to Ministries/Portfolios	5,500	5,500
1,580	3,000	Sale of goods and services to Statutory Agencies and Government Companies	3,000	3,000
(345)	500	Sale of goods and services - third party	500	500
(22,789)	-	Less: provision for doubtful debts	-	-
674,719	231,980	Total trade receivables	252,980	252,980

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
205,760	231,980	Past due 1-30 days	252,980	252,980
(94)	-	Past due 31-60 days	-	-
371	-	Past due 61-90 days	-	-
468,682	-	Past due 90 and above	-	-
		Non-Current		
-	-	Past due 1 year and above	-	-
674,719	231,980	Total	252,980	252,980

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,583	-	Other	-	-
-	-	Less: provision for doubtful debts	-	-
7,583	-	Total other receivables	-	-

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
7,583	-	Past due 1-30 days	-	-
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
		Non-Current		
-	-	Past due 1 year and above	-	-
7,583	-	Total	-	-

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(13,716)	22,789	Balance at beginning of period	-	-
(9,073)	-	Additional provisions made during the year	-	-
-	(22,789)	Receivables written off during the period	-	-
(22,789)	(0)	Balance at 31st December	-	-

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
73,290	68,770	Inventory held for sale	68,770	68,770
(1,006)	(1,006)	Impairment of Inventory	(1,006)	(1,006)
72,285	67,764	INVENTORIES - Current	67,764	67,764
		Non-Current Inventories		
-	-	INVENTORIES - Non-Current	-	-
72,285	67,764	TOTAL INVENTORIES	67,764	67,764

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
19,132	35,648	Prepaid Expenses - CINM	35,648	35,648
19,132	35,648	Prepayments - Current	35,648	35,648
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
19,132	35,648	Total Prepayments	35,648	35,648

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2024	741,643	404,244	239,904	25,300	477,228	1,888,319
Additions	-	2,392	17,698	-	9,300	29,390
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	741,643	406,636	257,602	25,300	486,528	1,917,709

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2025	741,643	406,636	257,602	25,300	486,528	1,917,709
Additions	107,355	-	7,570	-	-	114,925
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	848,998	406,636	265,172	25,300	486,528	2,032,635

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2026	848,998	406,636	265,172	25,300	486,528	2,032,635
Additions	600,000	-	-	-	-	600,000
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2026	1,448,998	406,636	265,172	25,300	486,528	2,632,635

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2027	1,448,998	406,636	265,172	25,300	486,528	2,632,635
Additions	400,000	-	-	-	-	400,000
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2027	1,848,998	406,636	265,172	25,300	486,528	3,032,635

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2024	577,905	402,167	232,620	25,300	206,269	1,444,261
Transfers	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2024	18,819	714	4,172	-	17,633	41,338
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-	-
Balance as at 31 December 2024	596,724	402,880	236,792	25,300	223,902	1,485,598

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2025	596,724	402,880	236,792	25,300	223,902	1,485,598
Transfers	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2025	26,048	1,225	6,440	-	19,146	52,859
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-
Balance as at 31 December 2025	622,772	404,106	243,232	25,300	243,048	1,538,458

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2026	622,772	404,106	243,232	25,300	243,048	1,538,458
Transfers	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-
Depreciation Expense 2026	46,048	1,225	6,440	-	19,146	72,859
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-
Balance as at 31 December 2026	668,820	405,331	249,672	25,300	262,194	1,611,317

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Total</i>
Balance as at 1 January 2027	668,820	405,331	249,672	25,300	262,194	1,611,317
Transfers	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-
Depreciation Expense 2027	59,381	1,225	6,440	-	19,146	86,192
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-
Balance as at 31 December 2027	728,201	406,556	256,111	25,300	281,340	1,697,509

Net Book value 31 December 2024	144,919	3,756	20,810	-	262,626	432,111
Net Book value 31 December 2025	226,226	2,531	21,940	-	243,480	494,177
Net Book value 31 December 2026	780,178	1,305	15,501	-	224,334	1,021,318
Net Book value 31 December 2027	1,120,797	80	9,061	-	205,188	1,335,126

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
41,338	52,859	Property Plant Equipment	72,859	86,192
-	-	Intangible Assets	-	-
-	-	Right-of-use assets	-	-
41,338	52,859	Total depreciation expense	72,859	86,192

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
70,442	18,652	Creditors Third party	18,652	18,652
14,327	11,814	Accrued Expenses	11,814	11,814
3,217	5,645	Other payables	5,645	5,645
87,986	36,111	Trade payables other payables and accruals - Current	36,111	36,111
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
87,986	36,111	Total trade payables other payables and accruals	36,111	36,111

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
63,622	96,916	Fees and Charges	120,000	120,000
116,758	134,293	General Sales	158,000	158,000
19,997	25,000	Rentals	30,000	30,000
891,920	891,920	Sale of goods and services to Cabinet	1,011,920	1,011,920
6,669	-	Sale of goods and services to Other Ministries and Portfolios	-	-
1,098,966	1,148,129	Total sales of goods and services	1,319,920	1,319,920

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
63,322	96,916	Outputs to others:Admissions	120,000	120,000
300	-	Outputs to others:Membership	-	-
63,622	96,916	Total Fees & Charges	120,000	120,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
108,713	126,293	Outputs to others:Gift shop sales	150,000	150,000
7,975	8,000	Outputs to others:Service Sales	8,000	8,000
70	-	Outputs to others:Merchandise Sales	-	-
116,758	134,293	Total General Sales	158,000	158,000

CAYMAN ISLANDS NATIONAL MUSEUM

**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
19,997	25,000	Outputs to others:Rental income	30,000	30,000
19,997	25,000	Total Rentals	30,000	30,000
		Sales of Outputs to Cabinet		
891,920	891,920	Sales of Outputs to Cabinet	1,011,920	1,011,920
891,920	891,920	Total Sales of Outputs to Cabinet	1,011,920	1,011,920
		Other Interdepartmental Revenue		
6,669	-	Revenue from Statutory Authorities and Government Companies	-	-
6,669	-	Total Other Interdepartmental Revenue	-	-
1,098,966	1,148,129	Total Goods and Services	1,319,920	1,319,920

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,932	2,682	Interest on cash balances	2,682	2,682
4,932	2,682	Total Investment revenue	2,682	2,682

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
17,777	-	Outputs to others:Donations	212,209	212,209
15,000	-	Outputs to others:Fundraising	-	-
32,777	-	Total donations	212,209	212,209

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
267,502	471,722	Salaries, wages and allowances	562,439	562,439
67,614	96,738	Health care CINICO	110,040	110,040
12,837	21,651	Pension	26,699	26,699
2,196	7,303	Other personnel related costs	7,303	7,303
350,148	597,413	Total Personnel Costs	706,481	706,481

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
178,253	197,005	Supplies and Materials	190,897	190,897
130,493	287,040	Purchase of services	249,671	249,671
188,467	224,184	Lease of Property and Equipment	188,007	189,417
80,516	83,213	Utilities	89,160	89,160
30,392	32,267	General Insurance	32,267	32,267
303	-	Other	-	-
608,423	823,709	Total Supplies & consumables	750,002	751,411

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(373)	(417)	Net (gain) / loss on foreign exchange Transactions	(417)	(417)
(373)	(417)	Total gains/ (losses)	(417)	(417)

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
62,944	(324,349)	Surplus/(deficit) from ordinary activities	5,886	(8,857)
		Non-cash movements		
41,338	52,859	Depreciation & Amortisation	72,859	86,192
66,110	-	Impairment	-	-
		Changes in current assets and liabilities:		
422,814	388,463	(Increase)/decrease in other current assets - Other	(21,000)	-
593,206	116,973	Net cash flows from operating activities	57,745	77,336

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
256,732	470,847	Salaries & other short-term employee benefits	561,564	561,564
256,732	470,847	Total	561,564	561,564

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CAYMAN ISLANDS STOCK EXCHANGE

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
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Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Stock Exchange have agreed the Cayman Islands Stock Exchange will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Islands Stock Exchange is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Stock Exchange Ltd activities involve establishing and operating a securities market for the listing and trading of securities in the Cayman Islands.

SCOPE OF ACTIVITIES

The scope of The Cayman Islands Stock Exchange Ltd. activities is as follows:

To operate the Exchange for the trading of securities, including the operation of an electronic trading platform and related trading and clearance tracking processes and the operation of a crossing market.

- To admit persons (brokers) as Exchange members;
- To list securities on the Exchange and to appoint Listing Agents;
- To regulate listed issuers and broker members through the establishment and monitoring of Listing Rules and Membership Rules; and
- To promote listing, membership and use of the Exchange.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Islands Stock Exchange Ltd. are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Stock Exchange for the 2026 and 2027 financial years are as follows:

1. Continue to be financially self-sufficient and not require capital injections or loans from the Cayman Islands Government;
2. Continue to produce an operating profit and continue to pay a dividend to the Cayman Islands Government;
3. Increase the number of issuers of equity securities listed on the Exchange; and
4. Examine potential co-operations and synergies with regional and other offshore exchanges.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Stock Exchange for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	5,015	5,246	4,765
OPERATING EXPENSES	3,122	3,021	2,578
OPERATING SURPLUS/DEFICIT	1,892	2,224	2,187
NET WORTH	11,808	12,920	10,861
CASH FLOWS FROM OPERATING ACTIVITIES	2,217	2,503	2,418
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(120)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,436)	(1,063)	(872)
CHANGE IN CASH BALANCES	779	1,440	1,426

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	9.31:1	9.25:1	7.07:1
TOTAL ASSETS: TOTAL LIABILITIES	3.45:1	3.66:1	3.05:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	7	8	6
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	16,619	17,780	16,163
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
TECHNOLOGY – EQUIPMENT, SOFTWARE, SECURITY	-	-	-
TOTAL	-	-	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss of key personnel	Risk unchanged	Creating incentives to retain such personnel	Unquantifiable
Loss of international reputation	Risk unchanged	Active programme to maintain reputation including management of suitability of applications for listing and broker membership, monitoring of ongoing compliance with listing and membership rules and gaining and maintaining international recognitions	Potentially equal to the total assets of the Exchange
Loss of listed issuers	Risk unchanged	Establishment and maintenance of relationships with issuers and listing agents and a programme of diversification into different types of products	Loss of turnover
Inability to obtain international recognitions	Risk unchanged	Active programme to persuade international regulatory bodies to grant recognitions and diversification into different geographical markets	Unquantifiable
Loss of CUSIP agency	Risk unchanged	Programme of diversification into different business activities and growth of the core listing business	Loss of turnover

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands Stock Exchange is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	5,015	5,246	4,765
OPERATING EXPENSES	3,122	3,021	2,578
NET SURPLUS/(DEFICIT)	1,893	2,224	2,187

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	16,619	17,780	16,163
LIABILITIES	4,811	4,860	5,302
NET WORTH	11,807	12,920	10,861

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	2,217	2,503	2,418
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(120)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,436)	(1,063)	(872)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS STOCK EXCHANGE	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS STOCK EXCHANGE	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS STOCK EXCHANGE	1,426	779
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS STOCK EXCHANGE	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS STOCK EXCHANGE	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ¹⁹	144	144
REMUNERATION ²⁰ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	950	950
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	950	950

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	6	6
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

¹⁹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

²⁰ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Stock Exchange undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

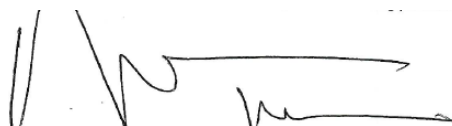
We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Stock Exchange will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP

Minister for Financial Services and Commerce

On behalf of Cabinet



Chairman of the Board

Cayman Islands Stock Exchange

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman Islands Stock Exchange for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands Stock Exchange

31 December 2025

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CAYMAN ISLANDS STOCK EXCHANGE
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Cash and cash equivalents

The Company considers cash and short-term deposits with an original maturity of three months or less to be cash and cash equivalents.

Short term investments

The Company considers deposits with an original maturity of more than 3 months and less than 12 months to be short term investments.

Translation of foreign currencies

Monetary assets and liabilities denominated, or accounted for, in currencies other than Cayman Islands dollars are translated into Cayman Islands dollars at the applicable exchange rate ruling at the Statement of Financial Position date. Non-monetary assets and liabilities are translated using the exchange rates at the transaction date and not retranslated. Foreign currency income and expense transactions are translated at the appropriate exchange rate ruling at the transaction date. Realised and unrealised gains and losses arising from such transactions are included in the Statement of Comprehensive Income. Cayman Islands dollars is the functional and reporting currency.

Property, plant and equipment recognition and valuation

The cost of an asset comprises its purchase price and the directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions and major improvements are capitalized. Expenditures for repairs and maintenance are expensed to the statement of comprehensive income as incurred. When assets are sold, retired, or otherwise disposed of, their cost and related accumulated depreciation are removed from the statement of financial position and any gain or loss is recognized in the statement of comprehensive income.

Property, plant and equipment and intangible assets are depreciated using the straight-line method over their estimated useful lives as follows:

<i>Type of non-current asset</i>	<i>Estimated useful life</i>
Leasehold improvements	Remainder of current lease
Computer hardware	3 years
Office furniture and	10 years
Intangible assets	5 years

Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Leases (continued)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on the index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

The lease liability is presented as a separate line in the statement of financial position. On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee; the exercise price of any purchase option in favor of the Company if it is reasonably certain to exercise that option.
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Right-of-use assets are presented in a separated line item in the statement of financial position. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. The Company has elected to apply a practical expedient as per IFRS 16 Leases to combine these components and associated non-lease components as a single lease component to measure the right-of-use asset and lease liability for building leases.

Financial assets and liabilities

IFRS 9 *Financial Instruments* ("IFRS 9") sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Classification and measurement

On initial recognition, a financial asset is classified as measure at: amortised cost; fair value through other comprehensive income, or fair value through profit or loss ("FVPL").

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial assets and liabilities (continued)

Classification and measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions as is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company holds its financial assets with the objective of collecting the contractual cash flows and the payments are solely payments of principal and interest. As such all financial instruments are classified at amortised cost and the policies specified below are specific to the amortised cost basis.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue for items not held at fair value through profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company classifies its financial liabilities as measured at amortised cost. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or obligations to the Cayman Islands Government for dividends based on net income and comprehensive income. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

CAYMAN ISLANDS STOCK EXCHANGE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial assets and liabilities (continued)

Derecognition (Continued)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

The “expected credit loss” (“ECL”) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company only has financial assets carried at amortised cost.

Allowance for credit losses

An allowance for credit losses (“ACL”) is established for all financial assets carried at amortised cost. Financial assets carried at amortised cost are presents note of ACL on the Statement of Financial position. The Company measures the ACL on each reporting date according to a three-stage expected credit loss impairment model, with Stages 1 and 2 for performing financial assets, and Stage 3 for impaired financial assets.

Stage 1 – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date.

Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining lifetime of the asset.

Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognised equal to credit losses expected over the remaining lifetime of the asset.

The ECL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon.

CAYMAN ISLANDS STOCK EXCHANGE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial assets and liabilities (continued)

Allowance for credit losses (continued)

Increases or decreases in the required ACL attributable to derecognitions and remeasurements due to changes in loss expectations or stage migrations are recorded in impairment allowance in the statement of comprehensive income. Write-off and recoveries are recorded against allowance for credit losses in the statement of financial position. The ACL represents an unbiased estimate of expected credit losses on financial assets as at the reporting date. Judgement is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward-looking information. The underlying assumptions and estimates could result in changes to the allowances from period to period that significantly affects the results of operations.

Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected credit losses is based primarily on the product of the instrument's probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") discounted to the reporting date. The company has adopted a "simplified approach" for trade receivables. The simplified approach, as permitted by IFRS 9, allows entities to recognize lifetime expected losses without the need to identify significant increases in credit risk.

Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgement or estimation are with regard to the expected credit losses of trade receivables and the period over which to release deferred initial listing fees. recoverability of trade receivables. The company estimated the deferral period for debt securities to be from the initial listing date to the maturity date of the security. The Company estimates expected credit losses based on the historical loss rates of credit sales in the preceding 12-month period. These historical loss rates are applied against the aged trade receivables in a provision matrix.

CAYMAN ISLANDS STOCK EXCHANGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,558,489	12,984,770	Current Assets			
-	-	Cash and cash equivalents	1	13,763,946	15,203,550
593,891	593,891	Marketable securities and deposits		-	-
-	-	Trade receivables	2	593,891	593,891
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
26,058	26,058	Investments	4	26,058	26,058
64,341	64,341	Prepayments	5	64,341	64,341
-	-	Loans	6	-	-
12,242,779	13,669,060	Total Current Assets		14,448,236	15,887,840
-	-	Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
1,201,204	1,158,727	Property, plant and equipment	7	975,780	837,943
5,708	1,335,645	Right-of-use assets	9	1,195,051	1,054,457
-	-	Intangible Assets	8	-	-
1,206,912	2,494,372	Total Non-Current Assets		2,170,831	1,892,400
13,449,691	16,163,432	Total Assets		16,619,067	17,780,240
213,686	213,679	Current Liabilities			
-	-	Trade payables	11	213,679	213,682
7,309	110,608	Other payables and accruals	11	-	-
819,233	1,326,282	Lease Liability	9	110,608	110,608
-	-	Dividends/Surplus Payable	11	946,262	1,112,252
254,466	254,466	Bank Overdraft	1	-	-
27,396	27,396	Unearned revenue	12	254,466	254,466
-	-	Employee entitlements	13	27,396	27,396
-	-	Current Portion of Borrowings	14	-	-
1,322,090	1,932,431	Total Current Liabilities		1,552,411	1,718,404
-	-	Non-Current Liabilities			
2,126,757	2,126,757	Trade payables	11	-	-
-	1,242,910	Other payables and accruals	11	2,126,757	2,126,757
-	-	Lease Liability	9	1,132,302	1,015,230
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
2,126,757	3,369,667	Total Non-Current Liabilities		3,259,059	3,141,987
3,448,847	5,302,098	Total Liabilities		4,811,470	4,860,391
10,000,844	10,861,334	Net Assets		11,807,597	12,919,849
100,000	100,000	NET WORTH			
71,926	71,926	Contributed capital		100,000	100,000
-	-	Other Reserves		71,926	71,926
9,828,918	10,689,408	Revaluation reserve		-	-
10,000,844	10,861,334	Accumulated surpluses/(deficits)		11,635,671	12,747,923
		Total Net Worth		11,807,597	12,919,849

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 December 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
4,671,105	4,369,739	Sale of goods and services	17	4,620,483	4,850,892
395,003	395,003	Investment revenue	18	395,003	395,003
-	-	Donations	19	-	-
-	-	Other revenue		-	-
5,066,108	4,764,742	Total Revenue		5,015,486	5,245,895
		Expenses			
1,173,096	1,216,846	Personnel costs	20	1,491,846	1,491,846
834,700	1,165,982	Supplies and consumables	21	1,307,574	1,251,114
203,799	195,142	Depreciation and Amortisation	10	323,541	278,431
89,163	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
2,300,758	2,577,970	Total Expenses		3,122,961	3,021,391
2,765,350	2,186,772	Surplus or (Deficit) for the period		1,892,525	2,224,504

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
-	-	- Sale of goods and services to Cabinet		-	-
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
4,671,105	4,000,997	Sale of goods and services - third party		4,458,966	4,458,966
395,003	395,003	Interest received		395,003	395,003
-	-	- Donations / Grants		-	-
-	-	- Other receipts		-	-
-	-	<i>Payments</i>		-	-
(1,173,096)	(1,216,846)	Personnel costs		(1,491,846)	(1,491,846)
-	-	- Supplies and consumables - Ministries/Portfolios		-	-
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
-	-	- Supplies and consumables - third party		-	-
-	-	- Interest paid		-	-
(840,493)	(761,152)	Other payments		(1,146,057)	(859,185)
3,052,519	2,418,002	Net cash flows from operating activities	25	2,216,066	2,502,938
		CASH FLOWS FROM INVESTING ACTIVITIES			
(1,067,439)	(120,059)	Purchase of property, plant and equipment		-	-
-	-	- Proceeds from sale of property, plant and equipment		-	-
-	-	- Purchase of investments		-	-
-	-	- Proceeds from sale of investments		-	-
(1,067,439)	(120,059)	Net cash flows from investing activities		-	-
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	- Equity Investment from Cabinet		-	-
(985,125)	(819,233)	Repayment of Surplus/Dividends or Capital withdrawal		(1,326,282)	(946,262)
-	-	- Borrowings		-	-
(80,732)	(52,428)	Repayment of Borrowings		(110,608)	(117,072)
-	-	- Currency Issues		-	-
(1,065,857)	(871,661)	Net cash flows from financing activities		(1,436,890)	(1,063,334)
919,223	1,426,282	Net increase/(decrease) in cash and cash equivalents		779,176	1,439,604
10,639,265	11,558,488	Cash and cash equivalents at beginning of period		12,984,770	13,763,946
11,558,488	12,984,770	Cash and cash equivalents at end of period		13,763,946	15,203,550

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	100,000	71,926	-	7,882,801	8,054,727
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	100,000	71,926	-	7,882,801	8,054,727
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(819,233)	(819,233)
Net revenue / expenses recognised directly in net worth	-	-	-	(819,233)	(819,233)
Surplus/(deficit)for the period 2024	-	-	-	2,765,350	2,765,350
Total recognised revenues and expenses for the period	-	-	-	1,946,117	1,946,117
Balance at 31 December 2024	100,000	71,926	-	9,828,918	10,000,844
Balance at 31 December 2024 brought forward	100,000	71,926	-	9,828,918	10,000,844
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	100,000	71,926	-	9,828,918	10,000,844
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,326,282)	(1,326,282)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,326,282)	(1,326,282)
Surplus/(deficit)for the period 2025	-	-	-	2,186,772	2,186,772
Total recognised revenues and expenses for the period	-	-	-	860,490	860,490
Balance at 31 December 2025 carried forward	100,000	71,926	-	10,689,408	10,861,334

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	100,000	71,926	-	10,689,408	10,861,334
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	100,000	71,926	-	10,689,408	10,861,334
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(946,262)	(946,262)
Net revenue / expenses recognised directly in net worth	-	-	-	(946,262)	(946,262)
Surplus/(deficit)for the period 2026	-	-	-	1,892,525	1,892,525
Total recognised revenues and expenses for the period	-	-	-	946,263	946,263
Balance at 31 December 2026 carried forward	100,000	71,926	-	11,635,671	11,807,597
Balance at 31 December 2026 brought forward	100,000	71,926	-	11,635,671	11,807,597
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	100,000	71,926	-	11,635,671	11,807,597
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,112,252)	(1,112,252)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,112,252)	(1,112,252)
Surplus/(deficit)for the period 2027	-	-	-	2,224,504	2,224,504
Total recognised revenues and expenses for the period	-	-	-	1,112,252	1,112,252
Balance at 31 December 2027	100,000	71,926	-	12,747,923	12,919,849

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
200	200	Cash on hand	200	200
75,496	75,496	CI\$ Account	75,496	75,496
2,641,000	3,672,278	US\$ Account	4,056,451	5,101,052
8,841,793	9,236,796	Short-Term Fixed Deposits	9,631,799	10,026,802
11,558,489	12,984,770	TOTAL	13,763,946	15,203,550

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
805,704	805,704	Sale of goods and services - third party	805,704	805,704
(211,813)	(211,813)	Less: provision for doubtful debts	(211,813)	(211,813)
593,891	593,891	Total trade receivables	593,891	593,891

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
593,891	593,891	Past due 1-30 days	593,891	593,891
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
593,891	593,891	Total	593,891	593,891

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(146,697)	(211,813)	Balance at beginning of period	(211,813)	(211,813)
(89,163)	-	Additional provisions made during the year	-	-
24,047	-	Receivables written off during the period	-	-
(211,813)	(211,813)	Balance at 31st December	(211,813)	(211,813)

NOTE 4: INVESTMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Investments - at the lower of cost or market value	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Investments		
26,058	26,058	Fixed Deposit	26,058	26,058
26,058	26,058	Investments - Current	26,058	26,058
		Non-Current Investments		
-	-	Investments - Non-Current	-	-
26,058	26,058	Total Investments	26,058	26,058

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
64,341	64,341		64,341	64,341
64,341	64,341	Prepayments - Current	64,341	64,341
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
64,341	64,341	Total Prepayments	64,341	64,341

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Total
Balance as at 1 January 2024	466,441	53,336	832,881	21,852	1,374,510
Additions	994,020	2,620	64,243	7,445	1,068,328
Disposals and Derecognition	-	(890)	(21,481)	(869)	(23,240)
Revaluation	-	-	-	-	-
Transfers	-	(3,788)	-	3,788	0
Balance as at 31 December 2024	1,460,461	51,278	875,643	32,216	2,419,598

	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Total
Balance as at 1 January 2025	1,460,461	51,278	875,643	32,216	2,419,598
Additions	110,121	104,457	6,431	29,118	250,127
Disposals and Derecognition	(423,485)	(46,690)	-	(26,412)	(496,587)
Revaluation	-	-	-	-	-
Transfers	(130,069)	(1,968)	-	1,968	(130,068)
Balance as at 31 December 2025	1,017,029	107,077	882,074	36,890	2,043,069

	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Total
Balance as at 1 January 2026	1,017,029	107,077	882,074	36,890	2,043,069
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2026	1,017,029	107,077	882,074	36,890	2,043,069

	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Total
Balance as at 1 January 2027	1,017,029	107,077	882,074	36,890	2,043,069
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2027	1,017,029	107,077	882,074	36,890	2,043,069

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2024	340,558	19,977	723,735	21,099	1,105,369
Transfers	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	(21,481)	(869)	(22,350)
Depreciation Expense 2024	78,590	1,374	50,006	5,405	135,375
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-
Balance as at 31 December 2024	419,148	21,351	752,260	25,635	1,218,394
Balance as at 1 January 2025	419,148	21,351	752,260	25,635	1,218,394
Transfers	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-
Depreciation Expense 2025	57,571	-	57,635	9,639	124,845
Eliminate on Disposal or Derecognition 2025	(432,485)	-	-	(26,412)	(458,897)
Balance as at 31 December 2025	44,234	21,351	809,895	8,862	884,342
Balance as at 1 January 2026	44,234	21,351	809,895	8,862	884,342
Transfers	-	-	-	-	-
Impairment change 2026	-	-	-	-	-
Depreciation Expense 2026	101,703	10,708	58,645	11,892	182,947
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-
Balance as at 31 December 2026	145,937	32,058	868,540	20,754	1,067,289
Balance as at 1 January 2027	145,937	32,058	868,540	20,754	1,067,289
Transfers	-	-	-	-	-
Impairment change 2027	-	-	-	-	-
Depreciation Expense 2027	101,703	10,708	13,534	11,892	137,837
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-
Balance as at 31 December 2027	247,640	42,766	882,074	32,646	1,205,126
Net Book value 31 December 2024	1,041,313	29,927	123,383	6,581	1,201,204
Net Book value 31 December 2025	972,795	85,726	72,179	28,027	1,158,727
Net Book value 31 December 2026	871,092	75,018	13,534	16,136	975,780
Net Book value 31 December 2027	769,389	64,310	0	4,244	837,943

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	6,560	6,560
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	6,560	6,560

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	6,560	6,560
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	6,560	6,560

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	6,560	6,560
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	6,560	6,560

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	6,560	6,560
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	6,560	6,560

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	6,560	6,560
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	6,560	6,560

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	6,560	6,560
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	6,560	6,560

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	6,560	6,560
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	6,560	6,560

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	6,560	6,560
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	6,560	6,560

Net Book value 31 December 2024	-	-

Net Book value 31 December 2025	-	-

Net Book value 31 December 2026	-	-

Net Book value 31 December 2027	-	-

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
328,679	328,679	Balance at the start of the year	1,405,942	1,405,942
-	1,405,942	Additions in the year	-	-
-	(328,679)	Lease terminations in the year (enter as negative)	-	-
328,679	1,405,942	Balance at the end of the year	1,405,942	1,405,942

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
254,547	322,971	Balance at the start of the year	70,297	210,891
68,424	70,297	Additions in the year	140,594	140,594
-	(322,971)	Lease terminations in the year (enter as negative)	-	-
322,971	70,297	Balance at the end of the year	210,891	351,485

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
5,708	1,335,645	Net Book Value	1,195,051	1,054,457

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
88,041	7,309	Balance at the start of the year (Third Party)	110,608	110,608
			-	-
1,795	110,608	Additions in the year (Third Party)	-	-
-	(7,309)	Lease terminations in the year (Third Party) (enter as negative)	-	-
89,836	110,608		110,608	110,608
(82,527)	-	Repayments in the year - Principal (Third Party) (enter as negative)	-	-
7,309	110,608	Balance at the end of the year (Third Party)	110,608	110,608
7,309	110,608	TOTAL CURRENT	110,608	110,608

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Balance at the start of the year (Third Party)	1,242,910	1,132,302
-	1,295,334	Additions in the year (Third Party)	-	-
		Lease terminations in the year (Third Party) (enter as negative)		
-	1,295,334		1,242,910	1,132,302
-	(52,424)	Repayments in the year - Principal (Third Party) (enter as negative)	(110,608)	(117,072)
-	1,242,910	Balance at the end of the year (Third Party)	1,132,302	1,015,230
-	1,242,910	TOTAL NON-CURRENT	1,132,302	1,015,230
7,309	1,353,518	TOTAL LEASE LIABILITY	1,242,910	1,125,838

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
68,424	70,297	Depreciation charge for right of use	140,594	140,594
1,795	39,708	Interest expense on lease liabilities	73,664	67,205
70,219	110,005	Total cash outflow for leases	214,258	207,799

Financial risk management

As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	110,608	1,242,910		1,353,518	1,353,518

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	110,608	1,132,298		1,242,906	1,242,910

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	110,608	1,015,230		1,125,838	1,125,838

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
135,375	124,845	Property Plant Equipment	182,947	137,837
-	-	Intangible Assets	-	-
68,424	70,297	Right-of-use assets	140,594	140,594
203,799	195,142	Total depreciation expense	323,541	278,431

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
213,686	213,679	Creditors Third party	213,679	213,682
819,233	1,326,282	Dividends/Surplus Payable	946,262	1,112,252
1,032,919	1,539,961	Trade payables other payables and accruals - Current	1,159,941	1,325,934
		Non-Current Trade payables other payables and accruals		
2,126,757	2,126,757	Other payables	2,126,757	2,126,757
2,126,757	2,126,757	Trade payables other payables and accruals - Non-Current	2,126,757	2,126,757
3,159,676	3,666,718	Total trade payables other payables and accruals	3,286,698	3,452,691

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
188,045	188,045		188,045	188,045
66,421	66,421		66,421	66,421
254,466	254,466	Total current portion	254,466	254,466
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
254,466	254,466	Total Unearned Revenue	254,466	254,466

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
27,396	27,396	Annual Leave/Comp-time	27,396	27,396
27,396	27,396	Total current portion	27,396	27,396
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
27,396	27,396	Total employee entitlements	27,396	27,396

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,671,105	4,369,739	Other Goods & Services Revenue	4,620,483	4,850,892
4,671,105	4,369,739	Total sales of goods and services	4,620,483	4,850,892

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,671,105	4,369,739	Other goods and services	4,620,483	4,850,892
4,671,105	4,369,739	Total Other Goods & Services Revenue	4,620,483	4,850,892
4,671,105	4,369,739	Total Goods and Services	4,620,483	4,850,892

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
395,003	395,003	Interest on deposits	395,003	395,003
395,003	395,003	Total Investment revenue	395,003	395,003

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
898,131	941,881	Salaries, wages and allowances	1,216,881	1,216,881
132,900	132,900	Health care other	132,900	132,900
110,358	110,358	Pension	110,358	110,358
27,396	27,396	Leave	27,396	27,396
4,311	4,311	Other personnel related costs	4,311	4,311
1,173,096	1,216,846	Total Personnel Costs	1,491,846	1,491,846

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
100	28,397	Lease of Property and Equipment	100	100
63,059	63,059	Utilities	65,059	65,059
13,732	18,323	General Insurance	18,323	18,323
132,738	132,738	Travel and Subsistence	132,738	132,738
10,624	50,000	Recruitment and Training	50,000	50,000
614,447	873,465	Other	1,041,354	984,894
834,700	1,165,982	Total Supplies & consumables	1,307,574	1,251,114

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,765,350	2,186,772	Surplus/(deficit) from ordinary activities	1,892,525	2,224,504
		Non-cash movements		
203,799	195,142	Depreciation & Amortisation	323,541	278,431
89,163	-	Impairment	-	-
(226,910)	-	(Increase)/decrease in other current assets - Other	-	-
221,117	36,088	(Increase)/(decrease) in current liabilities - Other	-	3
3,052,519	2,418,002	Net cash flows from operating activities	2,216,066	2,502,938

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
675,490	720,490	Salaries & other short-term employee benefits	950,490	950,490
675,490	720,490	Total	950,490	950,490

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CAYMAN NATIONAL CULTURAL FOUNDATION

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman National Cultural Foundation have agreed the Cayman National Cultural Foundation will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman National Cultural Foundation is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman National Cultural Foundation mission is to stimulate, facilitate and preserve cultural and artistic expression generally, particularly the preservation and exploration of Caymanian performing, visual and literary arts.

The CNCF is a non-profit organisation regulated by the Government of the Cayman Islands. The Foundation was formed on 9 October 1984 in accordance with the Cayman National Cultural Foundation Act, 1984. The Cayman National Cultural Foundation Act 2013 was enacted on 9 August of that year. The work of the Foundation covers the full scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts – and incorporates cultural preservation, the presentation of cultural festivals, artistic development, youth arts, and special projects.

CNCF manages two of Cayman’s most significant cultural properties. At the FJ Harquail Cultural Centre, theatrical events, exhibitions, conferences, and cultural gatherings are produced year-round by the Foundation, as well as by others. The World Heritage Fund-recognised site, Mind’s Eye—the Visionary World of Gladwyn Bush, is the historic home of Cayman’s renowned intuitive artist, which the Foundation has been responsible for conserving since it took stewardship in 2009. The Foundation is funded primarily by an annual grant from the Cayman Islands Government Ministry of Culture.

SCOPE OF ACTIVITIES

The scope of CNCF activities (per the CNCF Act, 2013) are as follows:

1. The stimulation and facilitation of culture generally;
2. The development, maintenance and management of theatres and other cultural facilities, in particular the F.J. Harquail Cultural Centre;
3. Organising cultural festivals;
4. Stimulation of the development of local talent by means of training, workshops, competitions, exhibitions, pageants, parades, displays and other such activities;
5. Assisting persons in developing cultural and artistic expression, including the preservation and exploration of Caymanian cultural heritage.

Customers and Location of Activities

CNCF is housed across four separate facilities over 10 acres that is made up the F J Harquail Cultural Centre (FJHCC) and Mind’s Eye—the Visionary World of Gladwyn K. Bush (ME). Due to their specificity of purpose—over and above their distinct architecture (tangible cultural heritage)—the facilities are designated for the preservation and celebration of intangible cultural heritage (time-honoured customs), culture and the arts. The majority of CNCF’s regular programming is carried out at one of these venues while annual festivals like Gimistory are hosted as satellite venues across Grand Cayman and the Sister Islands.

The CNCF Programme department works at various locations across the Cayman Islands including public and private schools in Grand Cayman, Cayman Brac and Little Cayman, as well as at other locations on demand.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman National Cultural Foundation for the 2026 and 2027 financial years are carried out across the following Outputs:

- **Arts and Cultural Preservation, Documentation and Promotion [NCF 1]:** CNCF is charged with managing the ongoing conservation and promotion of the Mind's Eye Centre (Gladwyn K. "Miss Lassie's" Bush Cottage and Duplex), which contains her hundred-year-old cottage as a unique cultural heritage site that is an exceptional example of both traditional Caymanian architecture and of internationally recognised home-grown artistic talent. In addition, CNCF cares for the 130+ pieces of artwork in her collection, held in Trust for the people of the Cayman Islands. This includes exhibiting the work three times per annum, upon invitation.

CNCF's Cultural and Heritage Library provides hundreds of resources relating to our cultural history which are accessible via video and audio recordings, prints, photographs, books, magazines, as well as other literature on or about art / culture.

Under this output, CNCF also produces the annual National Arts and Culture Awards presentation to recognise individuals or groups whose work, or work with others, has made a meaningful contribution to the exploration, promotion or preservation of Caymanian cultural heritage and the development of Caymanian arts.

- **Cultural Festivals, International Exchange/ Local Partnerships [NCF 2]:** Each year CNCF produces a number of community events and festival that aim to support the Caymanian arts and cultural experience, such as the Cayman Islands International Storytelling Festival: GIMISTORY; the Cayman Islands National Festival of Arts: CAYFEST; Red Sky at Night; and/or at overseas arts and culture festivals/conferences/seminars. Under this output CNCF also administrates CIG-approved funding for other Government-funded festivals and carnivals, including the Cayman Carnival (Batabano, CayMas, and Braccanal, and formerly Pirates Week).
- **Management of Operations and Maintenance of FJ Harquail Cultural Centre (FJHCC) [NCF 3]:** CNCF manages the nine-acre F.J. Harquail Cultural Centre. This houses the Harquail Theatre which fulfils the function of the national theatre of the Cayman Islands, the Studio Theatre, and the CNCF Offices. This output includes the management of the physical plant to a high standard, as well as the busy rental programme of 90+ plays, concerts, conferences, receptions, and other events each year. In addition, CNCF also produces its own theatrical productions and performing art events throughout the year from these venues, notably *Wha Happening*.
- **Training and Support for Artistic Development [NCF 4]:** CNCF's mission to preserve and develop Caymanian arts and culture includes an active annual training programme in the performing, visual and literary arts. Every year we host workshops, screenings, seminars, residencies or internships for local performers, teachers and students. CNCF also manages the largest creative grant programme in the Cayman Islands titled 'Grants for the Arts', which over the years has funded numerous creative projects,

productions, publications, and training opportunities. The mission of the grant is to facilitate opportunities for artists (and creative groups).

- **Youth Arts Programming [NCF 5]:** CNCF provides school and teacher cultural resources as well as a variety of youth programmes involving the artistic disciplines of drama, dance, traditional arts and crafts, storytelling and music. This is executed via the Young-At-Arts extra-curricular classes, performances and field trips, which culminates in work-shows to showcase to a public audience the participants' progress over the course of the workshops.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman National Cultural Foundation for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	1,400	1,405	1,196
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	779	779	460
OPERATING EXPENSES	2,082	2,082	1,949
OPERATING SURPLUS/DEFICIT	97	102	(293)
NET WORTH	16,964	17,392	16,531
CASH FLOWS FROM OPERATING ACTIVITIES	62	169	(88)
CASH FLOWS FROM INVESTING ACTIVITIES	(336)	(326)	(200)
CASH FLOWS FROM FINANCING ACTIVITIES	336	326	200
CHANGE IN CASH BALANCES	62	169	(88)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	17.44:1	20.81:1	12.60:1
TOTAL ASSETS: TOTAL LIABILITIES	74.44:1	83.43:1	57.10:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	13	12	13
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	1
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS (3)	3 years	4 years	18 months
PROFESSIONAL AND TECHNICAL STAFF (3)	5 years	6 years	4 years
CLERICAL AND (5)	1 year	1 year	1 year
LABOURER STAFF (1)	14	15	13
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	17,604	17,345	16,826
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.87	0.86	0.89
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	1.40	0.84	0.86
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
Conservation and Maintenance of National Art Collection and Mind's Eye (Miss Lassie's House)	13	13	-
CNCF/NGCI driveway completion and lighting	-	-	-
Miss Lassie Cottage conservation	13	13	-
Carpark resurfacing and site electrical upgrades	-	-	-
Harquail Theatre upgrades	310	300	200
TOTAL	336	326	200

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Vulnerability to winds and storm surge from Hurricanes and Tropical Storms	Ongoing	Act of God	10,000,000
Vulnerability to fire damage from nearby Landfill	Ongoing	Act of God	10,000,000
Vulnerability to flooding due to high water table	Ongoing	CNCF will be conducting a storm water management survey to determine recommended actions	50,000
Reliance on Government funding to continue and further the obligations under CNCF Law 2013	Ongoing	CNCF plans a substantive program of private partnerships to overcome this hurdle	778,474

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman National Cultural Foundation is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	2,179	2,184	1,656
OPERATING EXPENSES	2,082	2,082	1,949
NET SURPLUS/(DEFICIT)	97	102	(293)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	17,195	17,604	16,826
LIABILITIES	231	211	295
NET WORTH	16,964	17,393	16,531

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	62	169	(88)
CASH FLOWS FROM INVESTING ACTIVITIES	(336)	(326)	(200)
CASH FLOWS FROM FINANCING ACTIVITIES	336	326	200

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
CAPITAL WITHDRAWALS FROM CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ²¹	-	-
REMUNERATION²² PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	313	313
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD, HoDs)	3	3

²¹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

²² Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Cayman National Cultural Foundation undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman National Cultural Foundation will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Isaac Rankine, MP

Minister for Youth, Sports, Culture and Heritage

On behalf of Cabinet



Chairperson of the Board

Cayman National Cultural Foundation

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman National Cultural Foundation for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Stephen Price

Chairperson of the Board

Cayman National Cultural Foundation

31 December 2025

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
250,814	162,553	Cash and cash equivalents	1	224,472	393,676
-	-	Marketable securities and deposits		-	-
305,810	289,436	Trade receivables	2	350,417	352,786
2,499	2,499	Other receivables	2	2,499	2,499
-	-	Inventories	3	-	-
3,125,440	3,258,329	Investments	4	3,450,629	3,642,929
410	-	Prepayments	5	-	-
-	-	Loans	6	-	-
3,684,973	3,712,817	Total Current Assets		4,028,017	4,391,890
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
13,191,035	13,110,486	Property, plant and equipment	7	13,165,236	13,209,986
-	-	Right-of-use assets	9	-	-
2,919	2,512	Intangible Assets	8	2,104	1,696
13,193,954	13,112,998	Total Non-Current Assets		13,167,340	13,211,682
16,878,927	16,825,816	Total Assets		17,195,357	17,603,572
		Current Liabilities			
195,452	224,174	Trade payables	11	160,000	140,000
17,829	26,500	Other payables and accruals	11	27,000	27,000
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
37,822	40,000	Unearned revenue	12	40,000	40,000
3,237	4,000	Employee entitlements	13	4,000	4,000
-	-	Current Portion of Borrowings	14	-	-
254,340	294,674	Total Current Liabilities		231,000	211,000
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
-	-	Total Non-Current Liabilities		-	-
254,340	294,674	Total Liabilities		231,000	211,000
16,624,587	16,531,142	Net Assets		16,964,357	17,392,572
		NET WORTH			
4,107,237	4,307,237	Contributed capital		4,643,237	4,969,237
3,164,170	3,297,059	Other Reserves		3,435,959	3,574,859
9,258,940	9,258,940	Revaluation reserve		9,258,940	9,258,940
94,240	(332,094)	Accumulated surpluses/(deficits)		(373,779)	(410,464)
16,624,587	16,531,142	Total Net Worth		16,964,357	17,392,572

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 December 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
1,385,568	1,460,937	Sale of goods and services	17	1,680,375	1,685,375
140,119	132,889	Investment revenue	18	138,900	138,900
19,575	62,127	Donations	19	359,448	359,448
456,891	-	Other revenue		-	-
2,002,153	1,655,953	Total Revenue		2,178,723	2,183,723
		Expenses			
630,162	700,121	Personnel costs	20	759,236	759,236
937,827	968,321	Supplies and consumables	21	1,040,614	1,040,614
274,158	280,956	Depreciation and Amortisation	10	281,658	281,658
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
1,842,147	1,949,398	Total Expenses		2,081,508	2,081,508
160,006	(293,445)	Surplus or (Deficit) for the period		97,215	102,215

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
1,156,740	1,213,557	Sale of goods and services to Cabinet		1,340,250	1,403,960
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
85,663	110,487	Sale of goods and services - third party		66,320	66,221
-	-	Interest received		-	-
19,575	62,127	Donations / Grants		359,448	359,448
140,696	153,676	Other receipts		159,425	159,425
		<i>Payments</i>			
(619,162)	(699,358)	Personnel costs		(759,236)	(759,236)
(922,480)	(928,750)	Supplies and consumables - Ministries/Portfolios		(1,104,288)	(1,060,614)
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
-	-	- Supplies and consumables - third party		-	-
-	-	Interest paid		-	-
-	-	Other payments		-	-
-138,968	-88,261	Net cash flows from operating activities	25	61,919	169,204
		CASH FLOWS FROM INVESTING ACTIVITIES			
(96,656)	(200,000)	Purchase of property, plant and equipment		(336,000)	(326,000)
-	-	- Proceeds from sale of property, plant and equipment		-	-
-	-	- Purchase of investments		-	-
-	-	- Proceeds from sale of investments		-	-
(96,656)	(200,000)	Net cash flows from investing activities		(336,000)	(326,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
124,632	200,000	Equity Investment from Cabinet		336,000	326,000
-	-	- Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	- Borrowings		-	-
-	-	- Repayment of Borrowings		-	-
-	-	- Currency Issues		-	-
124,632	200,000	Net cash flows from financing activities		336,000	326,000
		Net increase/(decrease) in cash and cash equivalents		61,919	169,204
361,806	250,814	Cash and cash equivalents at beginning of period		162,553	224,472
250,814	162,553	Cash and cash equivalents at end of period		224,472	393,676

CAYMAN NATIONAL CULTURAL FOUNDATION
FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	3,982,605	3,024,967	9,258,940	73,437	16,339,949
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	3,982,605	3,024,967	9,258,940	73,437	16,339,949
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	139,203	-	(139,203)	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	124,632	-	-	-	124,632
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	124,632	139,203	-	(139,203)	124,632
Surplus/(deficit)for the period 2024	-	-	-	160,006	160,006
Total recognised revenues and expenses for the period	124,632	139,203	-	20,803	284,638
Balance at 31 December 2024	4,107,237	3,164,170	9,258,940	94,240	16,624,587
Balance at 31 December 2024 brought forward	4,107,237	3,164,170	9,258,940	94,240	16,624,587
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	4,107,237	3,164,170	9,258,940	94,240	16,624,587
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	132,889	-	(132,889)	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	200,000	-	-	-	200,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	200,000	132,889	-	(132,889)	200,000
Surplus/(deficit)for the period 2025	-	-	-	(293,445)	(293,445)
Total recognised revenues and expenses for the period	200,000	132,889	-	(426,334)	(93,445)
Balance at 31 December 2025 carried forward	4,307,237	3,297,059	9,258,940	(332,094)	16,531,142

CAYMAN NATIONAL CULTURAL FOUNDATION
**FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	4,307,237	3,297,059	9,258,940	(332,094)	16,531,142
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	4,307,237	3,297,059	9,258,940	(332,094)	16,531,142
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	138,900	-	(138,900)	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	336,000	-	-	-	336,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	336,000	138,900	-	(138,900)	336,000
Surplus/(deficit)for the period 2026	-	-	-	97,215	97,215
Total recognised revenues and expenses for the period	336,000	138,900	-	(41,685)	433,215
Balance at 31 December 2026 carried forward	4,643,237	3,435,959	9,258,940	(373,779)	16,964,357
Balance at 31 December 2026 brought forward	4,643,237	3,435,959	9,258,940	(373,779)	16,964,357
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	4,643,237	3,435,959	9,258,940	(373,779)	16,964,357
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	138,900	-	(138,900)	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	326,000	-	-	-	326,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	326,000	138,900	-	(138,900)	326,000
Surplus/(deficit)for the period 2027	-	-	-	102,215	102,215
Total recognised revenues and expenses for the period	326,000	138,900	-	(36,685)	428,215
Balance at 31 December 2027	4,969,237	3,574,859	9,258,940	(410,464)	17,392,572

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,032	1,100	Cash on hand	1,100	1,100
10,606	-	Cash in transit	-	-
233,337	156,953	CI\$ Account	215,372	384,576
5,839	4,500	US\$ Account	8,000	8,000
250,814	162,553	TOTAL	224,472	393,676

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
307,328	290,063	Sale of goods and services to Ministries/Portfolios	350,063	351,353
8,914	9,805	Sale of goods and services - third party	10,786	11,865
(10,432)	(10,432)	Less: provision for doubtful debts	(10,432)	(10,432)
305,810	289,436	Total trade receivables	350,417	352,786

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
297,568	281,936	Past due 1-30 days	342,917	345,286
1,600	1,000	Past due 31-60 days	1,000	1,000
(500)	1,500	Past due 61-90 days	1,500	1,500
7,142	5,000	Past due 90 and above	5,000	5,000
		Non-Current		
-	-	Past due 1 year and above	-	-
305,810	289,436	Total	350,417	352,786

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,499	2,499	Other	2,499	2,499
-	-	Less: provision for doubtful debts	-	-
2,499	2,499	Total other receivables	2,499	2,499

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
-	-	Past due 1-30 days	-	-
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
2,499	2,499	Past due 90 and above	2,499	2,499
		Non-Current		
-	-	Past due 1 year and above	-	-
2,499	2,499	Total	2,499	2,499

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(10,432)	(10,432)	Balance at beginning of period	(10,432)	(10,432)
(10,432)	(10,432)	Balance at 31st December	(10,432)	(10,432)

NOTE 4: INVESTMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Investments - at the lower of cost or market value	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Investments		
3,125,440	3,258,329	Short-term investments	3,450,629	3,642,929
3,125,440	3,258,329	Investments - Current	3,450,629	3,642,929
		Non-Current Investments		
-	-	Investments - Non-Current	-	-
3,125,440	3,258,329	Total Investments	3,450,629	3,642,929

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
410	-	Prepayments	-	-
410	-	Prepayments - Current	-	-
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
410	-	Total Prepayments	-	-

CAYMAN NATIONAL CULTURAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	6,700,000	6,582,052	407,894	84,799	23,611	666,408	8,103	14,472,867
Additions	-	1,955	9,766	16,986	-	15,424	86,530	130,661
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(34,005)	(34,005)
Balance as at 31 December 2024	6,700,000	6,584,007	417,660	101,785	23,611	681,832	60,628	14,569,523

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	6,700,000	6,584,007	417,660	101,785	23,611	681,832	60,628	14,569,523
Additions	-	94,509	63,877	6,325	-	42,999	94,684	302,394
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(102,394)	(102,394)
Balance as at 31 December 2025	6,700,000	6,678,516	481,537	108,110	23,611	724,831	52,918	14,769,523

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	6,700,000	6,678,516	481,537	108,110	23,611	724,831	52,918	14,769,523
Additions	-	336,000	-	-	-	-	-	336,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	6,700,000	7,014,516	481,537	108,110	23,611	724,831	52,918	15,105,523

	<i>Land</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	6,700,000	7,014,516	481,537	108,110	23,611	724,831	52,918	15,105,523
Additions	-	326,000	-	-	-	-	-	326,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	6,700,000	7,340,516	481,537	108,110	23,611	724,831	52,918	15,431,523

CAYMAN NATIONAL CULTURAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	-	610,366	315,933	73,592	23,611	81,235	-	1,104,737
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	216,698	25,145	4,826	-	27,082	-	273,751
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	827,064	341,078	78,418	23,611	108,317	-	1,378,488

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	-	827,064	341,078	78,418	23,611	108,317	-	1,378,488
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	217,017	25,353	7,352	-	30,845	-	280,549
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	1,044,081	366,413	85,770	23,611	139,162	-	1,659,037

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	-	1,044,081	366,413	85,770	23,611	139,162	-	1,659,037
Transfers	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	217,141	25,353	7,706	-	31,050	-	281,250
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	1,261,222	391,766	93,476	23,611	170,212	-	1,940,287

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	-	1,261,222	391,766	93,476	23,611	170,212	-	1,940,287
Transfers	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	217,141	25,353	7,706	-	31,050	-	281,250
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	1,478,363	417,119	101,182	23,611	201,262	-	2,221,537

Net Book value 31 December 2024	6,700,000	5,756,943	76,582	23,367	-	573,515	60,628	13,191,035

Net Book value 31 December 2025	6,700,000	5,634,435	115,124	22,340	-	585,669	52,918	13,110,486

Net Book value 31 December 2026	6,700,000	5,753,294	89,771	14,634	-	554,619	52,918	13,165,236

Net Book value 31 December 2027	6,700,000	5,862,153	64,418	6,928	-	523,569	52,918	13,209,986

CAYMAN NATIONAL CULTURAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2024	3,632	3,632
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	3,632	3,632

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2025	3,632	3,632
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	3,632	3,632

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2026	3,632	3,632
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	3,632	3,632

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2027	3,632	3,632
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	3,632	3,632

CAYMAN NATIONAL CULTURAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2024	306	306
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	407	407
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	713	713

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2025	713	713
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	407	407
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	1,120	1,120

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2026	1,120	1,120
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	408	408
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	1,528	1,528

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2027	1,528	1,528
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	408	408
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	1,936	1,936

Net Book value 31 December 2024	2,919	2,919

Net Book value 31 December 2025	2,512	2,512

Net Book value 31 December 2026	2,104	2,104

Net Book value 31 December 2027	1,696	1,696

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
273,751	280,549	Property Plant Equipment	281,250	281,250
407	407	Intangible Assets	408	408
274,158	280,956	Total depreciation expense	281,658	281,658

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
101,923	150,000	Creditors Third party	85,000	65,000
86,681	74,174	Creditors Ministries/Portfolios	75,000	75,000
6,848	-	Creditors other Statutory Agencies and Government Companies	-	-
17,080	25,000	Accrued Expenses	25,000	25,000
749	1,500	Other payables	2,000	2,000
213,281	250,674	Trade payables other payables and accruals - Current	187,000	167,000
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
213,281	250,674	Total trade payables other payables and accruals	187,000	167,000

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
37,822	40,000		40,000	40,000
37,822	40,000	Total current portion	40,000	40,000
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
37,822	40,000	Total Unearned Revenue	40,000	40,000

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
3,237	4,000	Other	4,000	4,000
3,237	4,000	Total current portion	4,000	4,000
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
3,237	4,000	Total employee entitlements	4,000	4,000

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
747	1,051	General Sales	700	700
85,663	109,918	Rentals	120,000	120,000
122,908	153,676	Other Goods & Services Revenue	159,425	159,425
1,176,250	1,196,292	Sale of goods and services to Cabinet	1,400,250	1,405,250
1,385,568	1,460,937	Total sales of goods and services	1,680,375	1,685,375

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
747	1,051	General Sales (Misc.)	700	700
747	1,051	Total General Sales	700	700

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
85,663	109,918	Harquail Theatre and Studio Rentals	120,000	120,000
85,663	109,918	Total Rentals	120,000	120,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
76,387	98,617	Program Revenue	99,425	99,425
46,521	55,059	Theatre Concessions/Retail	60,000	60,000
122,908	153,676	Total Other Goods & Services Revenue	159,425	159,425

		Sales of Outputs to Cabinet		
1,176,250	1,196,292	Sales of Outputs to Cabinet	1,400,250	1,405,250
1,176,250	1,196,292	Total Sales of Outputs to Cabinet	1,400,250	1,405,250
		Other Interdepartmental Revenue		
-	-	Total Other Interdepartmental Revenue	-	-
1,385,568	1,460,937	Total Goods and Services	1,680,375	1,685,375

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
140,119	132,889	Other	138,900	138,900
140,119	132,889	Total Investment revenue	138,900	138,900

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
19,575	62,127	Donation	359,448	359,448
19,575	62,127	Total donations	359,448	359,448

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
564,089	623,742	Salaries, wages and allowances	673,848	673,848
41,131	47,930	Health care other	55,518	55,518
24,942	28,449	Pension	29,870	29,870
630,162	700,121	Total Personnel Costs	759,236	759,236

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
709,568	775,381	Supplies and Materials	831,747	831,747
130,368	92,731	Utilities	107,117	107,117
90,198	98,899	General Insurance	100,000	100,000
3,585	1,310	Travel and Subsistence	1,750	1,750
4,108	-	Other	-	-
937,827	968,321	Total Supplies & consumables	1,040,614	1,040,614

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
160,006	(293,445)	Surplus/(deficit) from ordinary activities	97,215	102,215
		Non-cash movements		
274,158	280,956	Depreciation & Amortisation	281,658	281,658
		Changes in current assets and liabilities:		
(138,864)	(116,105)	(Increase)/decrease in other current assets - Other	(253,280)	(194,669)
(434,268)	40,334	(Increase)/(decrease) in current liabilities - Other	(63,674)	(20,000)
(138,968)	(88,260)	Net cash flows from operating activities	61,919	169,204

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
277,222	313,000	Salaries & other short-term employee benefits	313,045	313,045
277,222	313,000	Total	313,045	313,045

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

**CAYMAN TURTLE CONSERVATION AND EDUCATION
CENTRE LIMITED**

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Turtle Conservation and Education Centre Ltd. have agreed the Cayman Turtle Conservation and Education Centre Ltd. will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

The Board of Directors board's role is to direct the management to conduct a review of the Centre's operations, and to provide detailed medium-term strategies on both revenue and expenses, which will begin reducing its annual operating loss before depreciation.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Turtle Conservation and Education Centre Ltd. is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Turtle Conservation and Education Centre Ltd activities involve sustainable aquaculture, the rearing of marine turtles for conservation, research, and education reasons, as well as the self-sustaining renewable supply of turtle meat to the resident population as a means of minimising poaching of turtles from the wild, known as consumption conservation. From its early days, the facility also doubled as a tourist attraction, including a gift shop. Commencing in fiscal year 2004, the “Boatswain’s Beach” project increased the scope of operations to that of a Family Entertainment Centre (FEC), boasting saltwater and freshwater artificial lagoons, a free-flight Caribbean aviary, a nature trail, and a restaurant with a bar, as well as a gift shop. The major portion of the company’s revenues is derived from the tourist attraction components of the business. In 2010 the company changed its trading name back to “Cayman Turtle Farm” with the tagline “Island Wildlife Encounter” to portray the primary activity of the company. The official company name was changed from “Cayman Turtle Farm (1983) Ltd” to “Cayman Turtle Conservation and Education Centre Ltd” (herein abbreviated to “CTCEC”) in 2017 following Cabinet approval. Its conservation, education, research and tourist attraction functions now trade as “Cayman Turtle Centre: Island Wildlife Encounter” (hereinafter referred to as “CTC”). Turtle meat products are sold under the trade name “Cayman Turtle Products”.

SCOPE OF ACTIVITIES

The scope of Cayman Turtle Conservation and Education Centre Ltd activities is as follows:

- Conservation of sea turtles, with education and research on those and other related animals;
- Operation of an FEC tourist attraction, providing island wildlife encounters with marine and terrestrial animal species endemic to Cayman, and bird species endemic to the Caribbean;
- Operation of a gift-shop on site;
- Operation of a restaurant and bar, plus a snack shop and a café on site;
- Hosting of events;
- Sale of aqua cultured green sea turtle meat to the local population, which contributes significantly to sea turtle conservation by eliminating the need to take turtles from the wild to sustain those popular traditions, conservation through consumption, and in turn enables sustenance of popular local culinary traditions without the need to negatively impact wild turtle populations;
- Leasing of space to another marine theme park facility offering dolphin encounters.

CUSTOMERS AND LOCATION OF ACTIVITIES

The revenue-earning services provided by Cayman Turtle Conservation and Education Centre Ltd. (CTCEC) are provided mainly to tourists, as well as residents. Services are provided in Grand Cayman, the main site being at 786 North West Point Road, West Bay, Grand Cayman.

Turtle meat sales, aimed at satisfying the demand from residents and local restaurants, take place at the company’s site in a separate retail outlet on the north side of the property.

The largest portion of revenues for CTCEC are derived from sales of admission to the park, the majority of this being as the main feature of an “island tour” shore excursion, the primary customers of which are day-visitors arriving on cruise ships. Other important customer segments for park admissions are stay-over visitors, and residents.

Some of the tourist attraction service packages are sold wholesale to cruise lines, which in turn sell to their passengers online and on-board, at a mark-up. Those packages include bus transportation from and to the cruise ship terminal, and some packages also include a boat trip to Stingray Sandbar, or visits to other attractions. The bus and boat transportation for those packages is provided to CTCEC by local industry partners under wholesale pricing arrangements.

CTCEC also sells admissions wholesale to independent tour operators who typically offer tours of the western part of the island, on buses that pick up and drop off passengers at the cruise terminals. Some of their tours also include a visit to Stingray Sandbar. In most cases those independent tour operators have also sold the tour packages wholesale to the cruise lines, which in turn sell to their passengers online and on-board, at a mark-up.

Customer segments for the bar and restaurant and the gift-shop are the same segments as for admissions. Customer segments for turtle meat products are individual residents, and local restaurants.

In keeping with the CITES conventions and related regulations, products derived from sea turtles cannot be exported.

The tenant for the dolphinarium which is on the company’s property adjacent to the car park across the street from the Company’s main site is Dolphin Discovery (Cayman) Ltd. That same company currently owns both dolphinariums in Grand Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Turtle Conservation and Education Centre Ltd. for the 2026 and 2027 financial years are as follows:

The following key strategic goals and objectives are predicated on Cabinet approval of the Sea Turtle Species Conservation Plan that CTCEC has already produced and submitted or, an equivalent Plan that merges the plan submitted by the National Conservation Council/Department of Environment with those from the CTCEC, and that the resulting “collaborative plan” is in force by the start of the budget period.

Turtle Conservation, Sustainable Tourism and Eco-tourism

- Continue annual releases of “head-started” sea turtles into the wild:
 - Pre-release quarantine tests and protocols to be sustained to continue to support clinical health status of “head-started” turtles for release;
 - Collaborate with beach-front tourist accommodation properties in Grand Cayman, and when feasible in Cayman Brac and Little Cayman as sites for turtle release events in various months and seasons of the year to:
 - Create sustainable and eco-tourism experiences, promotional and educational opportunities, thereby supporting development and enhancement of our country’s sustainable tourism industry while raising conservation awareness;
 - Encourage properties to adopt a marine friendly and sustainable approach of ocean awareness, such as installing “turtle-friendly” beach-front lighting, beach grooming, and beach furniture placement thereby enhancing the likelihood and success rate of sea turtles attempting to nest on tourist-zone beaches;
 - Encourage properties to adopt a marine friendly and sustainable approach of ocean awareness, such as installing “turtle-friendly” beach-front lighting, beach grooming, and beach furniture placement thereby enhancing the likelihood and success rate of sea turtles attempting to nest on tourist-zone beaches;
- Thereby to enable the release of 100 sea turtle hatchlings and “head-starts” per annum into Cayman Islands waters. with actual number subject to completion of pre-release quarantine testing, numbers of eggs collected and percentage of eggs hatching. CTCEC to continue encouraging turtle consumption limited to special occasions.
- Develop, document, and implement strategies aimed at restoring endangered indigenous sea turtle species, through the rehabilitation of injured wild sea turtles by conducting conservation efforts (like a “head-starting program”) to reintroduce the endangered Hawksbill Turtles back into the wild thus preventing extirpation of Hawksbills from the Cayman Islands.

Turtle Conservation and Cultural Traditions

- Contribute to the conservation of sea turtles in the wild around the Cayman Islands, and to sustaining local culinary traditions practiced by residents, by making available from self-sustaining closed-cycle aquaculture a stock of green sea turtle meat for local consumption thus suppressing the risk of turtles being poached from the wild.

Production Rate: Turtle meat production operates on a five-year cycle, with turtles reaching the appropriate age and weight for processing. Due to a documented decline in egg-laying since 2019, the Centre has had to scale back meat production. This reduction is necessary to maintain sustainable operations and ensure the long-term viability of the program. Management has implemented these adjustments to preserve a safe and manageable production level, while continuing to support cultural events and meet local consumption needs. Notwithstanding the above the Centre's goal for edible meat production of between 400 to 600 turtles.

Pricing: The Board has reviewed the pricing of turtle meat and has approved an increase from \$9 per pound to \$13 per pound to be applied on January 1, 2026. This adjustment reflects the first price change since 2012.

Research and Education

- Continue participation in research on sea turtles in-house and in collaboration with overseas researchers.
- Host students from local and overseas schools, educating them on sea turtles and other island wildlife.
 - o Host at least 1,500 students and chaperones per year.
 - o Host interns where possible.
 - o Host Masters and PhD level university students conducting research where possible.

Tourist Attraction

- Provide a high-quality Family Entertainment Centre attraction for visitors to Grand Cayman offering educational display and visual interaction with sea turtles and other island wildlife along with the opportunity of snorkeling in a 1.3M gallon saltwater venue experience with up-close encounters with sea turtles and 100's of other Caribbean fish, to also include a 5,300 square foot enclosed free flight aviary allowing interaction with various species of birds as well as a Butterfly enclosure. Additionally at the 300,000-gallon fresh water venue hosts a waterfall and a 90ft long water slide, safely managed by professional lifeguards.
 - o Sustain market shares of stay-over and cruise visitors to the island to above 10% of the visitors per annum in each category for CTC admissions.

Collaborate with other entities and entrepreneurs in the tourism industry to offer visitors "packages" incorporating a visit to CTC together with other products and services (e.g., transportation, visits to

other attractions) thereby producing additional positive impact on the islands' economy and employment. The below accomplishments are contingent upon the success of the Tourism department's marketing strategy in continuing to attract the number of visitors coming by air and cruise, which would allow for these relationships to come to fruition.

- Maintain and develop relations with tour bus companies, watersports companies, other attractions and other tourism service providers to offer “combination” packages for cruise shore excursions.
- Maintain relations with independent car rental companies, hotels and tourist condos to promote CTC visitation by stay-over visitors, particularly the hotel concierge financial incentive scheme.
- Maintain relations with taxis and bus drivers that have a high percentage of tourist clientele promote visitation to CTC by offering CTC admission discount vouchers to their patrons.

Revenue goals:

Tours:

- Increase CTC admissions sold to “stay-over” guests by at least a factor of 50% of the percentage increase in air arrivals per annum (Year-on-Year for the fiscal period).

Gift Shop:

- Increase Retail (gift shop sales) Contribution per annum by at least a factor of 50% of the same percentage as annual increase in cruise tourist arrivals (Year-on-Year for the fiscal period).

Food and Beverage:

- Increase Food and Beverage Contribution per annum by at least a factor of 50% of the same percentage as annual increase in cruise tourist arrivals (Year-on-Year for the fiscal period).

Events Hosting

- Offer the park as a venue for various corporate, social and community events, including catering of food and beverages.

Product Development:

- For each cycle of the Ownership Agreement (every two years) product development, for this period 2026/2027 financial year to implement new attractions subject to the Boards approval. Under consideration is a Zip Line, Rides and Kids Splash Zone which will require CAPEX enhancing the park’s value and revenue potential over time.

- **Continuous Innovation**
Regular updates keep the park fresh and exciting, encouraging repeat visits and maintaining customer interest.
- **Seasonal Alignment**
Launching new attractions or experiences twice a year allows alignment with peak seasons (e.g., summer and all other holidays), maximizing impact.
- **Revenue Diversification**
New products (rides, shows, themed events, merchandise) create multiple revenue streams and reduce reliance on any single attraction.

- **Competitive Edge**
In a crowded market, frequent innovation helps differentiate your park from competitors and positions it as a leader in entertainment.
- **Marketing Momentum**
Biannual launches provide built-in opportunities for promotional campaigns, media coverage, and social media buzz.
- **Guest Feedback Integration**
A regular development cycle allows for faster response to guest preferences and feedback, improving satisfaction and loyalty.

Website Design:

- The new website design for CTCEC will be a modern, mobile-optimized platform that enhances user experience while supporting flexible, real-time ticketing through dynamic pricing. It will feature intuitive navigation, seamless booking for tickets and experiences, and personalized offers based on visitor behaviour and demand trends. With integrated analytics, secure payment systems, and engaging multimedia content, the site will serve as both a marketing tool and a revenue driver—encouraging advance purchases, upselling premium experiences, and adapting pricing to maximize attendance and profitability.

Employment

- Continue employing and developing Caymanians:
 - o Maintain ratio at 5% or less of employees on Work Permits

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Turtle Conservation and Education Centre Ltd. for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	9,662	9,368	8,095
OPERATING EXPENSES	(18,152)	(18,193)	(17,820)
OPERATING SURPLUS/(DEFICIT)	(8,490)	(8,825)	(9,725)
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	(4,312)	(4,647)	(5,681)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(2,595)
CASH FLOWS FROM FINANCING ACTIVITIES	5,000	4,000	8,610
CHANGE IN CASH BALANCES	688	(647)	334

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	2.23:1	1.72:1	1.69:1
TOTAL ASSETS: TOTAL LIABILITIES	5.39:1	4.96:1	5.70:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	109	109	108
STAFF TURNOVER (%)			
MANAGERS	10%	10%	10%
PROFESSIONAL AND TECHNICAL STAFF	7%	7%	14%
CLERICAL AND LABOURER STAFF	3%	3%	3%
AVERAGE LENGTH OF SERVICE YEARS (CURRENT POSITION)			
MANAGERS	11.78	12.78	10.78
PROFESSIONAL AND TECHNICAL STAFF	9.11	10.11	8.11
CLERICAL AND LABOURER STAFF	9.90	10.90	9.02
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	NO CHANGES	NO CHANGES	NO CHANGES

NOTE: THE NUMBER OF STAFF EMPLOYED DOES NOT TAKE INTO ACCOUNT TEMPORARY INCREASES TO HEADCOUNT TO IMPLEMENT HANDOVER OF DUTIES ON RETIREMENT OR DEPARTURE OF KEY STAFF

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	60,793	55,968	64,283
ASSET REPLACEMENTS: TOTAL ASSETS	0%	0%	4%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	72%	67%	77%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0%	0%	154%
CHANGES TO ASSET MANAGEMENT POLICIES	NO CHANGES	NO CHANGES	NO CHANGES

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
SALTWATER PIPE AND PUMPING STATION COMPLETION	-	-	2,565
TOTAL	-	-	2,565

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss of wholesale shore excursion sales relationships with one or more cruise lines Economic downturn in visitor home countries causing reduction in visitor arrivals and in turn reduction in guests coming to CTC.	Not changed.	Maintain Executive and Manager level dialogue and responsiveness with cruise line shore excursion executives. Attend FCCA Annual Conference to network and hold face-to-face meetings with cruise line representatives. Quality control of shore excursions done by Tours and Quality Control Manager.	+/- CI\$5,000,000
Various liabilities arising from loss, damage, or injury to customers or staff	Not changed.	Various safety procedures and protocols are in place. Lifeguards monitor guest activities and enforce safety rules in snorkelling lagoon, swimming lagoon, wading pool and turtle touch tanks, and render first-aid assistance. Incidents with cruise passengers are reported same day to the cruise ship shore excursion team. Liability insurance is maintained under the umbrella Government policy, and under secondary insurance carrier for cruise guests.	Various
Multiple turtle mortalities due to outbreak of infectious disease	Not changed.	Maintain biosecurity protocols and preventative medicine program. Daily observations of each turtle tank by Turtle Husbandry team.	+/- CI\$2,000,000

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Multiple turtle mortalities due to extended loss of sea water supply	~~Not changed.~~ New Saltwater Pumping station moved inland with new HDPE Pipes scheduled for completion 31 st Dec 2025.	Security Guards notify Infrastructure/ALSS team in the event of pump failures after operating hours. Contingency procedures in place for managing emergency water supplies to tanks in event of sea water supply breakdown (pipes or pumps). All turtle tanks are now partially shaded, which reduces the risk of daytime overheating of turtles in event of lowered water in tanks.	+/- CI\$2,000,000
Extreme weather events and natural disasters	Parametric Insurance Policy	The Company has a Hurricane Preparedness Plan which also covers recovery. It is revised and updated annually. Property damage/losses covered by CIG insurance policy, with parametric insurance policy underwritten by Caribbean Catastrophe Risk Insurance Facility SPC.	+/- CI\$12,000,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Turtle Conservation and Education Centre Ltd. is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	9,662	9,368	8,095
OPERATING EXPENSES	(18,152)	(18,193)	(17,820)
NET SURPLUS/(DEFICIT)	(8,490)	(8,825)	(9,725)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	60,793	55,968	64,283
LIABILITIES	(11,278)	(11,278)	(11,278)
NET WORTH	49,515	44,690	53,005

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(4,312)	(4,647)	(5,681)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(2,595)
CASH FLOWS FROM FINANCING ACTIVITIES	5,000	4,000	8,610

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	5,000	4,000
CAPITAL WITHDRAWALS FROM CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ²³	-	-
REMUNERATION ²⁴ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	54	54
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,035	1,035

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8	8
NUMBER OF KEY SENIOR MANAGEMENT	7	7

²³ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

²⁴ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Turtle Conservation and Education Centre Ltd. undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Turtle Conservation and Education Centre Ltd. will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Gary Rutty

Deputy Premier, Minister for Tourism and Trade Development

On behalf of Cabinet



Chairman of the Board

Cayman Turtle Conservation and Education Centre Limited

Vassel Johnson Jr.

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Cayman Turtle Conservation and Education Centre Ltd. for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Turtle Conservation and Education Centre Limited

31 December 2025

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CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Basis of preparation

These financial statements are prepared under the historical cost convention, modified by the valuation of biological assets at fair value, and in accordance with International Financial Reporting Standards (“IFRS”). The continued existence of the Company is contingent on the ongoing support from the Company's shareholder and the maintenance of the credit facilities provided by the Company's bankers. As management consider that this support will be ongoing and there are no indications which suggest otherwise, management consider the preparation of the forecast financial statements under the going concern assumption to be appropriate.

The preparation of forecast financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these forecast financial statements, relate to management's assessment of whether an impairment provision is required in respect of property, plant, equipment and exhibits, the valuation of biological assets and the provisions for pensions payable and severance payable. Unless otherwise disclosed, these forecast financial statements are presented in Cayman Islands dollars (“CI\$”).

The significant accounting policies adopted in the preparation of these financial statements are:

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand, balances with banks (including overdrafts) on demand and at short notice, and short-term highly liquid investments with original maturity dates of less than 90 days.

Accounts receivable

Accounts receivable comprise receivables from customers and are reduced by any allowance for doubtful accounts where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Biological assets - Secondary herd

The secondary herd, which is reared for the purpose of selling the herd's meat and by-product to satisfy local market demand, is valued at fair value calculated using market prices and expected yields of each type of product based on historical data.

Changes in the carrying amount attributable to physical change in such biological assets and changes attributable to price change are recognized as income or expense in the statement of comprehensive loss.

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Biological assets - Breeder herd

It is management's policy to differentiate between turtles which were acquired from the wild and will be released at the end of their breeding lives, and farm bred turtles which may be harvested at the end of their breeding lives. Mature turtles (i.e. those that have reached breeding age) acquired from the wild have been fully depreciated over their useful lives of 20 years and have a zero carrying value. Mature farm-bred turtles have an estimated net realisable value that exceeds cost and are not depreciated.

The direct costs of maintaining the farm-bred turtles are allocated between the mature turtles and those that have not yet reached maturity.

Property, plant, equipment and exhibits

Property, plant, equipment and exhibits are recorded at cost and, with the exception of land which is not depreciated, are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings and lagoons	10 - 20 years
Plant and equipment	4 - 10 years
Motor vehicles	3 - 4 years
Furniture and office equipment	4 - 5 years
Exhibits	6 years
Computer hardware and software	3 years

The estimated useful lives, residual values and depreciation method are reviewed at year-end and the effect of any changes in the estimate is accounted for on a prospective basis.

Cost comprises the purchase price of an asset plus any directly attributable costs of bringing the asset to working condition for its intended use such as import duties (if/when applicable), site preparation, initial delivery and handling cost, installation cost and professional fees (e.g. architects and engineers). Certain borrowing costs are also included in the cost basis of the related asset; see “borrowing costs” below. Costs of improvements are included in the cost of the applicable asset.

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
1,156,036	1,490,100	Cash and cash equivalents	1	2,178,006	1,530,587
-	-	Marketable securities and deposits		-	-
148,128	148,128	Trade receivables	2	148,128	148,128
-	-	Other receivables	2	-	-
353,187	353,187	Inventories	3	353,187	353,187
-	-	Investments	4	-	-
170,315	170,315	Prepayments	5	170,315	170,315
-	-	Loans	6	-	-
1,827,666	2,161,730	Total Current Assets		2,849,636	2,202,217
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
493,000	442,996	Pension Plan Surplus	15	392,992	342,988
63,077,501	61,677,856	Property, plant and equipment	7	57,550,432	53,423,008
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
63,570,501	62,120,852	Total Non-Current Assets		57,943,424	53,765,996
65,398,167	64,282,582	Total Assets		60,793,060	55,968,213
		Current Liabilities			
83,893	83,893	Trade payables	11	83,893	83,893
822,751	822,751	Other payables and accruals	11	822,751	822,751
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
371,068	371,068	Employee entitlements	13	371,068	371,068
-	-	Current Portion of Borrowings	14	-	-
1,277,712	1,277,712	Total Current Liabilities		1,277,712	1,277,712
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
10,000,000	10,000,000	Long Term portion of Borrowings	14	10,000,000	10,000,000
10,000,000	10,000,000	Total Non-Current Liabilities		10,000,000	10,000,000
11,277,712	11,277,712	Total Liabilities		11,277,712	11,277,712
54,120,455	53,004,870	Net Assets		49,515,348	44,690,501
		NET WORTH			
152,398,684	161,008,684	Contributed capital		166,008,684	170,008,684
-	-	Other Reserves		-	-
62,008,466	62,008,466	Revaluation reserve		62,008,466	62,008,466
(160,286,695)	(170,012,280)	Accumulated surpluses/(deficits)		(178,501,802)	(187,326,649)
54,120,455	53,004,870	Total Net Worth		49,515,348	44,690,501

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,800,939	7,974,375	Revenue			
-	-	Sale of goods and services	17	9,600,041	9,305,147
175,351	120,269	Investment revenue	18	-	-
-	-	Donations	19	62,400	62,400
-	-	Other revenue		-	-
7,976,290	8,094,644	Total Revenue		9,662,441	9,367,547
		Expenses			
6,050,581	6,946,292	Personnel costs	20	6,908,379	6,901,398
7,235,959	6,879,017	Supplies and consumables	21	7,116,160	7,163,572
4,010,787	3,994,920	Depreciation and Amortisation	10	4,127,424	4,127,424
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
(4,005)	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
17,293,322	17,820,229	Total Expenses		18,151,963	18,192,394
(9,317,032)	(9,725,585)	Surplus or (Deficit) for the period		(8,489,522)	(8,824,847)

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
FORECAST CASH FLOW STATEMENT
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
-	-	- Sale of goods and services to Cabinet		-	-
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
7,854,552	7,974,375	- Sale of goods and services - third party		9,600,041	9,305,147
-	-	- Interest received		-	-
175,351	120,269	- Donations / Grants		62,400	62,400
-	-	- Other receipts		-	-
-	-	<i>Payments</i>		-	-
(6,600,803)	(6,896,288)	- Personnel costs		(6,858,375)	(6,851,394)
-	-	- Supplies and consumables - Ministries/Portfolios		-	-
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
(7,388,675)	(6,879,017)	- Supplies and consumables - third party		(7,116,160)	(7,163,572)
-	-	- Interest paid		-	-
-	-	- Other payments		-	-
(5,959,575)	(5,680,661)	Net cash flows from operating activities	25	(4,312,094)	(4,647,419)
		CASH FLOWS FROM INVESTING ACTIVITIES			
(244,900)	(2,595,275)	- Purchase of property, plant and equipment		-	-
4,005	-	- Proceeds from sale of property, plant and equipment		-	-
-	-	- Purchase of investments		-	-
-	-	- Proceeds from sale of investments		-	-
(240,895)	(2,595,275)	Net cash flows from investing activities		-	-
		CASH FLOWS FROM FINANCING ACTIVITIES			
6,000,000	8,610,000	- Equity Investment from Cabinet		5,000,000	4,000,000
-	-	- Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	- Borrowings		-	-
-	-	- Repayment of Borrowings		-	-
-	-	- Currency Issues		-	-
6,000,000	8,610,000	Net cash flows from financing activities		5,000,000	4,000,000
(200,470)	334,064	Net increase/(decrease) in cash and cash equivalents		687,906	(647,419)
1,356,506	1,156,036	Cash and cash equivalents at beginning of period		1,490,100	2,178,006
1,156,036	1,490,100	Cash and cash equivalents at end of period		2,178,006	1,530,587

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	146,398,684	-	62,008,466	(150,969,663)	57,437,487
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	146,398,684	-	62,008,466	-150,969,663	57,437,487
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	6,000,000	-	-	-	6,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	6,000,000	-	-	-	6,000,000
Surplus/(deficit)for the period 2024	-	-	-	(9,317,032)	(9,317,032)
Total recognised revenues and expenses for the period	6,000,000	-	-	(9,317,032)	(3,317,032)
Balance at 31 December 2024	152,398,684	-	62,008,466	(160,286,695)	54,120,455
Balance at 31 December 2024 brought forward	152,398,684	-	62,008,466	(160,286,695)	54,120,455
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	152,398,684	-	62,008,466	(160,286,695)	54,120,455
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	8,610,000	-	-	-	8,610,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	8,610,000	-	-	-	8,610,000
Surplus/(deficit)for the period 2025	-	-	-	(9,725,585)	(9,725,585)
Total recognised revenues and expenses for the period	8,610,000	-	-	(9,725,585)	(1,115,585)
Balance at 31 December 2025 carried forward	161,008,684	-	62,008,466	(170,012,280)	53,004,870

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	161,008,684	-	62,008,466	(170,012,280)	53,004,870
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	161,008,684	-	62,008,466	(170,012,280)	53,004,870
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	5,000,000	-	-	-	5,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	5,000,000	-	-	-	5,000,000
Surplus/(deficit)for the period 2026	-	-	-	(8,489,522)	(8,489,522)
Total recognised revenues and expenses for the period	5,000,000	-	-	(8,489,522)	(3,489,522)
Balance at 31 December 2026 carried forward	166,008,684	-	62,008,466	(178,501,802)	49,515,348
Balance at 31 December 2026 brought forward	166,008,684	-	62,008,466	(178,501,802)	49,515,348
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	166,008,684	-	62,008,466	(178,501,802)	49,515,348
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,000,000	-	-	-	4,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,000,000	-	-	-	4,000,000
Surplus/(deficit)for the period 2027	-	-	-	(8,824,847)	(8,824,847)
Total recognised revenues and expenses for the period	4,000,000	-	-	(8,824,847)	(4,824,847)
Balance at 31 December 2027	170,008,684	-	62,008,466	(187,326,649)	44,690,501

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
23,370	23,370	Cash on hand	23,370	23,370
191,706	191,706	Cl\$ Account	191,706	191,706
940,960	1,275,024	US\$ Account	1,962,930	1,315,511
1,156,036	1,490,100	TOTAL	2,178,006	1,530,587

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
148,128	148,128	Sale of goods and services - third party	148,128	148,128
-	-	Less: provision for doubtful debts	-	-
148,128	148,128	Total trade receivables	148,128	148,128

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
148,128	148,128	Past due 1-30 days	148,128	148,128
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
148,128	148,128	Total	148,128	148,128

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
234,322	234,322	Inventory held for use in the provision of goods and services	234,322	234,322
118,865	118,865	Inventory Other	118,865	118,865
353,187	353,187	INVENTORIES - Current	353,187	353,187
-	-	INVENTORIES - Non-Current	-	-
353,187	353,187	TOTAL INVENTORIES	353,187	353,187

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
234,322	234,322	Inventory held for use in the provision of goods and services	234,322	234,322
118,865	118,865	Inventory Other	118,865	118,865
353,187	353,187	INVENTORIES - Current	353,187	353,187
-	-	INVENTORIES - Non-Current	-	-
353,187	353,187	TOTAL INVENTORIES	353,187	353,187

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	18,600,000	2,395,954	55,503,000	341,546	547,739	349,650	179,322	12,974	77,930,185
Additions	-	166,648	-	14,718	34,784	-	14,983	13,767	244,900
Disposals and Derecognition	-	-	-	-	-	(43,793)	-	-	(43,793)
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	18,600,000	2,562,602	55,503,000	356,264	582,523	305,857	194,305	26,741	78,131,292

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	18,600,000	2,562,602	55,503,000	356,264	582,523	305,857	194,305	26,741	78,131,292
Additions	-	4,491	-	17,374	5,301	2,856	-	2,565,253	2,595,275
Disposals and Derecognition	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	2,565,253	-	8,393	-	-	-	(2,573,646)	-
Balance as at 31 December 2025	18,600,000	5,132,346	55,503,000	382,031	587,824	308,713	194,305	18,348	80,726,567

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	18,600,000	5,132,346	55,503,000	382,031	587,824	308,713	194,305	18,348	80,726,567
Additions	-	-	-	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	18,600,000	5,132,346	55,503,000	382,031	587,824	308,713	194,305	18,348	80,726,567

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	18,600,000	5,132,346	55,503,000	382,031	587,824	308,713	194,305	18,348	80,726,567
Additions	-	-	-	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	18,600,000	5,132,346	55,503,000	382,031	587,824	308,713	194,305	18,348	80,726,567

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Land	Plant and equipment	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	-	2,273,170	7,635,446	286,251	495,063	247,178	149,689	-	11,086,797
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	91,508	3,817,723	27,642	32,218	21,048	20,648	-	4,010,787
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-	(43,793)	-	-	(43,793)
Balance as at 31 December 2024	-	2,364,678	11,453,169	313,893	527,281	224,433	170,337	-	15,053,791
Balance as at 1 January 2025	-	2,364,678	11,453,169	313,893	527,281	224,433	170,337	-	15,053,791
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	91,508	3,817,723	27,642	32,218	21,048	4,781	-	3,994,920
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	2,456,186	15,270,892	341,535	559,499	245,481	175,118	-	19,048,711
Balance as at 1 January 2026	-	2,456,186	15,270,892	341,535	559,499	245,481	175,118	-	19,048,711
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	224,012	3,817,723	27,642	32,218	21,048	4,781	-	4,127,424
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	2,680,198	19,088,615	369,177	591,717	266,529	179,899	-	23,176,135
Balance as at 1 January 2027	-	2,680,198	19,088,615	369,177	591,717	266,529	179,899	-	23,176,135
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	224,012	3,817,723	27,642	32,218	21,048	4,781	-	4,127,424
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	2,904,210	22,906,338	396,819	623,935	287,577	184,680	-	27,303,559
Net Book value 31 December 2024	18,600,000	197,924	44,049,831	42,371	55,242	81,424	23,968	26,741	63,077,501
Net Book value 31 December 2025	18,600,000	2,676,160	40,232,108	40,496	28,325	63,232	19,187	18,348	61,677,856
Net Book value 31 December 2026	18,600,000	2,452,148	36,414,385	12,854	(3,893)	42,184	14,406	18,348	57,550,432
Net Book value 31 December 2027	18,600,000	2,228,136	32,596,662	(14,788)	(36,111)	21,136	9,625	18,348	53,423,008

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,010,787	3,994,920	Property Plant Equipment	4,127,424	4,127,424
4,010,787	3,994,920	Total depreciation expense	4,127,424	4,127,424

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
83,893	83,893	Creditors Third party	83,893	83,893
40,405	40,405	Payroll Deductions	40,405	40,405
744,996	744,996	Accrued Expenses	744,996	744,996
37,350	37,350	Other payables	37,350	37,350
906,644	906,644	Trade payables other payables and accruals - Current	906,644	906,644
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
906,644	906,644	Total trade payables other payables and accruals	906,644	906,644

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
371,068	371,068	Retirement and long service leave	371,068	371,068
371,068	371,068	Total current portion	371,068	371,068
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
371,068	371,068	Total employee entitlements	371,068	371,068

NOTE 14: BORROWINGS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Local Currency Debt	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
10,000,000	10,000,000	Between one and two years	10,000,000	10,000,000
		Later than five Years		
10,000,000	10,000,000	Total Local Currency Debt	10,000,000	10,000,000
		Foreign Currency Debt (state in \$CI)		
-	-	Total Foreign Currency Debt	-	-
10,000,000	10,000,000	Total Outstanding Debt	10,000,000	10,000,000

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
493,000	442,996	Value of pension fund allocated assets	392,992	342,988
493,000	442,996	Fund (deficiency)/Surplus	392,992	342,988

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Fees and Charges	-	-
7,440,236	7,613,775	General Sales	9,239,441	8,944,547
360,703	360,600	Rentals	360,600	360,600
-	-	Other Goods & Services Revenue	-	-
-	-	Sale of goods and services to Cabinet	-	-
-	-	Sale of goods and services to Other Ministries and Portfolios	-	-
7,800,939	7,974,375	Total sales of goods and services	9,600,041	9,305,147

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,036,675	1,002,250	Food & Beverage	1,221,528	1,180,290
1,690,499	1,774,493	Retail	2,073,354	2,004,857
4,212,841	4,427,952	Tours	5,484,598	5,299,439
500,221	409,080	Meat Sales	459,961	459,961
7,440,236	7,613,775	Total General Sales	9,239,441	8,944,547

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
352,800	352,800	Dolphin Discovery	352,800	352,800
7,903	7,800	White House	7,800	7,800
360,703	360,600	Total Rentals	360,600	360,600
7,800,939	7,974,375	Total Goods and Services	9,600,041	9,305,147

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
129,424	85,618	Turtle Sponsorships - releases	48,000	48,000
45,927	34,651	Scientific donations	14,400	14,400
175,351	120,269	Total donations	62,400	62,400

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
129,424	85,618	Turtle Sponsorships - releases	48,000	48,000
45,927	34,651	Scientific donations	14,400	14,400
175,351	120,269	Total donations	62,400	62,400

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,415,938	2,368,962	Supplies and Materials	2,580,254	2,521,666
2,699,514	2,544,078	Purchase of services	2,647,365	2,737,365
30,282	20,375	Lease of Property and Equipment	21,900	21,900
1,496,362	1,363,985	Utilities	1,223,420	1,239,420
499,177	541,780	General Insurance	578,501	578,501
52,182	13,988	Travel and Subsistence	20,800	20,800
42,504	25,849	Recruitment and Training	43,920	43,920
7,235,959	6,879,017	Total Supplies & consumables	7,116,160	7,163,572

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(4,005)		Net (gain) / loss on disposal of property, plant and equipment	-	-
(4,005)		- Total gains/ (losses)	-	-

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(9,317,032)	(9,725,585)	Surplus/(deficit) from ordinary activities	(8,489,522)	(8,824,847)
		Non-cash movements		
4,010,787	3,994,920	Depreciation & Amortisation	4,127,424	4,127,424
(4,005)	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
9,727	50,004	(Increase)/decrease in other current assets - Other	50,004	50,004
(659,052)	-	(Increase)/(decrease) in current liabilities - Other	-	-
(5,959,575)	(5,680,661)	Net cash flows from operating activities	(4,312,094)	(4,647,419)

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CHILDREN AND YOUTH SERVICES FOUNDATION

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Children and Youth Services (CAYS) Foundation have agreed the Children and Youth Services Foundation will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Children and Youth Services (CAYS) Foundation is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Children and Youth Services (CAYS) Foundation activities involve providing 24-hour residential care to young people who have been committed by the Courts into residential care due to care and protection needs and/or offending behaviours. The programme adopts a strength-based approach to decision making and self-awareness. The CAYS Foundation is a trauma informed, nurturing, and therapeutic residential childcare setting designed to provide out-of-home care for young people who cannot safely remain in their family homes, or who have come in to conflict with the law. We offer a safe, stable, and supportive environment focused on:

- **Trauma Informed Care:** Providing physical, emotional and psychological safety for young people in residence, along with predictability through structure, rhythms and routines in the homes. Building safe and nurturing relationships with young people which will be the foundational support for their development.
- **Holistic Development:** Promoting the physical, emotional, social, educational, and spiritual well-being of young people.
- **Skill Building:** Fostering life skills, independence, and positive coping mechanisms.
- **Facilitating Therapeutic Support:** Engaging with therapeutic services as well as the provision of group work opportunities for young people.
- **Community Integration:** Supporting positive connections within the local community and promoting healthy social interactions.
- **Transitional Planning:** Working towards reunification with family, independent living, or other appropriate long-term care solutions.
- **Facilitators of Educational Engagement:** Whilst CAYS is not a registered Educational Institute, nor does it have teachers on staff, the Foundation will support the engagement of young people through transportation to School, engagement with education professionals, attendance at planning meetings and other such tasks to support the young person's educational development
- **Provider of Secure Care:** Phoenix House is assigned a secure care provision for young people who have had their liberty lawfully restricted as a result of being deemed a significant risk to themselves or others, or at risk of absconding

CAYS Foundation is not a specialist provision and is not well equipped to manage cases which demand specific expertise. Serious consideration will be given to the suitability of placing young people with complex medical needs, acute psychiatric needs or significant behaviour management challenges, particularly violence, in any of the CAYS homes. CAYS Admission and Referral Policy speaks to how referrals will be received and processed.

SCOPE OF ACTIVITIES

- Operate Bonaventure Children's Home and Frances Bodden *Children's* Home; twenty-four hour residential facilities for young people who require residential care due to being deemed in need of care and protection, as well as young people who have come in to conflict with the law and have been Court ordered.
- Provide administration and supervision of the programmes offered.
- Provide policy advice to the Minister for Social Development and Innovation on the direction of youth rehabilitation and effective interventions to assist in their integration back into society. The therapeutic process will utilise a strength-based approach and positive youth development to foster change in the lives of its participants. The programme will also seek to engage families and community in the rehabilitative process.
- Develop and deliver specific programmes to address the challenging behaviours (including substance and alcohol misuse, vulnerability to sexual exploitation, and other risky behaviours) and support the educational institutions responsible for meeting the educational needs of the youth. This will include individual and group work.
- Prepare residents for independent living including pre-employment preparation, and life skills training.
- Maintain the government owned residential facilities, namely the Frances Bodden Children's Home and Bonaventure Children's Home, to facilitate the young people living in a comfortable and therapeutic environment.

ADDITIONAL SUPPORT SERVICE NEEDS

Where a young person, either through the referral and admission process, or the care planning process, is assessed as requiring additional support, above and beyond what CAYS is equipped to provide, in absence of (or whilst awaiting) a specialized/intensive service provision, that young person's placement will require additional support. The provision of said support, including any additional cost of providing it, will require collaboration with the Ministry to find a solution to meet the needs of the young person. Multi-disciplinary team meetings will take place on a biweekly basis to continually assess the needs of the young person and formulate and update their care plan accordingly.

SERVICE USERS AND LOCATION OF ACTIVITIES

The service users of the Foundation are young people who have been committed by the Courts into the residential facility. The services of the Children and Youth Services (CAYS) Foundation are primarily provided on behalf of the Ministry of Social Development and Innovation. The services cater primarily to the young people, their parents/families and collaborate with other Government Departments and agencies, i.e., Department of Children and Family Services (DCFS), the Court, the Family Support Unit (FSU) Department of Counselling Services (DCS), and the Department of Education Services to facilitate care and reintegration into society.

The location of the activities is in the Cayman Islands, with the physical location of the residential Homes being in Grand Cayman.

CAPACITY TO MEET THE COMPLEX NEEDS OF THE YOUNG PEOPLE

CAYS is committed to working flexibly and creatively in its endeavour to meet the needs of the young people referred to its care, embracing the challenges inherent in looking after young people who have experienced complex Trauma.

There may be occasion where the need of the young person far exceeds the Foundation's capacity to manage them safely and promote their development. On occasion this will be identified at the referral stage however it is recognised that risk can elevate significantly and maintain a high level whilst the child is placed at CAYS. On such rare occasions, CAYS reserves the right to insist that a more suitable placement is sourced which will better meet the needs of the young person.

This decision will only be made after the multi-disciplinary team have convened regularly, reconsidered the care plan, adapted interventions and generally exhausted all reasonable solutions. CAYS Board members well-versed in child welfare/psychological services will be informed by the General Manager and will consider the viability of the ongoing placement based on criteria including but not limited to the young person's level of risk, the complexity of their needs, CAYS staffing and physical infrastructure limitations, significant damage to property, and physical assaults on staff and peers. If a decision is made that that the placement can no longer continue, the Foundation will provide twenty-eight (28) days' notices to stakeholders.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Children and Youth Services (CAYS) Foundation for the 2026 and 2027 financial years are as follows:

- CAYS will address the care needs of the young people and promote the development of pro-social attitudes and beliefs, addressing behaviors of concern in a safe, nurturing, and therapeutic environment. They will focus on promoting young people's reflection on their attitudes and actions by working to build trusting relationships between adults and young people, within the peer group, and with their parents. They will assist young people in care to develop coping skills which will support their reintegration into their family, school and community.
- CAYS will implement programmes that promote the principles of individual growth, personal development and personal responsibility. The programmes will assist young people in setting and meeting educational and vocational goals.
- CAYS assists young people with remaining in/reintegration into the mainstream education system. This is accomplished by a multidisciplinary team meeting to develop a comprehensive care plan. This team will consist of social services, counselling and therapy professionals, mental health professionals, education professionals and the young person themselves, along with their family where appropriate. .
- CAYS address the vocational issues for young people through partnerships with the public and private sector to afford them every opportunity to participate in some form of vocational training.
- CAYS develops comprehensive care plans to address core issues like substance and alcohol misuse, education and vocational challenges, family concerns. and aftercare plans.
- CAYS provides on-going training to staff to facilitate the delivery of strength-based, trauma-informed, individualized care to ensure that the best practices are maintained.
- CAYS provide training to staff on care planning, to include emphasis on building and maintaining therapeutic relationships, family engagement and aftercare planning.
- CAYS will enhance external services to families by providing family education groups to help improve family dynamics and create more supportive and productive relationships. These will happen on an individual and a group basis.
- CAYS will continue to enhance relationships with private sector entities for fundraising and programme support.

Government Obligations

- Nominate one of its officers to be the primary contact for the Government with the Foundation for the purpose of the programmes.

- Provide the Foundation with any policies, operational guidelines and documents held by the Government, which may be reasonably required by the Foundation to perform the services.
- Pay to the Foundation throughout the term of the agreement (so long as the Foundation shall continue to perform the services) an operational budget which allows them to remain in compliance with Labour Law, meet the minimum requirements of health and safety for its young people and staff, and generally meet the basic care needs of the young people, as specified in advance, in the Budget.
- Evaluate and monitor the programmes provided by the Foundation.

CAYS Obligations

- Shall perform the services agreed with the Government.
- Nominate a member of the Board who will be the primary contact with the Government for the Foundation.
- Provide the Government with any policies, operational guidelines and documents held by the Foundation which may be reasonably required by the Government to evaluate the services.
- Provide such appropriate trained staff to meet the demands of the programmes.
- Inspect the facilities to ensure that it upholds therapeutic principles, structure, cleanliness and order.
- Staff with the necessary skills and expertise as may be required to perform the services in accordance with recognised professional standards.
- Cooperate fully in the performance of the services with the Government and with any other party, Foundation, consultant or agency identified by Government.
- Ensure that all supplies and materials required for the performance of the services are obtained at the lowest practical cost.
- Perform the services within the financial limits specified in the Budget.
- Not assign or sub-contract any part of the services without prior written approval of the Government.
- Not recruit or hire staff without the prior written approval of the Board and Government.
- Keep all books and records and other documents as may be necessary to evaluate the performance indicators set out in the Purchase Agreement.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Children and Youth Services Foundation for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	4,350	4,350	3,700
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	-	-	95
OPERATING EXPENSES	4,870	5,003	3,795
OPERATING SURPLUS/DEFICIT	(519)	(653)	2
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	247	(43)	(500)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(67)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	247	609	405

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	5.80:1	3.66:1	9.98:1
TOTAL ASSETS: TOTAL LIABILITIES	7.93:1	5.31:1	13.64:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	65	65	50
STAFF TURNOVER (%)			
MANAGERS	0%	0%	0%
PROFESSIONAL AND TECHNICAL STAFF	0%	0%	0%
CLERICAL AND LABOURER STAFF	0%	0%	0%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM			

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	445	328	568
ASSET REPLACEMENTS: TOTAL ASSETS	0:1	0:1	0.05:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0:1	0:1	0.43:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0:1	0:1	1.99:1
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
Phoenix House: Sprinkler system, replacing all doors and windows, creating individual ensuite bathrooms with specialist suites, additional furniture, and replacement of the exterior spaces and fencing	-	-	-
Development of three, large institutional homes in to 5 modern residential childcare facilities	-	-	-
TOTAL	-	-	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Personnel - High Staff Turnovers which would affect the Therapeutic Services that we provide to our youth. It also diverts valuable resources and management time to recruit and train specialist staff. Affects therapeutic relationships between residents and staff and re traumatize residents with trauma and attachment issues.	-	Personnel - High Retention - Competitive Compensation Packages to attract qualified Caymanians. Improvement of staffing ratios and shift patterns to improve safety for staff and young people and avoid staff burnout.	-
Jeopardizing the safe and hygienic living and working conditions for Residents and Staff respectively. Compromising the safety and security of the Homes by not properly maintaining and servicing equipment and vehicles Compromising the nutritional health, well-being and living standards of the Residents	-	Recognition that supplies and consumables have increased due to age of facilities. Professional cleaning services for Residents' living areas and the Head Office. Regular servicing of Electronic machines such as printers and computers Recognition of increased costs of regular servicing and maintenance of aging vehicles (will likely need to replace some vehicles by 2026) Recognition of cost of Living increases on Food, Utilities and Fuel	-
Facilities being sub-standard, not fit for purpose and in contravention of the UNCRC for which Cayman Islands is a signatory	-	Capital investment required to upgrade and repair all facilities, appliances and equipment for the Homes. Investment in Phoenix House which is of particular concern, identified as Secure Care by law, but not secure in reality and not fit for purpose in dealing with high risk, violent and destructive young people.	-

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Children and Youth Services Foundation is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	4,350	4,350	3,795
OPERATING EXPENSES	4,870	5,003	3,793
NET SURPLUS/(DEFICIT)	(519)	(653)	2

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	1,955	1,343	2,443
LIABILITIES	252	253	179
NET WORTH	1,744	1,091	2,264

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	247	(43)	(500)
CASH FLOWS FROM INVESTING ACTIVITIES	(67)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
CAPITAL WITHDRAWALS FROM CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
GOVERNMENT LOANS TO BE MADE TO CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ²⁵	-	-
REMUNERATION ²⁶ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	582	599
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	4	4
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

²⁵ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

²⁶ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Children and Youth Services Foundation undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Children and Youth Services Foundation will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP

Minister for Social Development and Innovation

On behalf of Cabinet



Chairman of the Board

Children and Youth Services Foundation

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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NATIONAL DRUG COUNCIL FOUNDATION
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Children and Youth Services Foundation for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Children and Youth Services Foundation

31 December 2025

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CHILDREN AND YOUTH SERVICES FOUNDATION
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant Accounting Policies

Cash and cash equivalents – For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks, net of overdrafts.

Income recognition – Income and expenses are recorded on the accrual basis.

Government grants – Grants relating to income are presented as a credit in the income statements. Grants relating to assets are presented as a credit in the income statement and an increase in assets.

Fixed assets – Fixed assets are recorded at cost. Depreciation, which is based on the cost of the asset, is computed using the straight-line method at the following annual rates:

Office equipment	25%
Computer equipment	33%
Motor vehicles	25%
Leasehold improvements	25%

CHILDREN AND YOUTH SERVICES FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
971,429	404,610	Cash and cash equivalents	1	652,038	508,588
-	-	Marketable securities and deposits		-	-
779,810	1,378,316	Trade receivables	2	803,500	411,833
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
2,360	3,492	Prepayments	5	4,644	5,240
-	-	Loans	6	-	-
1,753,599	1,786,417	Total Current Assets		1,460,182	925,661
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
88,000	88,000	Pension Plan Surplus	15	90,000	90,000
633,940	568,201	Property, plant and equipment	7	445,201	328,201
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
721,940	656,201	Total Non-Current Assets		535,201	418,201
2,475,539	2,442,619	Total Assets		1,995,384	1,343,863
		Current Liabilities			
165,556	129,906	Trade payables	11	201,500	201,500
27,744	28,000	Other payables and accruals	11	29,000	30,000
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
20,502	21,117	Employee entitlements	13	21,117	21,751
-	-	Current Portion of Borrowings	14	-	-
213,802	179,023	Total Current Liabilities		251,617	253,251
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
-	-	Total Non-Current Liabilities		-	-
213,802	179,023	Total Liabilities		251,617	253,251
2,261,737	2,263,596	Net Assets		1,743,767	1,090,612
		NET WORTH			
466,667	466,667	Contributed capital		466,667	466,667
-	-	Other Reserves		-	-
-	-	Revaluation reserve		-	-
1,795,070	1,796,929	Accumulated surpluses/(deficits)		1,277,100	623,946
2,261,737	2,263,596	Total Net Worth		1,743,767	1,090,612

CHILDREN AND YOUTH SERVICES FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,216,500	3,700,000	Revenue			
-	-	Sale of goods and services	17	4,350,000	4,350,000
259,426	94,971	Investment revenue	18	-	-
(3,194)	-	Donations	19	-	-
		Other revenue		-	-
3,472,732	3,794,971	Total Revenue		4,350,000	4,350,000
		Expenses			
2,896,336	3,047,738	Personnel costs	20	4,101,968	4,225,027
316,227	396,953	Supplies and consumables	21	408,861	421,127
98,591	132,421	Depreciation and Amortisation	10	123,000	117,000
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
214,761	216,000	Other Operating expenses		236,000	240,000
3,525,915	3,793,112	Total Expenses		4,869,829	5,003,154
(53,183)	1,859	Surplus or (Deficit) for the period		(519,829)	(653,154)

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
2,965,167	2,944,556	Sale of goods and services to Cabinet		4,758,257	4,658,333
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
-	-	- Sale of goods and services - third party		-	-
-	-	- Interest received		-	-
-	-	- Donations / Grants		-	-
139,608	-	- Other receipts		-	-
-	-	<i>Payments</i>		-	-
(2,927,438)	(3,047,738)	Personnel costs		(4,101,968)	(4,280,656)
-	-	- Supplies and consumables - Ministries/Portfolios		-	-
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
(423,418)	(396,953)	Supplies and consumables - third party		(408,861)	(421,127)
-	-	- Interest paid		-	-
-	-	- Other payments		-	-
(246,081)	(500,135)	Net cash flows from operating activities	25	247,428	(43,450)
		CASH FLOWS FROM INVESTING ACTIVITIES			
(113,720)	(66,683)	Purchase of property, plant and equipment		-	-
-	-	- Proceeds from sale of property, plant and equipment		-	-
-	-	- Purchase of investments		-	-
-	-	- Proceeds from sale of investments		-	-
(113,720)	(66,683)	Net cash flows from investing activities		-	-
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	- Equity Investment from Cabinet		-	-
-	-	- Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	- Borrowings		-	-
-	-	- Repayment of Borrowings		-	-
-	-	- Currency Issues		-	-
-	-	Net cash flows from financing activities		-	-
(359,801)	(566,818)	Net increase/(decrease) in cash and cash equivalents		247,428	(43,450)
1,331,229	971,428	Cash and cash equivalents at beginning of period		404,610	652,038
971,428	404,610	Cash and cash equivalents at end of period		652,038	608,588

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	466,667	-	-	1,830,321	2,296,988
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	5,932	5,932
Restated balance 31 December 2023	466,667	-	-	1,836,253	2,302,920
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	12,000	12,000
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	12,000	12,000
Surplus/(deficit)for the period 2024	-	-	-	(53,183)	(53,183)
Total recognised revenues and expenses for the period	-	-	-	(41,183)	(41,183)
Balance at 31 December 2024	466,667	-	-	1,795,070	2,261,737
Balance at 31 December 2024 brought forward	466,667	-	-	1,795,070	2,261,737
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	466,667	-	-	1,795,070	2,261,737
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	1,859	1,859
Total recognised revenues and expenses for the period	-	-	-	1,859	1,859
Balance at 31 December 2025 carried forward	466,667	-	-	1,796,929	2,263,596

CHILDREN AND YOUTH SERVICES FOUNDATION
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	466,667	-	-	1,796,929	2,263,596
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	466,667	-	-	1,796,929	2,263,596
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	(519,829)	(519,829)
Total recognised revenues and expenses for the period	-	-	-	(519,829)	(519,829)
Balance at 31 December 2026 carried forward	466,667	-	-	1,277,100	1,743,767
Balance at 31 December 2026 brought forward	466,667	-	-	1,277,100	1,743,767
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	466,667	-	-	1,277,100	1,743,767
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027	-	-	-	(653,154)	(653,154)
Total recognised revenues and expenses for the period	-	-	-	(653,154)	(653,154)
Balance at 31 December 2027	466,667	-	-	623,946	1,090,612

CHILDREN AND YOUTH SERVICES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
971,429	404,610	CI\$ Account	652,038	508,588
971,429	404,610	TOTAL	652,038	508,588

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
778,316	1,375,000	Sale of goods and services to Cabinet	800,000	408,333
1,494	3,316	Other	3,500	3,500
-	-	Less: provision for doubtful debts (Enter -ve number)	-	-
779,810	1,378,316	Total trade receivables	803,500	411,833

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
259,827	858,334	Past due 1-30 days	335,489	(31,177)
258,333	258,333	Past due 31-60 days	466,511	441,511
-	258,333	Past due 61-90 days	-	-
261,650	3,316	Past due 90 and above	1,500	1,500
		Non-Current		
-	-	Past due 1 year and above	-	-
779,810	1,378,316	Total	803,500	411,833

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
183	200	Contracted Services	208	216
527	641	Vehicle License	1,558	1,896
1,649	1,790	Vehicle Maintenance	1,992	2,216
	861	Telephone - Satellite Phones	886	913
2,360	3,492	Prepayments - Current	4,644	5,240
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
2,360	3,492	Total Prepayments	4,644	5,240

CHILDREN AND YOUTH SERVICES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	226,507	630,414	120,683	31,332	79,898	1,088,834
Additions	30,282	59,078	76,205	-	6,000	171,565
Disposals and Derecognition	(3,271)	-	(989)	-	-	(4,260)
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	253,518	689,492	195,899	31,332	85,898	1,256,139

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	253,518	689,492	195,899	31,332	85,898	1,256,139
Additions	11,667	34,422	18,593	2,000	-	66,683
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	265,185	723,914	214,492	33,332	85,898	1,322,822

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	265,185	723,914	214,492	33,332	85,898	1,322,822
Additions	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2026	265,185	723,914	214,492	33,332	85,898	1,322,822

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	265,185	723,914	214,492	33,332	85,898	1,322,822
Additions	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2027	265,185	723,914	214,492	33,332	85,898	1,322,822

CHILDREN AND YOUTH SERVICES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	122,275	203,549	100,088	30,850	67,913	524,675
Transfers	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2024	37,980	45,922	8,017	281	6,391	98,591
Eliminate on Disposal or Derecognition 2024	(817)	-	(248)	(2)	-	(1,067)
Balance as at 31 December 2024	159,438	249,471	107,857	31,129	74,304	622,199

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	159,438	249,471	107,857	31,129	74,304	622,199
Transfers	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2025	39,627	63,602	26,777	300	2,115	132,421
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-
Balance as at 31 December 2025	199,065	313,073	134,634	31,429	76,419	754,620

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	199,065	313,073	134,634	31,429	76,419	754,620
Transfers	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-
Depreciation Expense 2026	35,000	60,000	26,000	-	2,000	123,000
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-
Balance as at 31 December 2026	234,065	373,073	160,634	31,429	78,419	877,620

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	234,065	373,073	160,634	31,429	78,419	877,620
Transfers	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-
Depreciation Expense 2027	35,000	60,000	20,000	-	2,000	117,000
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-
Balance as at 31 December 2027	269,065	433,073	180,634	31,429	80,419	994,620

Net Book value 31 December 2024	94,080	440,021	88,042	203	11,594	633,940

Net Book value 31 December 2025	66,120	410,841	79,858	1,903	9,479	568,201

Net Book value 31 December 2026	31,120	350,841	53,858	1,903	7,479	445,201

Net Book value 31 December 2027	(3,880)	290,841	33,858	1,903	5,479	328,201

CHILDREN AND YOUTH SERVICES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
98,591	132,421	Property Plant Equipment	123,000	117,000
98,591	132,421	Total depreciation expense	123,000	117,000

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
164,385	128,706	Creditors Third party	200,000	200,000
1,171	1,200	Creditors Ministries/Portfolios	1,500	1,500
27,744	28,000	Accrued Expenses	29,000	30,000
193,300	157,906	Trade payables other payables and accruals - Current	230,500	231,500
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
193,300	157,906	Total trade payables other payables and accruals	230,500	231,500

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
20,502	21,117	Retirement and long service leave	21,117	21,751
20,502	21,117	Total current portion	21,117	21,751
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
20,502	21,117	Total employee entitlements	21,117	21,751

NOTE 15: UNFUNDED PENSION LIABILITY

Pensions Plan Actuarial Valuation				
12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
88,000	88,000	Value of pension fund allocated assets	90,000	90,000
88,000	88,000	Fund (deficiency)/Surplus	90,000	90,000

CHILDREN AND YOUTH SERVICES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,216,500	3,700,000	Sale of goods and services to Cabinet	4,350,000	4,350,000
3,216,500	3,700,000	Total sales of goods and services	4,350,000	4,350,000
		Sales of Outputs to Cabinet		
3,216,500	3,700,000	Sales of Outputs to Cabinet	4,350,000	4,350,000
3,216,500	3,700,000	Total Sales of Outputs to Cabinet	4,350,000	4,350,000
		Other Interdepartmental Revenue		
-	-	Total Other Interdepartmental Revenue	-	-
3,216,500	3,700,000	Total Goods and Services	4,350,000	4,350,000

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
259,426	11,309	Donations in Kind	-	-
-	80,662	Donations - General	-	-
-	3,000	Donations - Other	-	-
259,426	94,971	Total donations	-	-

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,253,382	2,335,606	Salaries, wages and allowances	3,093,490	3,186,295
405,705	460,399	Health care CINICO	618,698	637,259
237,249	251,734	Pension	389,780	401,473
2,896,336	3,047,738	Total Personnel Costs	4,101,968	4,225,027

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
185,787	262,599	Supplies and Materials	270,477	278,592
130,440	134,353	Utilities	138,384	142,535
316,227	396,953	Total Supplies & consumables	408,861	421,127

CHILDREN AND YOUTH SERVICES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(53,183)	1,859	Surplus/(deficit) from ordinary activities	(519,829)	(653,154)
		Non-cash movements		
98,591	132,421	Depreciation & Amortisation	123,000	117,000
		Changes in current assets and liabilities:		
(256,340)	(600,000)	(Increase)/decrease in other current assets - Cabinet	633,021	484,371
2,443	(1,172)	(Increase)/decrease in other current assets - Other	(373)	(427)
(37,592)	(33,243)	(Increase)/(decrease) in current liabilities - Other	11,609	8,760
(246,081)	(500,135)	Net cash flows from operating activities	247,428	(43,450)

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
412,211	564,729	Salaries & other short-term employee benefits	581,671	599,121
412,211	564,729	Total	581,671	599,121

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

CIVIL AVIATION AUTHORITY

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
 2. Nature and Scope of Activities
 3. Strategic Goals and Objectives
 4. Ownership Performance Targets
 5. Summarised Forecast Financial Statements
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- Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Civil Aviation Authority of the Cayman Islands (CAACI) have agreed the Civil Aviation Authority of the Cayman Islands will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Civil Aviation Authority of the Cayman Islands is to operate during the financial years ending 2026 and 2027.

GENERAL NATURE OF ACTIVITIES

The Civil Aviation Authority activities involve regulatory oversight of all civil aviation services provided throughout the Cayman Islands, and of aircraft registered on the Cayman Islands Aircraft Register and operate globally.

SCOPE OF ACTIVITIES

The scope of The Civil Aviation Authority activities is as follows:

Local Aviation Industry – Regulation to International Civil Aviation Organisation (ICAO) safety standards

- Certification, licensing and regulation of airports, air navigation facilities and air traffic control services
- Economic regulation of services provided by airports, airlines and air transport operators
- Certification, licensing and regulation of Air Operator Certificate holders and aircraft maintenance facilities
- Registration and certification of locally based aircraft for airworthiness and flight operations
- Personnel licensing for pilot, air traffic control and aircraft maintenance engineers

Cayman Islands Aircraft Registry- Regulation to International Civil Aviation Organisation (ICAO) safety standards

- Registration and certification of globally based aircraft for airworthiness and flight operations
- Certification, licensing and regulation of aircraft maintenance organisations to support safe operation of Cayman Islands registered aircraft.
- Validation of flight crew licenses to operate Cayman Islands registered aircraft.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Civil Aviation Authority are provided to:

- The Cayman Islands Airports Authority with respect to Owen Roberts International and Charles Kirkconnell International Airports
- The Cayman Islands Government in respect of Edward Bodden Airfield, Little Cayman
- The Cayman Islands Government in respect of the RCIPS Police Air Support Unit and Mosquito Research Control Unit aerial spraying operations
- The Cayman Islands Government in respect of economic regulatory services
- Cayman Airways Ltd., Cayman Express Ltd., and Cayman Islands Helicopters
- All Cayman Islands registered aircraft operated worldwide.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Civil Aviation Authority for the 2026 and 2027 financial years are as follows:

- a) To achieve the financial results of the approved annual budgets herein.
- b) To recruit and retain qualified personnel required to meet the Authority's oversight obligations.
- c) To continue staff succession planning initiatives to achieve optimal staffing as a means of ensuring the Authority's business continuity.
- d) To maintain financial independence and continue making dividend contributions to CIG.
- e) To retain full designation by the Governor for safety oversight of all functional areas.
- f) To continue promoting aviation safety through collaborative efforts with industry and key stakeholders throughout the three Cayman Islands.
- g) To continue promoting local and global awareness of the Cayman Islands Aircraft Registry by execution of an annual integrated communication plan.

These objectives are aligned with the strategic priorities approved by the CAACI Board of Directors through 2025 as follows:

- I. Lead through a modernised, comprehensive and risk-based approach to regulatory oversight
- II. Continuously improve service delivery and innovative solution options for our stakeholders
- III. Develop and sustain a high-performing, complimentary and cohesive professional team committed to organisational excellence

The CAACI is in the process of reviewing and updating its strategic plan for the upcoming five-year period.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Civil Aviation Authority of the Cayman Islands for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	1,654	1,654	1,654
REVENUE FROM OTHERS	8,696	8,874	8,599
OPERATING EXPENSES	(7,886)	(8,496)	(7,416)
OPERATING SURPLUS/DEFICIT	2,464	2,032	2,837
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	2,934	2,532	3,577
CASH FLOWS FROM INVESTING ACTIVITIES	(97)	(79)	(95)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,027)	(2,017)	(3,676)
CHANGE IN CASH BALANCES	1,810	436	(194)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	7.48:1	8.35:1	9.92:1
TOTAL ASSETS: TOTAL LIABILITIES	3.82:1	3.88:1	4.26:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	25	26	23
STAFF TURNOVER (%)			
MANAGERS	-	20	-
PROFESSIONAL AND TECHNICAL STAFF	-	20	-
CLERICAL AND LABOURER STAFF	8	17	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	23	24	22
PROFESSIONAL AND TECHNICAL STAFF	10	11	9
CLERICAL AND LABOURER STAFF	7	8	6
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	3,626	3,445	3,774
ASSET REPLACEMENTS: TOTAL ASSETS	1.38%	1.60%	1.22%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	74%	69%	78%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	253%	329%	279%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
BESPOKE SOFTWARE DEVELOPMENT (VP-C ONLINE)	35	10	35
TOTAL	35	10	35

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Contingent liabilities – potential lawsuits for action or inaction, aircraft accident investigation costs, vehicle accidents	None/Medium	Adequate professional indemnity, accident investigation, vehicle and general insurance policies are in place	
Internal or external fraud perpetrated due to inadequate internal controls (unauthorised payments from bank account)	None/Low	Adequate internal controls are in place surrounding security of cheques and cash and authorisation of payments. Controls have been audited by the Office of the Auditor General as well Government Internal Audit Office and have been found to comply with International Accounting Standards	
Loss of control of funds - Inadequate fiscal controls, or insufficient information provided to CAA managers, leading to excess spending in approved budget	None/Low	Annual budgets are prepared with department heads to provide sufficient resources to obtain optimal performance in all departments with long term sustainability of the Authority being a primary strategic objective. Budgets are approved by CAA Board of Directors. Comparisons of actual financial results to the budget are prepared and reported to Senior Management and Board of Directors on a quarterly basis	
Not achieving financial targets due to competition and global market force	Steady year over year growth is becoming harder to achieve/High	Closely monitoring Key Performance Indicators and researching related market activity to analyse and determine possible correlations to revise internal policies to respond to market requirements	
Not achieving financial targets due global economic downturns	High	Being innovative about creating new revenue streams to supplement reduced revenue in legacy revenue streams (e.g. the transition/leased aircraft register introduced in 2020)	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Bad debt exposure - being exposed to a client's liquidity problems	Medium	Procedures are in place to prompt clients to pay their outstanding invoices in a timely manner or services and documents are withheld. Prepayments required for certain services where there is no recourse after service is rendered. Adequate due diligence is conducted on all new clients and KYC information on current clients is updated every 2 years. International media is monitored for possible client activity	
Potential clients to the Aircraft Register submitting false information to be accepted. Clients turn out to be a legal, financial and reputational risk.	None/Low	Adherence to local and global Anti-Money Laundering (AML) Regulations and Standards which includes use of due diligence tools for all new client background checks For current clients – bi-annual review of due diligence files for updated client information	
Online banking fraud	None/Low	Strict internal control and monitoring policies by bank and CAA	

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Civil Aviation Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	10,350	10,528	10,253
OPERATING EXPENSES	(7,886)	(8,496)	(7,416)
NET SURPLUS/(DEFICIT)	2,464	2,032	2,837

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	27,168	27,453	25,626
LIABILITIES	7,112	7,070	6,017
NET WORTH	20,056	20,383	19,609

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	2,934	2,532	3,577
CASH FLOWS FROM INVESTING ACTIVITIES	(97)	(79)	(95)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,027)	(2,017)	(3,676)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	2,238	1,937
GOVERNMENT LOANS TO BE MADE TO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS (CAACI)	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ²⁷	-	-
REMUNERATION ²⁸ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	7	7
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,100	1,150

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

²⁷ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

²⁸ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Civil Aviation Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Civil Aviation Authority of the Cayman Islands will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP

Minister for Financial Services and Commerce

On behalf of Cabinet



Chairman of the Board

Civil Aviation Authority

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Civil Aviation Authority for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Civil Aviation Authority

31 December 2025

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CIVIL AVIATION AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

1. Significant Accounting Policies

a) Basis of Presentation

Pursuant to the Public Management and Finance Act (PMFL) (Amendment) 2015, the Authority was required to prepare its financial statements for the year ended 31 December 2017 and for each calendar year ending thereafter on 31 December. As a result, the corresponding amounts presented in these financial statements are at 31 December.

The financial statements of the Authority are prepared under the historic cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss, in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority’s accounting policies. Actual results could differ from those estimates, the impact of which would be recorded in future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b) Property, plant and equipment

Capital assets (property, plant and equipment) are recorded at their historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the straight-line method at the following rates estimated to allocate the cost of the assets over their estimated useful lives:

Computer hardware and licensed software	3 years
Office equipment and vehicles	5 years
Developed computer software	6 years
Furniture and fixtures	10 years
Office Building:	
• Plumbing	10 years
• Ventilation, Air Conditioning and Elevators	15 years
• Electrical, Security and Control Systems	20 years
• Roof, Windows and Doors, Internal Walls, External Works	25 years
• Ceilings	30 years
• Building	40 years
• Land	Not depreciated

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within ‘other income’ in the Statement of Comprehensive Income.

CIVIL AVIATION AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant Accounting Policies (continued)

Revaluation gains are recognised in other comprehensive income and accumulated in equity, unless reversing a previous revaluation loss on the same asset, in which case they are recognised in profit or loss.

Revaluation losses are recognised in profit or loss, unless offset against a previous gain recognised in equity.

c) Foreign currency translation

- i) Functional and presentation currency - Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Cayman Islands dollars, which is the entity's functional and presentation currency.
- ii) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Assets and liabilities recorded in currencies other than Cayman Islands Dollars are translated at exchange rates in effect at the statement of financial position date.

d) Cash and cash equivalents

Cash and cash equivalents include cash held on demand and on short notice and all deposits with an original maturity date of three months or less.

e) Short-term deposits

Short-term deposits represent term deposits with banks or other financial institutions, including the CIG, with original maturities of greater than three months but less than twelve months. Impairment of short-term deposits has been considered on a 12-month expected credit loss basis and reflects the short maturities of the exposures, the Authority deems any exposure to be immaterial due to the low credit risk based on the external credit ratings of the counterparties.

f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sale of goods and services stated net of discounts. The Authority recognizes revenue when the amount of revenue can be reliably measured and when performance has been completed; and when specific criteria have been met for each of the Authority's activities as described in Note 12. Contract liabilities in the Statement of Financial Position represent unearned revenue where performance obligations have yet to be fully completed. Refer to Note 9 for details on contract liabilities.

CIVIL AVIATION AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant Accounting Policies (continued)

g) Financial assets and liabilities

Under IFRS 9, the Authority classifies its financial assets, cash and cash equivalents, short-term deposits and trade and other receivables, as amortised cost.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Cash and cash equivalents, short term deposits and trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. The Authority's financial assets are carried at amortised cost using the effective interest method.

The Authority classifies its financial liabilities as other financial liabilities. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or obligations to the Cayman Islands Government for dividends based on comprehensive net income. Accounts payable and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Authority or the counterparty.

i) Employee benefits

The Authority operates various post-employment schemes, including a post-employment healthcare plan, and defined benefit and defined contribution pension plans.

CIVIL AVIATION AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant Accounting Policies (continued)

(i) Pension obligations

A defined contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Authority pays contributions to publicly administered pension insurance plans on a mandatory, contractual or voluntary basis. The Authority has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated United States Dollars (USD), a currency pegged to in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the Statement of Comprehensive Income.

(i) Post-employment healthcare plan

Certain employees are eligible for post-employment healthcare under the 1987 CIG General Orders and the CAA Act 2004. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

CIVIL AVIATION AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant Accounting Policies (continued)

(ii) Post-employment healthcare plan (continued)

In 2024, the authority introduced a post-employment healthcare plan for participants in the defined contribution pension plans. Eligibility for benefits depends on the employee remaining employed until retirement age and fulfilling a minimum service requirement. Employees are responsible for covering a percentage of health insurance premiums, with the percentage determined by their tenure. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in equity under Other Comprehensive Income in the period in which they arise. These obligations are assessed annually by independent qualified actuaries.

2. Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Employee benefits – post-employment pension and healthcare

The present value of the obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit pensions and healthcare include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The Authority determines the appropriate discount rate at the end of each year in conjunction with the actuary. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations.

In determining the appropriate discount rate, the Authority in conjunction with the actuary considers the interest rates of high-quality corporate bonds that are denominated in the United States Dollars (USD), a currency pegged to the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 11.

CIVIL AVIATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
18,723,303	18,528,979	Current Assets			
		Cash and cash equivalents	1	20,338,560	20,774,252
		Marketable securities and deposits			
1,426,362	2,004,621	Trade receivables	2	2,030,000	2,180,000
87,815	85,000	Other receivables	2	90,000	95,000
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	75,000	Prepayments	5	75,000	75,000
-	-	Loans	6	-	-
20,237,480	20,693,600	Total Current Assets		22,533,560	23,124,252
		Non-Current Assets			
23,323	50,000	Trade receivables	2	25,000	25,000
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
8,410	8,410	Prepayments	5	8,410	8,410
-	-	Loans	6	-	-
1,364,000	1,100,000	Pension Plan Surplus	15	975,000	850,000
3,813,536	3,654,536	Property, plant and equipment	7	3,496,536	3,332,536
-	-	Right-of-use assets	9	-	-
114,660	119,660	Intangible Assets	8	129,660	112,660
5,323,929	4,932,606	Total Non-Current Assets		4,634,606	4,328,606
25,561,409	25,626,206	Total Assets		27,168,166	27,452,858
		Current Liabilities			
345,160	325,000	Trade payables	11	278,000	300,000
370,927	365,000	Other payables and accruals	11	342,500	355,000
-	-	Lease Liability	9	-	-
2,499,327	1,027,000	Dividends/Surplus Payable	11	2,017,000	1,704,000
-	-	Bank Overdraft	1	-	-
276,521	270,000	Unearned revenue	12	272,379	305,379
110,268	100,000	Employee entitlements	13	102,500	105,000
-	-	Current Portion of Borrowings	14	-	-
3,602,203	2,087,000	Total Current Liabilities		3,012,379	2,769,379
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
4,160,000	3,930,000	Unfunded post retirement health care	16	4,100,000	4,300,000
-	-	Currency Issued			
-	-	Long Term portion of Borrowings	14	-	-
4,160,000	3,930,000	Total Non-Current Liabilities		4,100,000	4,300,000
7,762,203	6,017,000	Total Liabilities		7,112,379	7,069,379
17,799,206	19,609,206	Net Assets		20,055,787	20,383,479
		NET WORTH			
-	-	Contributed capital		-	-
-	-	Other Reserves		-	-
-	-	Revaluation reserve		-	-
17,799,206	19,609,206	Accumulated surpluses/(deficits)		20,055,787	20,383,479
17,799,206	19,609,206	Total Net Worth		20,055,787	20,383,479

CIVIL AVIATION AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
9,737,595	9,781,000	Revenue			
601,566	472,000	Sale of goods and services	17	9,875,000	10,078,000
-	-	Investment revenue	18	475,000	450,000
		Donations	19	-	-
		Other revenue			
10,339,161	10,253,000	Total Revenue		10,350,000	10,528,000
		Expenses			
4,414,303	3,900,000	Personnel costs	20	4,273,419	4,539,308
2,207,918	2,776,000	Supplies and consumables	21	3,143,000	3,457,000
232,053	240,000	Depreciation and Amortisation	10	245,000	260,000
		Impairment of Inventory, property, plant and equipment			
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
(1,380,000)	500,000	Other (Gains)/losses	24	225,000	240,000
152,451		Other Operating expenses			
5,626,725	7,416,000	Total Expenses		7,886,419	8,496,308
4,712,436	2,837,000	Surplus or (Deficit) for the period		2,463,581	2,031,692

CIVIL AVIATION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
		Sale of goods and services to Cabinet			
38,407	40,000	Sale of goods and services to Ministries/Portfolios		40,000	40,000
1,622,608	1,614,000	Sale of goods and services to Statutory Agencies and Government Companies		1,614,000	1,614,000
8,076,580	8,127,000	Sale of goods and services - third party		8,221,000	8,424,000
596,542	472,000	Interest received		475,000	450,000
-	-	Donations / Grants		-	-
5,024	-	Other receipts		-	-
-	-	<i>Payments</i>		-	-
(4,414,303)	(3,900,000)	Personnel costs		(4,273,419)	(4,539,308)
(97,527)	(100,000)	Supplies and consumables - Ministries/Portfolios		(100,000)	(105,000)
(222,572)	(225,000)	Supplies and consumables - Statutory Agencies and Government Companies		(227,000)	(230,000)
(1,887,819)	(2,451,000)	Supplies and consumables - third party		(2,816,000)	(3,122,000)
-	-	Interest paid		-	-
(152,451)	-	Other payments		-	-
3,564,489	3,577,000	Net cash flows from operating activities	25	2,933,581	2,531,692
		CASH FLOWS FROM INVESTING ACTIVITIES			
(104,422)	(95,000)	Purchase of property, plant and equipment		(97,000)	(79,000)
-	-	Proceeds from sale of property, plant and equipment			
1,122,948	-	Purchase of investments			
-	-	Proceeds from sale of investments			
1,018,526	(95,000)	Net cash flows from investing activities		(97,000)	(79,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	-
(2,134,845)	(3,676,324)	Repayment of Surplus/Dividends or Capital withdrawal		(1,027,000)	(2,017,000)
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
(2,134,845)	(3,676,324)	Net cash flows from financing activities		(1,027,000)	(2,017,000)
2,448,170	(194,324)	Net increase/(decrease) in cash and cash equivalents		1,809,581	435,692
16,275,133	18,723,303	Cash and cash equivalents at beginning of period		18,528,979	20,338,560
18,723,303	18,528,979	Cash and cash equivalents at end of period		20,338,560	20,774,252

CIVIL AVIATION AUTHORITY

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	-	-	-	15,662,340	15,662,340
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	-	-	-	15,662,340	15,662,340
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(2,575,570)	(2,575,570)
Net revenue / expenses recognised directly in net worth	-	-	-	(2,575,570)	(2,575,570)
Surplus/(deficit)for the period 2024	-	-	-	4,712,436	4,712,436
Total recognised revenues and expenses for the period	-	-	-	2,136,866	2,136,866
Balance at 31 December 2024	-	-	-	17,799,206	17,799,206
Balance at 31 December 2024 brought forward	-	-	-	17,799,206	17,799,206
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	-	-	-	17,799,206	17,799,206
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,027,000)	(1,027,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,027,000)	(1,027,000)
Surplus/(deficit)for the period 2025	-	-	-	2,837,000	2,837,000
Total recognised revenues and expenses for the period	-	-	-	1,810,000	1,810,000
Balance at 31 December 2025 carried forward	-	-	-	19,609,206	19,609,206

CIVIL AVIATION AUTHORITY
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	-	-	-	19,609,206	19,609,206
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	-	-	-	19,609,206	19,609,206
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(2,017,000)	(2,017,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(2,017,000)	(2,017,000)
Surplus/(deficit)for the period 2026	-	-	-	2,463,581	2,463,581
Total recognised revenues and expenses for the period	-	-	-	446,581	446,581
Balance at 31 December 2026 carried forward	-	-	-	20,055,787	20,055,787
Balance at 31 December 2026 brought forward	-	-	-	20,055,787	20,055,787
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	-	-	-	20,055,787	20,055,787
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,704,000)	(1,704,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,704,000)	(1,704,000)
Surplus/(deficit)for the period 2027	-	-	-	2,031,692	2,031,692
Total recognised revenues and expenses for the period	-	-	-	327,692	327,692
Balance at 31 December 2027	-	-	-	20,383,479	20,383,479

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,383	1,200	Cash on hand	1,300	1,400
147,749	150,000	CI\$ Account	150,000	150,000
4,961,033	4,292,641	US\$ Account	4,300,000	4,612,714
13,613,138	14,085,138	Short-Term Fixed Deposits	15,887,260	16,010,138
18,723,303	18,528,979	TOTAL	20,338,560	20,774,252

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
12,040	12,000	Sale of goods and services to Ministries/Portfolios	180,000	20,000
2,250,017	2,425,000	Sale of goods and services to Statutory Agencies and Government Companies	500,000	750,000
1,409,423	1,500,000	Sale of goods and services - third party	1,450,000	1,525,000
(2,221,795)	(1,882,379)	Less: provision for doubtful debts (Enter -ve number)	(75,000)	(90,000)
1,449,685	2,054,621	Total trade receivables	2,055,000	2,205,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
746,166	1,304,621	Past due 1-30 days	1,327,000	1,455,000
252,254	275,000	Past due 31-60 days	280,000	285,000
141,068	150,000	Past due 61-90 days	145,000	160,000
286,874	275,000	Past due 90 and above	278,000	280,000
		Non-Current		
23,323	50,000	Past due 1 year and above	25,000	25,000
1,449,685	2,054,621	Total	2,055,000	2,205,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
87,815	85,000	Other	90,000	95,000
-	-	Less: provision for doubtful debts	-	-
87,815	85,000	Total other receivables	90,000	95,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
87,815	85,000	Past due 1-30 days	90,000	95,000
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
		Non-Current		
-	-	Past due 1 year and above	-	-
87,815	85,000	Total	90,000	95,000

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(2,070,027)	(2,221,795)	Balance at beginning of period	(1,887,379)	(75,000)
(152,451)	(225,000)	Additional provisions made during the year	(337,621)	(20,000)
683	559,416	Receivables written off during the period	2,150,000	5,000
(2,221,795)	(1,887,379)	Balance at 31st December	(75,000)	(90,000)

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
-	75,000		75,000	75,000
-	75,000	Prepayments - Current	75,000	75,000
		Non-Current Prepayments		
8,410	8,410	CUC deposit	8,410	8,410
8,410	8,410	Prepayments - Non-Current	8,410	8,410
8,410	83,410	Total Prepayments	83,410	83,410

CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2024	582,693	3,386,293	299,494	115,365	91,360	88,580	7,961	4,571,746
Additions	-	39,625	5,772	12,845	3,966	-	-	62,208
Disposals and Derecognition	-	-	-	(70,701)	(11,349)	-	-	(82,050)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	7,961	-	-	-	-	(7,961)	-
Balance as at 31 December 2024	582,693	3,433,879	305,266	57,509	83,977	88,580	-	4,551,904

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2025	582,693	3,433,879	305,266	57,509	83,977	88,580	-	4,551,904
Additions	-	-	14,000	46,000	-	-	-	60,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	582,693	3,433,879	319,266	103,509	83,977	88,580	-	4,611,904

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2026	582,693	3,433,879	319,266	103,509	83,977	88,580	-	4,611,904
Additions	-	-	12,000	50,000	-	-	-	62,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	582,693	3,433,879	331,266	153,509	83,977	88,580	-	4,673,904

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2027	582,693	3,433,879	331,266	153,509	83,977	88,580	-	4,673,904
Additions	-	-	14,000	55,000	-	-	-	69,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	582,693	3,433,879	345,266	208,509	83,977	88,580	-	4,742,904

CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2024	-	381,779	73,135	94,271	43,567	7,380	-	600,132
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	142,162	30,094	13,117	15,978	17,712	-	219,063
Eliminate on Disposal or Derecognition 2024	-	-	-	(69,478)	(11,349)	-	-	(80,827)
Balance as at 31 December 2024	-	523,941	103,229	37,910	48,196	25,092	-	738,368

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2025	-	523,941	103,229	37,910	48,196	25,092	-	738,368
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	143,000	31,000	13,000	15,000	17,000	-	219,000
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	666,941	134,229	50,910	63,196	42,092	-	957,368

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2026	-	666,941	134,229	50,910	63,196	42,092	-	957,368
Transfers	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	143,000	32,000	12,000	15,000	18,000	-	220,000
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	809,941	166,229	62,910	78,196	60,092	-	1,177,368

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Office Equipment	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2027	-	809,941	166,229	62,910	78,196	60,092	-	1,177,368
Transfers	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	143,000	38,000	18,000	16,000	18,000	-	233,000
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	952,941	204,229	80,910	94,196	78,092	-	1,410,368

Net Book value 31 December 2024	582,693	2,909,938	202,037	19,599	35,781	63,488	-	3,813,536

Net Book value 31 December 2025	582,693	2,766,938	185,037	52,599	20,781	46,488	-	3,654,536

Net Book value 31 December 2026	582,693	2,623,938	165,037	90,599	5,781	28,488	-	3,496,536

Net Book value 31 December 2027	582,693	2,480,938	141,037	127,599	(10,219)	10,488	-	3,332,536

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	147,754	73,015	220,769
Additions	26,242	17,200	43,442
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	58,248	(58,248)	-
Balance as at 31 December 2024	232,244	31,967	264,211

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	232,244	31,967	264,211
Additions	26,000	-	26,000
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2025	258,244	31,967	290,211

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	258,244	31,967	290,211
Additions	35,000	-	35,000
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2026	293,244	31,967	325,211

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	293,244	31,967	325,211
Additions	10,000	-	10,000
Disposals and Derecognition	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2027	303,244	31,967	335,211

CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	136,561	-	136,561
Transfers	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-
Depreciation Expense 2024	12,990	-	12,990
Eliminate on Disposal or Derecognition	-	-	-
Balance as at 31 December 2024	149,551	-	149,551

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	149,551	-	149,551
Transfers	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-
Depreciation Expense 2025	21,000	-	21,000
Eliminate on Disposal or Derecognition	-	-	-
Balance as at 31 December 2025	170,551	-	170,551

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	170,551	-	170,551
Transfers	-	-	-
Impairment change 2026	-	-	-
Depreciation Expense 2026	25,000	-	25,000
Eliminate on Disposal or Derecognition	-	-	-
Balance as at 31 December 2026	195,551	-	195,551

	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	195,551	-	195,551
Transfers	-	-	-
Impairment change 2027	-	-	-
Depreciation Expense 2027	27,000	-	27,000
Eliminate on Disposal or Derecognition	-	-	-
Balance as at 31 December 2027	222,551	-	222,551

Net Book value 31 December 2024	82,693	31,967	114,660

Net Book value 31 December 2025	87,693	31,967	119,660

Net Book value 31 December 2026	97,693	31,967	129,660

Net Book value 31 December 2027	80,693	31,967	112,660

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
219,063	219,000	Property Plant Equipment	220,000	233,000
12,990	21,000	Intangible Assets	25,000	27,000
-	-	- Right-of-use assets	-	-
232,053	240,000	Total depreciation expense	245,000	260,000

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
345,160	325,000	Creditors Third party	278,000	300,000
37,117	140,000	Accrued Expenses	115,000	125,000
333,810	225,000	Other payables	227,500	230,000
2,499,327	1,027,000	Dividends/Surplus Payable	2,017,000	1,704,000
3,215,414	1,717,000	Trade payables other payables and accruals - Current	2,637,500	2,359,000
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
3,215,414	1,717,000	Total trade payables other payables and accruals	2,637,500	2,359,000

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
276,521	270,000		272,379	305,379
276,521	270,000	Total current portion	272,379	305,379
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
276,521	270,000	Total Unearned Revenue	272,379	305,379

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
110,268	100,000	Annual Leave/Comp-time	102,500	105,000
110,268	100,000	Total current portion	102,500	105,000
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
110,268	100,000	Total employee entitlements	102,500	105,000

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,364,000	1,100,000	Value of pension fund allocated assets	975,000	850,000
1,364,000	1,100,000	Fund (deficiency)/Surplus	975,000	850,000

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

The detailed breakdown are as given below

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description Enter liability	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(2,852,000)	(2,650,000)	Defined benefit liability- post retirement healthcare	(2,750,000)	(2,900,000)
(1,308,000)	(1,280,000)	Defined contribution liability- post retirement healthcare	(1,350,000)	(1,400,000)
(4,160,000)	(3,930,000)	Total Unfunded Health Care Liability	(4,100,000)	(4,300,000)

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
8,076,580	8,127,000	Fees and Charges	8,221,000	8,424,000
1,661,015	1,654,000	Sale of goods and services to Other Ministries and Portfolios	1,654,000	1,654,000
9,737,595	9,781,000	Total sales of goods and services	9,875,000	10,078,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,447,180	7,597,000	Aircraft Registration Revenue	7,671,000	7,849,000
629,400	530,000	Aircraft Operating permits	550,000	575,000
8,076,580	8,127,000	Total Fees & Charges	8,221,000	8,424,000
		<i>Other Interdepartmental Revenue</i>		
38,407	40,000	Revenue from Ministries/Portfolios	40,000	40,000
1,622,608	1,614,000	Revenue from Statutory Authorities and Government Companies	1,614,000	1,614,000
1,661,015	1,654,000	Total Other Interdepartmental Revenue	1,654,000	1,654,000
9,737,595	9,781,000	Total Goods and Services	9,875,000	10,078,000

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
596,542	472,000	Interest on deposits	475,000	450,000
5,024	-	Other	-	-
601,566	472,000	Total Investment revenue	475,000	450,000

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,215,830	2,676,000	Salaries, wages and allowances	2,974,877	3,145,214
428,060	472,000	Health care other	572,889	627,581
211,287	202,000	Pension	199,653	213,513
1,559,126	550,000	Other personnel related costs	526,000	553,000
4,414,303	3,900,000	Total Personnel Costs	4,273,419	4,539,308

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
646,592	496,000	Supplies and Materials	498,000	582,000
1,217,862	1,520,000	Purchase of services	1,836,000	1,911,000
74,322	90,000	Utilities	90,000	93,000
72,790	105,000	General Insurance	105,000	111,000
182,947	410,000	Travel and Subsistence	373,000	490,000
13,405	155,000	Recruitment and Training	191,000	220,000
-	-	Other	50,000	50,000
2,207,918	2,776,000	Total Supplies & consumables	3,143,000	3,457,000

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(1,380,000)	500,000	Net (gain) / loss on Derecognition and revaluation of assets	225,000	240,000
(1,380,000)	500,000	Total gains/ (losses)	225,000	240,000

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,712,436	2,837,000	Surplus/(deficit) from ordinary activities	2,463,581	2,031,692
		Non-cash movements		
232,053	240,000	Depreciation & Amortisation	245,000	260,000
(1,380,000)	500,000	(Gain) / loss on Derecognition and revaluation of assets	225,000	240,000
		Changes in current assets and liabilities:		
3,564,489	3,577,000	Net cash flows from operating activities	2,933,581	2,531,692

CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,047,930	1,065,000	Salaries & other short-term employee benefits	1,100,000	1,150,000
1,047,930	1,065,000	Total	1,100,000	1,150,000

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

HEALTH SERVICES AUTHORITY

FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026

AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Health Services Authority (HSA) have agreed the Health Services Authority will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Health Services Authority is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The **Health Services Authority** is responsible for the provision and administration of health care services in the Cayman Islands.

SCOPE OF ACTIVITIES

The **Health Services Authority** provides primary and secondary levels of healthcare services, and public health functions for the residents of the Cayman Islands in accordance with the National Strategic Plan for Health as agreed with the Ministry of Health.

The Health Services Authority provides patient care through the 127-beds at the Cayman Islands Hospital, and the 18-beds at the Faith Hospital on Cayman Brac. Primary Health care is offered at district health centres in Grand Cayman and a health centre in Little Cayman. This care is supplemented with dental and eye care services on site at the Health Service Complex in Grand Cayman.

As the nation's principal health care facility, the Cayman Islands Hospital in George Town provides a full range of inpatient and outpatient medical and specialist services.

Specialist services are available in the fields of: surgery, gynaecology and obstetrics, paediatrics, internal medicine, dermatology, anaesthesiology, public health, orthopaedics, psychiatry, cardiology, gastroenterology, radiology, neurology, ophthalmology, ear, nose and throat, periodontology, reconstructive surgery, faciomaxillary surgery, and urology.

Residents and visitors can turn to the Faith Hospital in Cayman Brac and the Little Cayman Clinic in Little Cayman for their health care needs when on those Islands. The 18-beds hospital at Faith Hospital in Cayman Brac serves both islands and provides primary, secondary and emergency care. It features a modern inpatient unit, as well as an operating theatre, maternity, accident and emergency department, outpatient clinics and a public health department.

The Health Services Authority also provides a full range of dental and ophthalmologic services.

The Little Cayman Clinic is complete with waiting and triage areas, a treatment room, doctors' office, and a dental office. A resident registered nurse is on call around-the-clock.

The Health Services Authority through the Public Health Department is responsible for public health programmes through a purchase agreement with the Ministry of Health, Environment and Sustainability. A team of public health nurses, a public health surveillance officer, a health promotion officer, a genetics counsellor, a nutritionist, and administrative staff provide this service under the direction of the Medical Officer of Health.

Public Health services include:

- Health advice and vaccines for international travellers.
- Health assessment, including vision and hearing tests for children.
- Nutrition and dietary counselling.
- Child growth and development monitoring.
- Health Promotion.
- Communicable disease screening; and disease prevention and control programmes, including immunization.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the **Health Services Authority** are provided to all members of the community and visitors. It serves as the primary source of healthcare services to groups of people entitled to healthcare by the Cayman Islands' Government. This includes civil servants and their dependants, public office pensioners and their dependents, school age children, seamen and veterans, indigents and prisoners and mental health patients.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Health Services Authority for the 2026 and 2027 financial years are as follows:

1. Improve the patient and staff experience:

Implement measurable and sustainable goals to ensure the HSA remains the premiere healthcare provider in the Cayman Islands through patient and staff satisfaction and loyalty.

2. Expand HSA's clinical capabilities and optimize core services

Evaluate and enhance clinical services to meet changing population growth and demographics of the Cayman Islands to increase the HSA's market share, revenue and patient outcomes.

3. Talent Attraction and Retention

Invest and focus on recruitment processes and engagement of employees.

4. Develop and expand current infrastructure

Expand current facilities to meet current needs and projected growth in patient volumes while being environmentally responsible.

5. Leverage Technology to improve access to and delivery of care

Invest in technology to promote efficiency in all areas of the HSA environment.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Health Services Authority for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	65,238	65,437	25,619
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	77,959	80,005	69,184
REVENUE FROM OTHERS	107,728	110,059	130,643
OPERATING EXPENSES	250,456	255,283	229,392
OPERATING SURPLUS/DEFICIT	469	218	(3,946)
NET WORTH	(24,343)	(19,125)	(24,812)
CASH FLOWS FROM OPERATING ACTIVITIES	31,489	26,930	6,766
CASH FLOWS FROM INVESTING ACTIVITIES	(24,989)	(29,925)	(6,500)
CASH FLOWS FROM FINANCING ACTIVITIES	-	5,000	-
CHANGE IN CASH BALANCES	6,500	2,005	266

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	4.68:1	4.44:1	4.55:1
TOTAL ASSETS: TOTAL LIABILITIES	0.92:1	0.94:1	0.91:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	1,408	1,420	1,358
STAFF TURNOVER (%)			
MANAGERS	9%	9%	8%
PROFESSIONAL AND TECHNICAL STAFF	9%	9%	8%
CLERICAL AND LABOURER STAFF	10%	10%	10%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION (YRS))			
MANAGERS	18	18	18
PROFESSIONAL AND TECHNICAL STAFF	9	9	9
CLERICAL AND LABOURER STAFF	9	9	9
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	263,286	288,869	245,809
ASSET REPLACEMENTS: TOTAL ASSETS			
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	63%	63%	64%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.48	0.44	1.58
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
Mental Health Facility Expansion	-		2,000
Purpose Built MH Healthcare Facility	-	5,000	-
Maternity / NICO Expansion	-	3,000	-
Bodden Town Health Centre and Dialysis	2,575	-	-
Dental Services Expansion	2,503	-	-
IT Systems Upgrade	-	-	1,500
Endoscopy Suite	-	1,500	-
Resurfacing of back car park, hospital repainting, A&E renovations, and other construction projects	-		1154
Eye Clinic/Ophthalmology Relocation	-	1,057	-
Relocation expansion of ACU	-	-	2,700
Radiology/ Blood Bank SRMC	1,700	-	-
Medical Equipment Upgrades and Replacement	4,000	5,700	-
TOTAL	10,778	16,257	7,354

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Lightning strike to generator rendering systems inoperable with no reliable back-up power support for critical patient care and operational functions.		•Lightening suppressant system installed. •Automatic safety switch in place which detects any system anomaly and initiates safety mode which protects the generator •Frequent rounds and checks by Security Guards and Maintenance Supervisor to ensure system is fully operational and carry out manual inspections to detect any anomalies •Redundant generator in place that powers lifesaving medical equipment	
Potential for catastrophic impact and continuity of operations from fire in the back-up generator room.		•Fire alarm system in place to detect and alert to any fire •Fire suppression system in place to immediately control the fire until fire units arrive on scene •Infrastructure is compartmentalised to protect critical systems and contain fire within the compartment •Active fire wardens in place to carry out safety checks •Main generator is in a different location	
Potential for vicarious liability exposure for claims made against underinsured privileged physicians.		•Levels of minimum med-mal insurance levels instituted. •Evidence of med mal insurance submitted annually prior to the renewal of privileges. •Medical Director's office to automate insurance laps notification in real time	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Strategic			
Potential for the inappropriate and unsolicited release of confidential material to the public.		•Staff trained and sensitized annually on Data Protection Act •Third party gap analysis and vulnerability penetration testing completed •Organisation-wide policies in place to protect and govern release of information •Media relations policy in place •All Board and Staff sign a confidentiality agreement. •Persons violating confidentiality and data protection policy will be handled according to HR policy •Robust IT Policies implemented to promote data retention and prevent loss.	
Contracts supplied which could leave the organisation exposed to consultants/vendors benefit/financial gain.		All contracts are vetted by Legal Counsel.	
Potential loss of revenue (loss of market share) from increased competition from private healthcare providers in the community.		•Annual strategic review undertaken as part of the budget and strategic planning process to identify opportunities for new services based on data and market analysis. •Periodic review undertaken to identify opportunities and implement measures to improve quality of services and patient experiences •Focus is placed on measures that will reduce waiting list and waiting time	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for cost overrun on Contracted Good and Services		•Purchase Orders required for each payment •All requests for payments on contracts appropriately supported and recorded •Verification of the budget against all IRs prior to payment, by the HSA's Decision Support and Transaction Manager. •Legal penalties incorporated in open contracts. •Negotiation of fixed cost contracts where possible. •Implement Oracle Fusion with three-way matching capability	
Potential of cost overrun for professional services and large-scale projects.		•Change order approval at the senior management level. •Contract negotiation •Legal review of contracts. •Establishment of project management office.	
Potential for unauthorized access to system for payroll and allowances.	Procurement of PDS Vista in progress	•Only HR, DSTM and Payroll Officer have access to payroll info in IRIS. •Files saved in Finance directory - only CFO, DCFO, FC, DSTM and Payroll Officer have access to this directory. •New robust HR system currently being implemented.	
Potential Overpayment of final monies upon exit	Procurement of PDS Vista in progress	•HR guidelines in place for checks and balances •Another HR Officer reviews amounts input.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for the alteration of leave forms once approved, allowing for financial advantage through employees promoting an inaccurate recording of leave.	Procurement of PDS Vista in progress	Accrued leave balances are electronically reconciled every 6 months.	
Potential for the non-declaration of leave taken thus being entitled for false allowance.	Procurement of PDS Vista in progress	Accrued leave balances are electronically reconciled every 6 months.	
Potential for the recording of false overtime entries to benefit in payroll and allowances.	Procurement of PDS Vista in progress	•Overtime policy requires preapproval of OT by senior manager. •Monthly reporting and monitoring of overtime.	
Potential for the procurement of goods or services for personal use		•All items procured require an IR, signed by relevant Section Manager and Senior Manager. •IR must be submitted to Procurement Department for review and PO creation, along with all relevant supporting documents. •Automated system checks for PO integrity •Procurement team then send final package to Finance for payment.	
Potential use of Procurement for favourable treatment of suppliers for personal gain		•Purchase Orders required for each payment •All requests for payments appropriately supported and recorded •Verification of the budget against all IRs prior to payment, by the HSA's Decision Support and Transaction Manager	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for unnecessary or excessive purchasing in return for gifts/kickbacks		Donations and Gift Register and Policy in place.	
Potential overcharging or provision of false accounts by suppliers		Procurement Policy in place to ensure comparative quotes which are reviewed by Procurement Committee and PPC.	
Potential Manipulation of accounts payable vendor master file		•All relevant support for a payment is put together by relevant cost centre manager. •Procurement team gather all relevant KYC on vendor if not already provided by requesting cost centre. •Continued implementation of Oracle Fusion	
Potential for the payment of fictitious invoices by accounts payable		Robust approval process with segregation of duties and various levels of checks performed.	
Potential for the collusion with suppliers in providing false invoices or invoices that overcharge the organisation by accounts payable.		Procurement Policy which reflects current best practices. Procurement processes follow regulatory guidelines, including open tender process for larger items which allows for some element of transparency. For smaller purchases - 2 to 3 quotes are required prior to purchases going through the Procurement process (Procurement committee review, contract creation, IR creation, PO creation, and budget review) prior to being paid for. Multiple approval levels in place for material contracts.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Cost of doing business is not reflected in our Charge Master	Charge Master Review	•Continuous review of charge master to ensure alignment with standard health insurance fees •Payment policy has been updated and monitor for compliance. •A collector/counsellor is available to assess need and encourage patients to pay at the point of service. •Close collaboration with the NAU continues to provide patients with the necessary financial assistance they need to access services •Assessment and revision of Cabinet outputs periodically	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Potential loss of supplies due to fire in Materials Management and Pharmacy Stores	Regular mandatory fire training and fire drills	•Smoke detectors are functional •Flammable items are separated and stored in safety cabinets. •Daily rounds by Fire wardens - Quarterly Inspections and Risk Assessments by Health and Safety Officer •Independent Assessments •Fire suppression system installed	
Identified space issues in switchboard room.	Switch Board relocated.	Risk mitigated.	
Retention Challenges	•Implementation of Just Culture program in progress •Acquiring JCI Accreditation	•Staff survey completed to get feedback to ascertain staff issues and factors affecting morale. •Whistleblowing policy implemented and staff sensitized in staff meetings and onboarding. •Formal complaints process with staff sensitized •Staff meetings and onboarding. •Created section Managers WhatsApp group to communicate changes real time •Staff Wellness program •HR open house •Staff sensitization of relevant policies affecting work life •Select Staff allowed to work remotely	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Lack of audible warning device in EMS office and lack of portable fire extinguisher in the EMS department. The office has only one exit	•EMS room to be expanded •Fire alarm panel will be upgraded to include alert for EMS	Extinguisher provided.	
Potential improper recruitment practices	Electronic HR system being procured.	•Clear recruitment policies and procedures •Clear interviewing and selection guidelines •Disclosure Form •Recruitment manager in post	
Potential for the Inappropriate use of vehicles		•Policy for the use and maintenance of vehicles •Use of logbook to sign out and return vehicles	
Potential for the use of patient information for personal gain or influence		•Organisations policies, procedures •Privileging guidelines are in place •Monitoring of privileged physicians by MD, DMD	
Potential for bias in referral recommendations for gain/advantage with overseas medical entities	Appeals Referral Committee reviews no approvals.	Medical Director and Deputy Medical Director approve referrals.	
Potential loss of key staff in single incumbent positions due to retirement, resignation, lack of trained personnel on island and difficulty in recruiting and retaining professionals		•Development and ongoing review of recruitment and retention strategies •Development of succession plan •Funding of succession plan •Cross training of staff in these positions	900K

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Potential Security breach of IT system		•Intrusion detection assessment •Periodic audit of active directory •Scheduled audits of IT system usage logs •Security software •Ongoing training on phishing •Hired Security Information Officer •Cyber Insurance •Close collaboration with CIG's CISO	45K
Security of Staff and Facilities		•Installation of additional CCTV cameras •Access control and maintenance of alarms on exits •Issuing of ID cards to all staff •Installation of gate to rear parking lot	50K
Potential for business interruption due to natural, internal, or external disaster		Backup of critical data on site- IT to investigate and implement.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Clinical			
Potential for patient safety, quality of care issues, understaffing and staff burnout due to the difficulty in recruiting experienced nursing staff.		•Transition to practice programme instituted for new RNs •Variety of recruitment methods are being used to attract nurses, including agencies	
Potential for delays in transporting patients from Faith Hospital to CIH		•Evacuation plan with Cayman Airways •MOU with RCIPS for use of helicopter	
Potential for patient falls in the inpatient and outpatient setting.		•Fall risk assessment for each patient •Use of fall prevention interventions •Regular rounding by nurses •Quarterly monitoring of in-patient fall rates	
Potential for unauthorised entry to the Maternity Unit		•Buzzer on entry •CCTV at door entry •Totguard system in place	
Potential for patient burns from use of certain modalities in Physiotherapy.	Ongoing training and Preventative maintenance of equipment	Protocols and procedures are in place. Laser policy and protocols implemented	
Patient falls during rehab or transfers in physiotherapy.	Ongoing training and Preventative maintenance of equipment	Protocols and procedures are in place.	
Potential for inadequate Blood Supply with poor patient outcome	Ongoing marketing and blood drives to recruit new donors.	•Contracts are in place for blood and products •Organised schedule for recruiting blood donors is in place •Additional donors recruited •Change in blood donor policy	
Inadequate funding for the replacement of aging clinical equipment		•Replace equipment according to schedule •Equipment is being replaced as scheduled	

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Health Services Authority is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	250,925	252,501	225,446
OPERATING EXPENSES	250,456	252,283	229,392
NET SURPLUS/(DEFICIT)	469	218	(3,946)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	263,286	288,869	245,809
LIABILITIES	287,629	307,994	270,621
NET WORTH	(24,343)	(19,125)	(24,812)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	31,489	26,930	6,766
CASH FLOWS FROM INVESTING ACTIVITIES	(24,989)	(29,925)	(6,500)
CASH FLOWS FROM FINANCING ACTIVITIES	-	5,000	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO HEALTH SERVICES AUTHORITY	-	5,000
CAPITAL WITHDRAWALS FROM HEALTH SERVICES AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY HEALTH SERVICES AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO HEALTH SERVICES AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO HEALTH SERVICES AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ²⁹	-	-
REMUNERATION ³⁰ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	3812	3812
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	2639	2639

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	8
NUMBER OF KEY SENIOR MANAGEMENT (MD)	11	11

²⁹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

³⁰ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Health Services Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Health Services Authority will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Katherine Ebanks-Wilks, MP

Minister for Health, Environment and Sustainability

On behalf of Cabinet



Joy H. Vernon

Chairperson of the Board

Health Services Authority

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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HEALTH SERVICES AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable.
- b. Fairly reflect the forecast financial position as of 31 December 2026 and 31 December 2027 and performance for the Health Services Authority for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Joy H. Vernon
Chairperson of the Board
Health Services Authority

31 December 2025

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HEALTH SERVICES AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted by the Health Authority are as follows:

(a) Basis of accounting

The financial statements of the Health Authority are prepared on an accrual basis under the historical cost convention except for: (1) the revaluation of land and buildings [see (d) below] and (2) employee benefits [see note 12 and note 13 below]. The financial statements are presented in Cayman Islands Dollars (CI\$) and are prepared on the accrual basis of accounting, unless otherwise stated. The statements are rounded to the nearest dollar except otherwise stated.

Changes in accounting policies

When presentation or reclassification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(b) Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, where applicable.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Health Authority recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Health Authority's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through the OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. All debt instruments are classified as "Hold to collect and sell" and recognized at fair value through the OCI. The debt instruments were previously classified as available for sale under IAS 39. Accounts receivables are measured at the transaction price determined under IFRS 15

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(c) Financial instruments

(i) Financial assets (continued)

Cash and Cash Equivalents classified as loans and receivables under IAS 39 have been reclassified to amortized cost at the adoption date of the standard.

The Health Authority's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Health Authority commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through the OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through the OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

All debt instruments are subsequently measured at fair value with gains and losses arising due to change in the fair value recognized in the OCI. Interest income and foreign change gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortised cost.

Derecognition

The Health Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Health Authority has transferred substantially all the risks and rewards of the asset, or (b) the Health Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Impairment of financial assets

The Health Authority recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Health Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(c) Financial instruments

(i) Financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivables, the Health Authority applies a general approach in calculating ECLs. For debt instruments at fair value through OCI, the Health Authority applies the low credit risk simplification. At every reporting date, the Health Authority evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Health Authority reassesses the credit rating of the debt instrument. In addition, the Health Authority considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities comprise accounts payable and accrued expenses.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(d) Fixed assets and depreciation

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the statement of financial position date.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in the Statement of Changes in Equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged.

A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to the statement of comprehensive income to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to statement of comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings (deficit). No transfer is made from the revaluation reserve to retained earnings (deficit) except when an asset is derecognised.

Properties in the course of construction for the main healthcare business, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Health Authority's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Medical equipment and other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to recognize the consumption of an asset, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

HEALTH SERVICES AUTHORITY
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(d) Fixed assets and depreciation (continued)

Depreciation is charged to the statement of comprehensive income on a straight-line basis based on the following periods estimated to write off the cost of the assets over their expected useful lives:

Buildings	up to 60 years
Medical equipment	8 – 20 years
Other fixed assets	3 – 20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, were shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(e) Right-of-use assets (Leases)

(a) The Health Authority assesses whether a contract is or contains a lease, at inception of the contract. The right-of-use asset and a corresponding lease liability is recognised with respect to all lease arrangements in which the Health Authority is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as any monthly lease payment \$5,000 or less). For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the organization's incremental borrowing rate is used (US prime rate + 0.25%).

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(e) Right-of-use assets (Leases) (continued)

- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

No such adjustments were made during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever an obligation is incurred for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the organization expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(e) Right-of-use assets (Leases) (continued)

IAS 36 is applied to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see Note 19).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The Health Authority has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Health Authority has allocated the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(f) Impairment

The carrying amount of the Health Authority's assets other than inventory (see Note 3(j)) is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(g) Foreign currency translation

Transactions in foreign currencies are translated at the prevailing foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Cayman Islands dollars at the prevailing exchange rate at the statement of financial position date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Cayman Islands dollars at the prevailing foreign currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the prevailing foreign exchange rates at the dates that the values were determined.

(h) Allowance for doubtful debts

Health Authority uses the allowance method to record its estimated annual expense for doubtful debts. Under the allowance method, receivables are written off against the allowance for doubtful debts (a contra asset account) when management believes that the collectability of the account is unlikely. The allowance is an amount that management believes will be adequate to cover any doubtful debts, based on an evaluation of collectability and prior doubtful debts experience.

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(i) Inventory

Inventory is valued at the lower of net realisable value or cost, on a moving average basis. Inventory is recorded net of obsolete, slow-moving, and expired items.

(j) Revenue recognition

Revenue including government programme is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the Health Authority expects to be entitled in exchange of goods or services. This core principle is delivered as per the IFRS 15 five-step model framework which are: (1) Identify the contract with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations in the contract; and (5) Recognize revenue when the Health Authority satisfies a performance obligation.

Other income such as donation, interest on deposits, rental and other miscellaneous income are recognized when the condition (if any) relating to a donation is met, or the agreed criteria for interest revenue has been settled or when services are provided. Grants received or receivable in recognition of specific expenses are recognized in the statement of comprehensive income in the period received.

(k) Employee benefits

The Health Authority employees and their dependants receive free medical benefits of which a portion is provided by the Health Authority within its facilities. The portion provided by the Health Authority within its facility is valued at \$13,474,815 (2023: 12,443,381). This amount is netted against revenue as this is considered as contractual adjustments.

The Health Authority provides post-employment benefits through defined benefit and defined contribution plans.

Defined benefit plans

The Health Authority's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees, and mortality rates. When the calculation results in a net benefit asset, the recognised assets are limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTNUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(k) Employee benefits (continued)

Defined benefit plans (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (loss). The net interest expense on the net defined benefit liability for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The discount rate used to value the defined benefit obligation is based on a combination of high-quality corporate bonds, in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations and the long-term rate of return of plan assets.

In addition to employee pension benefits, the Health Authority also provides certain employee health care benefits to certain current and future retirees. To be eligible, employees must meet the following criteria at retirement: hired prior to 1 November 2010; complete 10 consecutive years with the Health Authority and the Government as principal employer; retire from the Health Authority at age 65 (statutory retirement age) or after age 50 (early retirement age) on the advice of the Medical Board; hired by Government and transferred to the Health Authority without a break in service.

In accordance with IAS 19, the Health Authority recognizes a liability when an employee has provided services in exchange for employee benefits to be paid in the future; and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. These amounts are reported in the statements of financial position and comprehensive income, respectively. They are also presented in additional details in the notes to the financial statements.

The Health Authority presently pays its post-retirement health care obligations annually from its operating expenditure budget. The Health Authority is presently considering alternative funding arrangements which will set aside funds to meet future post-retirement health care obligations as and when they fall due.

Defined Contribution Plans

The Health Authority's obligations for contributions to employee defined contribution pension plans are recognized in the statement of comprehensive income in the periods during which services are rendered by employees.

HEALTH SERVICES AUTHORITY

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(I) Provisions

Provisions are recognised when Health Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Health Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

HEALTH SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
64,254,271	64,520,000	Cash and cash equivalents	1	71,020,000	73,025,000
-	-	Marketable securities and deposits		-	-
43,627,149	51,356,952	Trade receivables	2	46,300,000	48,300,000
66,200	70,000	Other receivables	2	75,000	80,000
12,980,795	15,700,000	Inventories	3	18,500,000	19,200,000
-	-	Investments	4	-	-
1,806,359	2,200,000	Prepayments	5	2,450,000	2,700,000
-	-	Loans	6	-	-
122,734,774	133,846,952	Total Current Assets		138,345,000	143,305,000
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
105,927,619	108,892,862	Property, plant and equipment	7	121,221,380	141,093,591
3,285,895	2,585,895	Right-of-use assets	9	1,885,895	1,285,895
588,016	483,240	Intangible Assets	8	1,833,632	3,184,025
109,801,530	111,961,997	Total Non-Current Assets		124,940,908	145,563,511
232,536,304	245,808,949	Total Assets		263,285,908	288,868,511
		Current Liabilities			
-	-	Trade payables	11	-	-
26,629,739	27,165,814	Other payables and accruals	11	26,853,792	29,118,470
1,297,146	1,747,146	Lease Liability	9	2,197,146	2,647,146
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
696,313	531,000	Employee entitlements	13	531,000	531,000
-	-	Current Portion of Borrowings	14	-	-
28,623,198	29,443,959	Total Current Liabilities		29,581,938	32,296,616
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
2,209,989	2,359,989	Lease Liability	9	2,509,989	2,659,989
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
1,180,000	1,780,000	Unfunded pension liability	15	1,500,000	2,000,000
221,389,000	237,037,000	Unfunded post retirement health care	16	254,037,000	271,037,000
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
224,778,989	241,176,989	Total Non-Current Liabilities		258,046,989	275,696,989
253,402,187	270,620,948	Total Liabilities		287,628,927	307,993,605
(20,865,883)	(24,811,999)	Net Assets		(24,343,020)	(19,125,094)
		NET WORTH			
141,983,402	141,983,402	Contributed capital		141,983,402	146,983,402
20,029,000	20,029,000	Other Reserves		20,029,000	20,029,000
42,801,301	42,801,301	Revaluation reserve		42,801,301	42,801,301
(225,679,586)	(229,625,702)	Accumulated surpluses/(deficits)		(229,156,723)	(228,938,797)
(20,865,883)	(24,811,999)	Total Net Worth		(24,343,020)	(19,125,094)

HEALTH SERVICES AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
216,641,402	224,079,751	Revenue			
1,373,473	1,290,684	Sale of goods and services	17	250,124,973	251,700,955
1,550	75,443	Investment revenue	18	800,000	800,000
-	-	Donations	19	-	-
-	-	Other revenue		-	-
218,016,425	225,445,878	Total Revenue		250,924,973	252,500,955
		Expenses			
146,319,487	158,262,282	Personnel costs	20	169,502,236	170,391,922
55,514,965	48,384,856	Supplies and consumables	21	58,912,210	58,176,996
8,827,929	10,284,477	Depreciation and Amortisation	10	12,001,890	13,039,810
2,255,563	286,828	Impairment of Inventory, property, plant and equipment		200,000	310,000
258,659	258,659	Finance costs & overdraft interest (including lease interest)	22	258,659	258,659
476,203	452,530	Litigation costs	23	533,439	619,284
222,330	54	Other (Gains)/losses	24	-	-
16,578,741	11,462,309	Other Operating expenses		9,047,560	9,486,357
230,453,877	229,391,995	Total Expenses		250,455,994	252,283,029
(12,437,452)	(3,946,117)	Surplus or (Deficit) for the period		468,979	217,926

HEALTH SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
25,636,204	25,619,000	Sale of goods and services to Cabinet		61,936,280	62,437,487
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
175,647,242	172,182,097	Sale of goods and services - third party		174,989,102	172,060,040
1,603,000	1,288,634	Interest received		520,000	522,000
1,550	75,443	Donations / Grants		-	-
3,256,610	2,776,261	Other receipts		2,229,967	2,289,967
-	-	<i>Payments</i>		-	-
(119,219,771)	(126,571,092)	Personnel costs		(128,990,406)	(134,973,146)
(39,804,008)	(36,802,307)	Supplies and consumables - Ministries/Portfolios		(40,998,128)	(38,906,376)
(1,183,422)	(1,802,307)	Supplies and consumables - Statutory Agencies and Government Companies		(2,366,844)	(3,604,614)
(10,000,000)	(30,000,000)	Supplies and consumables - third party		(35,830,863)	(32,895,650)
-	-	Interest paid		-	-
-	-	Other payments		-	-
35,937,405	6,765,729	Net cash flows from operating activities	25	31,489,108	26,929,708
		CASH FLOWS FROM INVESTING ACTIVITIES			
(5,995,841)	(6,500,000)	Purchase of property, plant and equipment		(24,989,108)	(29,924,708)
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
10,170,863	-	Proceeds from sale of investments		-	-
4,175,022	(6,500,000)	Net cash flows from investing activities		(24,989,108)	(29,924,708)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	5,000,000
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
-	-	Net cash flows from financing activities		-	5,000,000
40,112,427	265,729	Net increase/(decrease) in cash and cash equivalents		6,500,000	2,005,000
24,141,844	64,254,271	Cash and cash equivalents at beginning of period		64,520,000	71,020,000
64,254,271	64,520,000	Cash and cash equivalents at end of period		71,020,000	73,025,000

HEALTH SERVICES AUTHORITY

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	141,983,402	20,029,000	42,801,301	(213,242,134)	(8,428,431)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	141,983,402	20,029,000	42,801,301	-213,242,134	-8,428,431
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	(12,437,452)	(12,437,452)
Total recognised revenues and expenses for the period	-	-	-	(12,437,452)	(12,437,452)
Balance at 31 December 2024	141,983,402	20,029,000	42,801,301	(225,679,586)	(20,865,883)
Balance at 31 December 2024 brought forward	141,983,402	20,029,000	42,801,301	(225,679,586)	(20,865,883)
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	141,983,402	20,029,000	42,801,301	(225,679,586)	(20,865,883)
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	(3,946,117)	(3,946,117)
Total recognised revenues and expenses for the period	-	-	-	(3,946,117)	(3,946,117)
Balance at 31 December 2025 carried forward	141,983,402	20,029,000	42,801,301	(229,625,702)	(24,811,999)

HEALTH SERVICES AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	141,983,402	20,029,000	42,801,301	(229,625,702)	(24,811,999)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	141,983,402	20,029,000	42,801,301	(229,625,702)	(24,811,999)
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	468,979	468,979
Total recognised revenues and expenses for the period	-	-	-	468,979	468,979
Balance at 31 December 2026 carried forward	141,983,402	20,029,000	42,801,301	(229,156,723)	(24,343,020)
Balance at 31 December 2026 brought forward	141,983,402	20,029,000	42,801,301	(229,156,723)	(24,343,020)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	141,983,402	20,029,000	42,801,301	(229,156,723)	(24,343,020)
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	5,000,000	-	-	-	5,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	5,000,000	-	-	-	5,000,000
Surplus/(deficit)for the period 2027	-	-	-	217,926	217,926
Total recognised revenues and expenses for the period	5,000,000	-	-	217,926	5,217,926
Balance at 31 December 2027	146,983,402	20,029,000	42,801,301	(228,938,797)	(19,125,094)

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
18,897	20,000	Cash on hand	20,000	25,000
47,713,411	48,000,000	CI\$ Account	54,000,000	55,000,000
1,463,997	1,500,000	US\$ Account	2,000,000	3,000,000
15,057,966	15,000,000	Short-Term Fixed Deposits	15,000,000	15,000,000
64,254,271	64,520,000	TOTAL	71,020,000	73,025,000

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
18,528,897	18,528,897	Sale of goods and services to Cabinet	22,000,000	24,000,000
5,802,800	3,532,603	Sale of goods and services to Ministries/Portfolios	4,000,000	4,000,000
295,452	295,452	Sale of goods and services to Statutory Agencies and Government Companies	300,000	300,000
61,319,206	70,500,000	Sale of goods and services - third party	70,000,000	78,000,000
(42,319,206)	(41,500,000)	Less: provision for doubtful debts	(50,000,000)	(58,000,000)
43,627,149	51,356,952	Total trade receivables	46,300,000	48,300,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
5,695,597	11,756,952	Past due 1-30 days	5,300,000	5,300,000
25,606,261	27,000,000	Past due 31-60 days	27,000,000	27,000,000
7,725,291	8,000,000	Past due 61-90 days	8,000,000	8,000,000
4,600,000	4,600,000	Past due 90 and above	6,000,000	8,000,000
		Non-Current		
-	-	Past due 1 year and above	-	-
43,627,149	51,356,952	Total	46,300,000	48,300,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
66,200	70,000	Advances (salary, Official Travel, etc)	75,000	80,000
-	-	Less: provision for doubtful debts	-	-
66,200	70,000	Total other receivables	75,000	80,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
66,200	70,000	Past due 1-30 days	75,000	80,000
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
66,200	70,000	Total	75,000	80,000

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(30,045,446)	(33,000,000)	Balance at beginning of period	(41,500,000)	(50,000,000)
(13,942,730)	(11,000,000)	Additional provisions made during the year	(11,500,000)	(11,000,000)
1,668,970	2,500,000	Receivables written off during the period	3,000,000	3,000,000
(42,319,206)	(41,500,000)	Balance at 31st December	(50,000,000)	(58,000,000)

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
14,121,108	17,000,000	Inventory held for use in the provision of goods and services	20,000,000	21,000,000
(1,140,313)	(1,300,000)	Impairment of Inventory	(1,500,000)	(1,800,000)
12,980,795	15,700,000	INVENTORIES - Current	18,500,000	19,200,000
-	-	INVENTORIES - Non-Current	-	-
12,980,795	15,700,000	TOTAL INVENTORIES	18,500,000	19,200,000

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
274,329	400,000		450,000	500,000
1,532,030	1,800,000		2,000,000	2,200,000
1,806,359	2,200,000	Prepayments - Current	2,450,000	2,700,000
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
1,806,359	2,200,000	Total Prepayments	2,450,000	2,700,000

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	18,540,000	4,447,434	84,907,340	1,890,312	2,667,129	5,839,076	415,082	-	3,882,032	29,618,885	1,336,678	153,543,968
Additions	-	173,469	-	-	79,202	347,504	2,987	-	-	1,396,929	989,525	2,989,616
Disposals and Derecognition	-	-	-	-	-	(12,630)	-	-	(257,696)	(450,097)	(666,722)	(1,387,145)
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	737,909	-	-	-	-	-	-	1,447,596	-	2,185,505
Balance as at 31 December 2024	18,540,000	4,620,903	85,645,249	1,890,312	2,746,331	6,173,950	418,069	-	3,624,336	32,013,313	1,659,481	157,331,944

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	18,540,000	4,620,903	85,645,249	1,890,312	2,746,331	6,173,950	418,069	-	3,624,336	32,013,313	1,659,481	157,331,944
Additions	-	-	1,560,000	-	-	500,000	85,000	-	-	2,000,000	1,782,841	5,985,841
Disposals and Derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	5,985,841	5,985,841
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	18,540,000	4,620,903	87,205,249	1,890,312	2,804,331	6,673,950	503,069	-	3,624,336	34,013,313	9,428,163	169,303,626

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	18,540,000	4,620,903	87,205,249	1,890,312	2,804,331	6,673,950	503,069	-	3,624,336	34,013,313	9,428,163	169,303,626
Additions	-	4,839,966	12,680,669	3,000,000	111,525	419,135	4,900	494,308	370,000	706,406	-	22,626,908
Disposals and Derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	18,540,000	9,460,869	99,885,918	4,890,312	2,915,856	7,093,085	507,969	494,308	3,994,336	34,719,719	9,428,163	191,930,534

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	18,540,000	9,460,869	99,885,918	4,890,312	2,915,856	7,093,085	507,969	494,308	3,994,336	34,719,719	9,428,163	191,930,534
Additions	-	5,522,565	20,085,771	1,173,262	279,640	1,289,532	18,500	494,308	298,219	2,046,725	-	31,208,520
Disposals and Derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	18,540,000	14,983,433	119,971,689	6,063,574	3,195,496	8,382,616	526,469	988,615	4,292,555	36,766,444	9,428,163	223,139,054

Accumulated Depreciation and impairment losses

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	-	2,294,993	3,071,480	540,089	1,250,997	4,900,348	287,256	-	1,744,073	30,496,465	-	44,585,701
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	682,599	4,405,102	(135,022)	168,115	441,821	13,600	-	(71,781)	1,776,917	-	7,281,351
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-	(12,630)	-	-	-	(450,097)	-	(462,727)
Balance as at 31 December 2024	-	2,977,592	7,476,582	405,067	1,419,112	5,329,539	300,856	-	1,672,292	31,823,285	-	51,404,325

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	-	2,977,592	7,476,582	405,067	1,419,112	5,329,539	300,856	-	1,672,292	31,823,285	-	51,404,325
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	313,875	4,303,933	1,172,894	167,549	563,829	16,558	-	356,679	2,111,122	-	9,006,439
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	3,291,467	11,780,515	1,577,961	1,586,661	5,893,368	317,414	-	2,028,971	33,934,407	-	60,410,764

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	-	3,291,467	11,780,515	1,577,961	1,586,661	5,893,368	317,414	-	2,028,971	33,934,407	-	60,410,764
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	373,714	4,631,589	1,513,643	214,511	700,293	26,964	-	769,969	2,067,707	-	10,298,389
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	3,665,181	16,412,104	3,091,604	1,801,172	6,593,660	344,378	-	2,798,940	36,002,114	-	70,709,153

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Infrastructure	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	-	3,665,181	16,412,104	3,091,604	1,801,172	6,593,660	344,378	-	2,798,940	36,002,114	-	70,709,153
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	360,806	5,297,417	1,513,643	214,511	700,293	31,964	-	769,969	2,447,707	-	11,336,309
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	4,025,988	21,709,521	4,605,247	2,015,683	7,293,953	376,342	-	3,568,909	38,449,821	-	82,045,463

Net Book value 31 December 2024	18,540,000	1,643,311	78,168,667	1,485,245	1,327,219	844,411	117,213	-	1,952,044	190,028	1,659,481	105,927,619
Net Book value 31 December 2025	18,540,000	1,329,436	75,424,734	312,351	1,217,670	780,582	185,655	-	1,595,365	78,906	9,428,163	108,892,862
Net Book value 31 December 2026	18,540,000	5,795,687	83,473,814	1,798,708	1,114,684	499,424	163,591	494,308	1,195,396	(1,282,395)	9,428,163	121,221,380
Net Book value 31 December 2027	18,540,000	10,957,446	98,262,168	1,458,327	1,179,813	1,088,663	150,127	988,615	723,646	(1,683,377)	9,428,163	141,093,591

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	5,920,795	5,920,795
Additions	482,637	482,637
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	6,403,432	6,403,432

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	6,403,432	6,403,432
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	6,403,432	6,403,432

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	6,403,432	6,403,432
Additions	1,540,250	1,540,250
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	7,943,682	7,943,682

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	7,943,682	7,943,682
Additions	1,540,250	1,540,250
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	9,483,932	9,483,932

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	5,662,481	5,662,481
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	152,935	152,935
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	5,815,416	5,815,416

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	5,815,416	5,815,416
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	104,776	104,776
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	5,920,192	5,920,192

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	5,920,192	5,920,192
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	189,858	189,858
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	6,110,050	6,110,050

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	6,110,050	6,110,050
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	189,858	189,858
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	6,299,907	6,299,907

Net Book value 31 December 2024	588,016	588,016

Net Book value 31 December 2025	483,240	483,240

Net Book value 31 December 2026	1,833,632	1,833,632

Net Book value 31 December 2027	3,184,025	3,184,025

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
5,271,510	5,271,510	Balance at the start of the year	5,771,510	6,271,510
-	500,000	Additions in the year	500,000	600,000
5,271,510	5,771,510	Balance at the end of the year	6,271,510	6,871,510

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,985,615	1,985,615	Balance at the start of the year	3,185,615	4,385,615
-	1,200,000	Additions in the year	1,200,000	1,200,000
1,985,615	3,185,615	Balance at the end of the year	4,385,615	5,585,615

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,285,895	2,585,895	Net Book Value	1,885,895	1,285,895

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,297,146	1,297,146	Balance at the start of the year (Third Party)	1,747,146	2,197,146
	450,000	Additions in the year (Third Party)	450,000	450,000
1,297,146	1,747,146		2,197,146	2,647,146
1,297,146	1,747,146	Balance at the end of the year (Third Party)	2,197,146	2,647,146
1,297,146	1,747,146	TOTAL CURRENT	2,197,146	2,647,146

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,209,989	2,209,989	Balance at the start of the year (Third Party)	2,359,989	2,509,989
	150,000	Additions in the year (Third Party)	150,000	150,000
2,209,989	2,359,989		2,509,989	2,659,989
2,209,989	2,359,989	Balance at the end of the year (Third Party)	2,509,989	2,659,989
2,209,989	2,359,989	TOTAL NON-CURRENT	2,509,989	2,659,989
3,507,135	4,107,135	TOTAL LEASE LIABILITY	4,707,135	5,307,135

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,393,643	1,173,262	Depreciation charge for right of use	1,513,643	1,513,643
258,659	258,659	Interest expense on lease liabilities	258,659	258,659
-	-	Sublease income	(2,304,995)	-
1,652,302	1,431,921	Total cash outflow for leases	(532,693)	1,772,302

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial risk management
As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	1,747,146	2,359,989	-	4,107,135	4,107,135

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	1,297,146	1,104,995	2,304,995	4,707,135	4,707,135

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	1,297,146	1,104,995	2,904,995	5,307,135	5,307,135

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,281,351	9,006,439	Property Plant Equipment	10,298,389	11,336,309
152,935	104,776	Intangible Assets	189,858	189,858
1,393,643	1,173,262	Right-of-use assets	1,513,643	1,513,643
8,827,929	10,284,477	Total depreciation expense	12,001,890	13,039,810

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
1,297,146	1,400,000	Operating Lease	1,500,000	1,600,000
10,585,106	11,770,075	Accrued Expenses	12,492,848	15,696,741
14,747,487	13,995,739	Other payables	12,860,944	11,821,729
		Dividends/Surplus Payable		
26,629,739	27,165,814	Trade payables other payables and accruals - Current	26,853,792	29,118,470
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
26,629,739	27,165,814	Total trade payables other payables and accruals	26,853,792	29,118,470

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		<i>Current employee entitlements</i>		
696,313	531,000	Retirement and long service leave	531,000	531,000
696,313	531,000	Total current portion	531,000	531,000
		<i>Non-current employee entitlements</i>		
-	-	Total non-current portion	-	-
696,313	531,000	Total employee entitlements	531,000	531,000

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
17,648,000	18,000,000	Value of pension fund allocated assets	18,500,000	19,000,000
(18,828,000)	(19,780,000)	Past service liability (Enter -No.)	(20,000,000)	(21,000,000)
(1,180,000)	(1,780,000)	Fund (deficiency)/Surplus	(1,500,000)	(2,000,000)

NOTE 16: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(221,389,000)	(237,037,000)	Defined benefit liability- post retirement healthcare	(254,037,000)	(271,037,000)
(221,389,000)	(237,037,000)	Total Unfunded Health Care Liability	(254,037,000)	(271,037,000)

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
122,930,238	127,791,281	Fees and Charges	105,497,730	107,828,275
827,611	871,922	Rentals	907,967	907,967
1,054,393	613,658	Other Goods & Services Revenue	522,000	522,000
25,635,954	25,619,000	Sale of goods and services to Cabinet	65,237,852	62,437,486
66,193,205	69,183,890	Sale of goods and services to Other Ministries and Portfolios	77,959,424	80,005,227
216,641,402	224,079,751	Total sales of goods and services	250,124,973	251,700,955

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
122,930,238	127,791,281	Net Patient Revenue	105,497,730	107,828,275
122,930,238	127,791,281	Total Fees & Charges	105,497,730	107,828,275

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
827,611	871,922	Rental Income	907,967	907,967
827,611	871,922	Total Rentals	907,967	907,967

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,054,393	613,658	Other Income	522,000	522,000
1,054,393	613,658	Total Other Goods & Services Revenue	522,000	522,000
		Sales of Outputs to Cabinet		
25,635,954	25,619,000	Sales of Outputs to Cabinet	65,237,852	62,437,486
25,635,954	25,619,000	Total Sales of Outputs to Cabinet	65,237,852	62,437,486
		Other Interdepartmental Revenue		
66,193,205	69,183,890	Revenue from Statutory Authorities and Government Companies	77,959,424	80,005,227
66,193,205	69,183,890	Total Other Interdepartmental Revenue	77,959,424	80,005,227
216,641,402	224,079,751	Total Goods and Services	250,124,973	251,700,955

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,371,271	1,288,635	Interest on deposits	800,000	800,000
2,202	2,050	Interest on cash balances	-	-
1,373,473	1,290,684	Total Investment revenue	800,000	800,000

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,550	75,443	Donations	-	-
1,550	75,443	Total donations	-	-

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
103,465,784	113,708,674	Salaries, wages and allowances	116,154,810	114,919,833
15,334,749	15,983,940	Health care other	19,760,098	19,760,098
10,732,386	11,680,790	Pension	11,912,452	14,081,856
-	-	Leave	2,394,401	2,438,035
16,786,568	16,888,878	Other personnel related costs	19,280,475	19,192,101
146,319,487	158,262,282	Total Personnel Costs	169,502,236	170,391,922

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
36,417,432	28,474,665	Supplies and Materials	34,361,556	31,561,290
10,571,480	10,795,767	Purchase of services	11,513,768	13,233,739
1,647,921	1,812,774	Lease of Property and Equipment	3,539,785	3,601,998
3,779,944	3,726,262	Utilities	4,007,979	4,259,472
2,439,657	2,729,472	General Insurance	3,060,872	3,366,659
126,680	156,718	Travel and Subsistence	470,887	484,366
382,108	570,707	Recruitment and Training	1,582,311	1,289,421
149,742	118,491	Other	375,051	380,051
55,514,965	48,384,856	Total Supplies & consumables	58,912,210	58,176,996

NOTE 22: FINANCE COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
258,659	258,659	Other borrowing costs	258,659	258,659
258,659	258,659	Total Finance cost	258,659	258,659

NOTE 23: LITIGATION COST

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
476,203	452,530	Legal Fees	533,439	619,284
476,203	452,530	Total Litigation cost	533,439	619,284

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
202,418	-	Net (gain) / loss on disposal of property, plant and equipment	-	-
19,912	54	Net (gain) / loss on foreign exchange Transactions	-	-
222,330	54	Total gains/ (losses)	-	-

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(12,437,452)	(3,946,117)	Surplus/(deficit) from ordinary activities	468,979	217,926
		Non-cash movements		
8,827,929	10,284,477	Depreciation & Amortisation	12,001,890	13,039,810
2,255,563	286,828	Impairment	200,000	310,000
202,418	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
12,000,000	(4,200,000)	(Increase)/decrease in other current assets - Cabinet	9,000,000	3,780,000
4,391,747	(1,439,175)	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	4,391,747	6,595,061
(2,802,800)	2,158,402	(Increase)/decrease in other current assets - Ministries Portfolios	(1,502,000)	(1,152,252)
300,000	(130,000)	(Increase)/(decrease) in current liabilities - Statutory Agencies and Government Companies	(271,509)	(117,000)
200,000	(570,930)	(Increase)/(decrease) in current liabilities - Ministries Portfolios	200,000	(513,837)
23,000,000	4,322,243	(Increase)/(decrease) in current liabilities - Other	7,000,000	4,770,000
35,937,405	6,765,729	Net cash flows from operating activities	31,489,107	26,929,708

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,140,033	1,200,035	Salaries & other short-term employee benefits	1,200,035	1,200,035
1,140,033	1,200,035	Total	1,200,035	1,200,035

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
 2. Nature and Scope of Activities
 3. Strategic Goals and Objectives
 4. Ownership Performance Targets
 5. Summarised Forecast Financial Statements
 6. Other Financial Information
- Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Maritime Authority of the Cayman Islands have agreed the Maritime Authority of the Cayman Islands will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Maritime Authority of the Cayman Islands is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Maritime Authority of the Cayman Islands (MACI) activities involve the national maritime administration for the Cayman Islands, MACI will facilitate the development of Cayman as an international maritime centre and help foster a dynamic environment that supports its clients' efforts to maximise their respective stakeholders' growth opportunities and returns in global shipping; whilst promoting compliance with international standards, regional agreements, and Cayman's legislation in the areas of maritime safety and security, marine environmental pollution prevention, and social responsibility.

SCOPE OF ACTIVITIES

1. The CISR's (Cayman Registry) vessel and mortgage registration, advisory, and marine survey and audit services;
2. The overall responsibility for implementing Cayman's maritime safety and security, marine pollution prevention and social responsibility obligations under international Conventions and Codes, and under Cayman Islands legislation for Cayman-flagged vessels;
3. To assist the Ministry of Financial Services and Commerce (MFSC) with the implementation of the Cayman Islands' obligations under the Caribbean Memorandum of Understanding on Port State Control (CMOU PSC) for foreign-flagged vessels entering the Cayman Islands ports;
4. To assist the MFSC with marine Casualty Investigation activities in relation to Cayman-flagged vessels;
5. To assist the MFSC with national maritime policy formulation, the provision of advice on maritime-related matters, and the development of Cayman's maritime-related legislation;
6. To support the MFSC with representing the Cayman Islands at international fora and to protect its maritime interests; and
7. To help facilitate the development of the Cayman Islands as an international maritime centre

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Maritime Authority of the Cayman Islands are provided to the following Customers both locally and internationally:

- Vessel Owners/Operators and their Representatives
- Vessel Builders
- Yacht Designers and related Consultants
- Seafarers on Cayman flagged Vessels
- Cayman Islands Government

The Maritime Authority of the Cayman Islands is able to offer its services to its customers from 16 locations, the head office in George Town, the European Regional Office – United Kingdom, representatives in Greece, United States of America, France, Japan, Singapore, The Netherlands, Brazil, Philippines, Italy, South Africa, Germany, Panama, China and the Cayman Islands Government Office in the United Kingdom.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Maritime Authority of the Cayman Islands for the 2026 and 2027 financial years are as follows:

1. Provide services to our Cayman Islands Public Sector clients at the most economic cost;
2. Utilise our six authorised classification societies where and when it is in the best interests of the client and MACI to do so;
3. Provide on-going and responsive support to seafarers that sail on Cayman-flagged vessels and arrange for the repatriation of stranded crew members of Cayman-flagged vessels;
4. Continue to update and streamline relevant domestic legislation;
5. Provide client-focused and distinctive maritime administration and related services that add value to the operations of a select group of merchant ship owners/operators with a view to flagging-in the majority of their respective fleets;
6. Provide client-focused and distinctive large Commercial Yacht advisory services to yacht owners/managers, designers, and builders that add value to their operations with a view to obtaining the majority of the global market share in Cayman Yacht Code (CCA), Large Yacht (LY) and Passenger Yacht Code (PYC) advisory services for vessels of 30 metres and over in length;
7. Maintain a diverse, qualified, experienced global team within a learning organisation where employee rewards are based on merit;
8. Develop working alliances with other maritime administrations and their respective governments, international and regional regulatory bodies, and shipping industry organisations;
9. Develop mutually beneficial working partnerships with our clients and with other public sector bodies and non-governmental organisations in Cayman; and
10. Ensure that MACI attends each Large Commercial Yacht registered in the Cayman Islands at least once every two years.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Maritime Authority of the Cayman Islands for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	332	332	332
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	13,319	13,934	12,614
OPERATING EXPENSES	12,503	13,186	12,133
OPERATING SURPLUS/DEFICIT	1,148	1,080	803
NET WORTH	10,096	11,176	8,949
CASH FLOWS FROM OPERATING ACTIVITIES	(100)	480	2,225
CASH FLOWS FROM INVESTING ACTIVITIES	1,325	-	(2,500)
CASH FLOWS FROM FINANCING ACTIVITIES	(150)	(150)	(150)
CHANGE IN CASH BALANCES	1,075	330	(425)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	6.39:1	5.83:1	6.64:1
TOTAL ASSETS: TOTAL LIABILITIES	2.21:1	2.49:1	2.12:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	49	49	45
STAFF TURNOVER (%)			-
MANAGERS	12%	8%	25%
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	2%	10%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			-
MANAGERS	6	7	7
PROFESSIONAL AND TECHNICAL STAFF	7	8	6
CLERICAL AND LABOURER STAFF	7	5	6
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	18,432	18,677	16,934
ASSET REPLACEMENTS: TOTAL ASSETS	7%	7%	7%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	30%	20%	31%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.1:1	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
INFORMATION TECHNOLOGY PROJECTS/ NEW PREMISES FITOUT COSTS	475	300	300
TOTAL	475	300	300

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO/SAGC	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Information Technology. Lack of control over independent contractors' hardware and software (i.e., use of personal laptops).	Quality Management System in place for Safety and Compliance. Contractual declaration for Non-Disclosure for independent contractor agreements.	Develop and implement a policy and procedure for the MACI IT team to conduct random checks for MACI records on independent contractor computers, mobile devices and flash drives used to conduct MACI business. Also include requirements in IC contracts to comply with MACI Policies and Procedures.	Tolerable
Compliance. The use of contract staff operating remote from MACI locations makes the operational risks involved harder to control.	External audits and UK MCA Monitoring, IMO III Code Audits conducted. Quality Management System in place and assessed on a regular basis.	Formalised Quality Management Systems across all MACI functions/departments/sections to ensure completeness of scope.	Tolerable
External Factors. Hazards/Catastrophic Loss. Natural disasters/health epidemics (i.e., COVID, SARS, influenza, etc.).	Existing BCP (currently not implemented).	Communicate the BCP across MACI and train staff on the procedures to be performed in the event of an event. Periodically exercise and test BCP and document findings and redefine as necessary	Tolerable
External Factors. Geopolitical. Political instability.	Sanction Notices automatically sent to MACI via the Sanctions coordinator in the Financial Reporting Authority Office.	Establish Memorandums of Understanding ("MOUs") with external entities such as the Cayman Islands Monetary Authority and the Cayman Islands Airports Authority for information sharing. Changes in Legislation to allow MACI to act quickly to any sanction orders/other directives.	Tolerable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO/SAGC	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Planning. Knowledge Management. Failure to use appropriate tools, technologies, and methods for knowledge management.	Corporate Document for long term planning process and development, and standard metrics.	Implement a formal company wide Client Relationship Management process or tool. Establish a formal Succession Plan. Implement a mentoring programme.	Tolerable
Strategy. Business Model. Inconsistent ministerial support over time in addressing Maritime affairs.	No formal controls in place.	Support to Flag State Control ("FSC") Maritime Secretariat (to be formed by the Ministry), i.e., providing resources, subject matter expertise, etc.	Tolerable
Information Technology. Change Management. Ineffective change control processes.	No formal controls in place.	Create and implement a Change Management Policy and Procedures. System/tool for tracking and managing changes to MACI environment. Staff training.	Tolerable
Compliance. Risk Assessment. Failure to establish controls to mitigate identified risks.	No formal controls in place.	Establish and implement a system to identify risks including key risk indicators. Establish and implement a system to monitor track and report progress in mitigating identified risks to Management and Board.	Tolerable
Compliance. Compliance Information Management. Lack of data integrity of the information relied upon for ongoing compliance management.	Quality Management System in place and assessed on a regular basis. Internal and external audits conducted periodically.	Investigate tools that can be used to mitigate this risk. Move to an electronic Register Book. Perform a gap analysis to identify any data integrity weaknesses.	Tolerable

1. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Maritime Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	13,651	14,266	12,936
OPERATING EXPENSES	12,503	13,186	12,133
NET SURPLUS/(DEFICIT)	1,148	1,180	803

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	18,432	18,677	16,934
LIABILITIES	8,336	7,501	7,986
NET WORTH	10,096	11,176	8,949

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(100)	480	2,225
CASH FLOWS FROM INVESTING ACTIVITIES	1,325	-	(2,500)
CASH FLOWS FROM FINANCING ACTIVITIES	(150)	(150)	(150)

5. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ³¹	-	-
REMUNERATION ³² PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	860	880
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	859	885

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

³¹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

³² Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Maritime Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Maritime Authority of the Cayman Islands will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP

Minister for Financial Services and Commerce

On behalf of Cabinet



Chairman of the Board

Maritime Authority of the Cayman Islands

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable.
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Maritime Authority of the Cayman Islands for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board

Maritime Authority of the Cayman Islands

31 December 2025

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MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Going concern

The Authority's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

b) Financial assets and liabilities

i) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets in the Authority's financial statements comprise of cash and cash equivalents, accounts receivable and other receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities in the Authority's financial statements comprise long and short-term liabilities.

ii) Recognition

The Authority recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of an instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the statement of comprehensive income.

iii) De-recognition

A financial asset is de-recognised when the Authority realises the rights to the benefits specified in the contract or loses control over any right that compromise that asset. A financial liability is de-recognised when it is extinguished, that is, when the obligation is discharged, cancelled or expires.

iv) Measurement

Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are measured at their estimated fair value.

Financial liabilities are subsequently measured at amortized cost, being the amount at which the liability was initially recognised less any principal repayments plus any amortisation (accrued interest) of the difference between that initial amount and the maturity amount.

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

b) Financial assets and liabilities (continued)

v) Measurement (continued)

MACI uses an allowance matrix to measure the expected credit losses (“ECLs”) of trade receivables from individual customers. Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

c) Foreign currency translation

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at the historical exchange rate i.e. at the date of transaction.

d) Revenue recognition

The Authority recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for good or services. IFRS 15 - Revenue from contracts with customers provides a single, principles based five-step model to be applied to all contracts with customers.

To determine whether to recognise revenue, the Authority follows the standard’s 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

See note 15 for IFRS 15 application done by the Authority during the years ended 31 December 2020 and 2019.

f) Purchase agreement

MACI operates on a fee for service basis with the CIG. The annual purchase agreement sets out the service which the Authority agrees to deliver to CIG based on quantity, quality, location and cost of services. These fees form part of the overall Authority revenue stream which equates to 5% in 2020 (2019: 3%). The full amount of the purchase agreement is treated as income in the year which it is earned.

g) Expenses

Expenses are recognised when incurred.

h) Receivables and prepaids

Receivables and prepaids are stated at the amounts expected to be ultimately collected in cash.

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the assets. Depreciation is calculated on a straight-line method of 20% per annum for furniture and fixtures, leasehold improvements and Vehicle; and 33.33% for computer hardware and other computer equipment at 12.5% and 20% respectively, software and other assets which are sufficient to write-off the cost of the assets over their estimated useful lives.

j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of current and call deposit and fixed deposit maturing within 12 months from the date of acquisition. Cash accounts are held in Euro ("EUR"), Great Britain Pounds ("GBP"), United States Dollars ("USD") and Cayman Islands Dollars ("KYD").

k) Accounts payable and accrued expenses

Accounts payable are amounts owed to creditors for goods or services that have been invoiced but not yet paid. Account payables are recorded on an accrual basis at the amount owing after allowing for credit notes and other adjustments. Accrued expenses are recorded on an accrual basis based on estimates of the amount due at the end of the reporting year.

l) Employee entitlements and benefits

Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

m) Employee benefits

Obligation for contribution to defined benefit healthcare and defined benefit pension plans are recognised as an expense in the statement of comprehensive income as incurred (see Notes 11, 12 and 13 respectively). Defined benefit scheme surpluses and deficits are measured at fair value of plan assets at the reporting date; less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus unrecognised past service cost; less the effect of minimum funding requirements agreed with scheme trustees. Re-measurements of the net defined obligation are recognised through other comprehensive income and include actuarial gains and losses, return on plan assets (interest exclusive) and any asset ceiling effects (interest exclusive). Service cost and net interest expense (income) are recognised in net operating income.

n) Use of estimates and judgements

IFRS requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the reported amounts of

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the period. Specifically, the key areas requiring estimation include the recoverability of trade receivables, lease liability, return of assets, anticipated credit losses and the measurement of the defined benefit pension and healthcare obligation. Actual results may differ from these estimates.

Trade receivables are considered to be recoverable in full by the Authority after taking into consideration the age of the receivable, the financial stability of the debtors, and the post period-end receipts to the date of the report. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.”

o) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, including any contractual payments relating to extension options which are likely to be exercised by management. The discount rate used to determine the present value of the contractual payments is determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Authority’s incremental borrowing rate on commencement of the lease is used. Generally, the Authority uses CIG’s incremental borrowing rate as the discount rate. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

The lease liability is presented as a separate line in the statement of financial position. On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Authority if it is reasonably certain to assess that option.
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are presented in a separate line item in the statement of financial position. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease.
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

the Authority's estimate of the amount expected to be payable under a residual value guarantee, or if the Authority changes its assessment of whether it will exercise a purchase, extension or termination option.

Right-of-use assets are subsequently amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, this is judged to be shorter than the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
14,375,256	13,950,300	Current Assets			
		Cash and cash equivalents	1	15,025,748	15,356,180
		Marketable securities and deposits			
849,706	1,098,515	Trade receivables	2	1,360,900	1,420,900
2,300	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
95,354	100,000	Prepayments	5	120,000	120,000
-	-	Loans	6	-	-
15,322,616	15,148,815	Total Current Assets		16,506,648	16,897,080
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
703,000	703,000	Pension Plan Surplus	15	703,000	703,000
501,977	345,191	Property, plant and equipment	7	385,191	250,191
867,191	737,191	Right-of-use assets	9	836,947	826,947
-	-	Intangible Assets	8	-	-
2,072,168	1,785,382	Total Non-Current Assets		1,925,138	1,780,138
17,394,784	16,934,197	Total Assets		18,431,786	18,677,218
		Current Liabilities			
1,420,121	1,252,538	Trade payables	11	1,352,538	1,278,156
-	-	Other payables and accruals	11	-	-
90,550	80,550	Lease Liability	9	70,550	60,550
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
1,917,132	900,000	Unearned revenue	12	1,100,000	1,500,000
88,086	50,000	Employee entitlements	13	60,000	60,000
-	-	Current Portion of Borrowings	14	-	-
3,515,889	2,283,088	Total Current Liabilities		2,583,088	2,898,706
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
852,487	902,487	Lease Liability	9	752,487	602,487
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
4,770,000	4,800,000	Unfunded post retirement health care	16	5,000,000	4,000,000
-	-	Currency Issued			
-	-	Long Term portion of Borrowings	14	-	-
5,622,487	5,702,487	Total Non-Current Liabilities		5,752,487	4,602,487
9,138,376	7,985,575	Total Liabilities		8,335,575	7,501,193
8,256,408	8,948,622	Net Assets		10,096,211	11,176,025
		NET WORTH			
1,500,000	1,500,000	Contributed capital		1,500,000	1,500,000
-	-	Other Reserves		-	-
4,635,000	4,524,214	Revaluation reserve		4,524,214	4,524,214
2,121,408	2,924,408	Accumulated surpluses/(deficits)		4,071,997	5,151,811
8,256,408	8,948,622	Total Net Worth		10,096,211	11,176,025

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,993,153	12,536,000	Revenue			
427,117	350,000	Sale of goods and services	17	13,202,295	13,794,660
-	-	Investment revenue	18	448,473	470,896
47,236	50,000	Donations	19	-	-
		Other revenue		-	-
12,467,506	12,936,000	Total Revenue		13,650,768	14,265,556
		Expenses			
5,136,333	5,429,214	Personnel costs	20	5,600,150	5,878,056
6,531,557	6,547,000	Supplies and consumables	21	6,744,029	7,147,687
159,736	156,786	Depreciation and Amortisation	10	135,000	135,000
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
18,803	-	Other (Gains)/losses	24	24,000	25,000
-	-	Other Operating expenses		-	-
11,846,429	12,133,000	Total Expenses		12,503,179	13,185,743
621,077	803,000	Surplus or (Deficit) for the period		1,147,589	1,079,814

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
312,129	332,000	Sale of goods and services to Cabinet		332,000	332,000
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
11,681,024	12,000,000	Sale of goods and services - third party		12,870,295	13,462,660
439,902	350,000	Interest received		448,473	470,896
-	-	Donations / Grants		-	-
1,710,502	1,070,000	Other receipts		-	-
-	-	<i>Payments</i>		-	-
(5,136,333)	(5,220,000)	Personnel costs		(5,600,150)	(5,878,056)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(6,261,847)	(6,547,000)	Supplies and consumables - third party		(7,794,693)	(8,262,545)
-	-	Interest paid		-	-
269,492	240,044	Other payments		(355,476)	355,476
3,014,869	2,225,044	Net cash flows from operating activities	25	-99,552	480,432
		CASH FLOWS FROM INVESTING ACTIVITIES			
(382,851)	-	Purchase of property, plant and equipment		(175,000)	-
-	-	Proceeds from sale of property, plant and equipment		-	-
10,660,000	-	Purchase of investments		1,500,000	-
(2,460,000)	(2,500,000)	Proceeds from sale of investments		-	-
7,817,149	(2,500,000)	Net cash flows from investing activities		1,325,000	-
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	-
(628,753)	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
(133,069)	(150,000)	Repayment of Borrowings		(150,000)	(150,000)
-	-	Currency Issues		-	-
(761,822)	(150,000)	Net cash flows from financing activities		(150,000)	(150,000)
10,070,196	(424,956)	Net increase/(decrease) in cash and cash equivalents		1,075,448	330,432
4,305,060	14,375,256	Cash and cash equivalents at beginning of period		13,950,300	15,025,748
14,375,256	13,950,300	Cash and cash equivalents at end of period		15,025,748	15,356,180

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	1,500,000	-	3,207,000	1,500,331	6,207,331
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	1,500,000	-	3,207,000	1,500,331	6,207,331
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	1,428,000	-	1,428,000
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	1,428,000	-	1,428,000
Surplus/(deficit)for the period 2024	-	-	-	621,077	621,077
Total recognised revenues and expenses for the period	-	-	1,428,000	621,077	2,049,077
Balance at 31 December 2024	1,500,000	-	4,635,000	2,121,408	8,256,408
Balance at 31 December 2024 brought forward	1,500,000	-	4,635,000	2,121,408	8,256,408
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	1,500,000	-	4,635,000	2,121,408	8,256,408
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	(110,786)	-	(110,786)
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	(110,786)	-	(110,786)
Surplus/(deficit)for the period 2025	-	-	-	803,000	803,000
Total recognised revenues and expenses for the period	-	-	(110,786)	803,000	692,214
Balance at 31 December 2025 carried forward	1,500,000	-	4,524,214	2,924,408	8,948,622

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	1,500,000	-	4,524,214	2,924,408	8,948,622
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	1,500,000	-	4,524,214	2,924,408	8,948,622
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	1,147,589	1,147,589
Total recognised revenues and expenses for the period	-	-	-	1,147,589	1,147,589
Balance at 31 December 2026 carried forward	1,500,000	-	4,524,214	4,071,997	10,096,211
Balance at 31 December 2026 brought forward	1,500,000	-	4,524,214	4,071,997	10,096,211
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	1,500,000	-	4,524,214	4,071,997	10,096,211
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027	-	-	-	1,079,814	1,079,814
Total recognised revenues and expenses for the period	-	-	-	1,079,814	1,079,814
Balance at 31 December 2027	1,500,000	-	4,524,214	5,151,811	11,176,025

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
300	300	Cash on hand	300	300
246,833	250,000	CI\$ Account	502,500	512,500
3,468,123	3,000,000	US\$ Account	2,362,948	2,683,380
10,660,000	10,700,000	Short-Term Fixed Deposits	12,160,000	12,160,000
14,375,256	13,950,300	TOTAL	15,025,748	15,356,180

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
762,974	1,015,390	Sale of goods and services - third party	997,500	1,047,500
153,607	150,000	Other	430,275	440,275
(66,875)	(66,875)	Less: provision for doubtful debts	(66,875)	(66,875)
849,706	1,098,515	Total trade receivables	1,360,900	1,420,900

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
86,732	673,515	Past due 1-30 days	138,911	145,035
473,316	400,000	Past due 31-60 days	758,069	791,491
148,190	15,000	Past due 61-90 days	237,343	247,807
141,468	10,000	Past due 90 and above	226,577	236,566
-	-	Non-Current	-	-
849,706	1,098,515	Total	1,360,900	1,420,900

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,300	-	Other	-	-
-	-	Less: provision for doubtful debts (Enter -ve number)	-	-
2,300	-	Total other receivables	-	-

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
2,300	-	Past due 1-30 days	-	-
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
2,300	-	Total	-	-

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(66,875)	(66,875)	Balance at beginning of period	(66,875)	(66,875)
(131,521)	(150,000)	Additional provisions made during the year	-	-
131,521	150,000	Receivables written off during the period	-	-
(66,875)	(66,875)	Balance at 31st December	(66,875)	(66,875)

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
95,354	100,000		120,000	120,000
95,354	100,000	Prepayments - Current	120,000	120,000
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
95,354	100,000	Total Prepayments	120,000	120,000

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	77,953	170,708	472,614	21,899	743,174
Additions	241,815	104,476	36,560	-	382,851
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2024	319,768	275,184	509,174	21,899	1,126,025

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	319,768	275,184	509,174	21,899	1,126,025
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2025	319,768	275,184	509,174	21,899	1,126,025

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	319,768	275,184	509,174	21,899	1,126,025
Additions	150,000	-	-	25,000	175,000
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2026	469,768	275,184	509,174	46,899	1,301,025

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	469,768	275,184	509,174	46,899	1,301,025
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2027	469,768	275,184	509,174	46,899	1,301,025

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	-	63,945	381,418	18,949	464,312
Transfers	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-
Depreciation Expense 2024	70,109	35,623	51,054	2,950	159,736
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-
Balance as at 31 December 2024	70,109	99,568	432,472	21,899	624,048

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	70,109	99,568	432,472	21,899	624,048
Transfers	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-
Depreciation Expense 2025	70,109	35,623	51,054	-	156,786
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-
Balance as at 31 December 2025	140,218	135,191	483,526	21,899	780,834

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	140,218	135,191	483,526	21,899	780,834
Transfers	-	-	-	-	-
Impairment change 2026	-	-	-	-	-
Depreciation Expense 2026	50,000	30,000	50,000	5,000	135,000
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-
Balance as at 31 December 2026	190,218	165,191	533,526	26,899	915,834

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	190,218	165,191	533,526	26,899	915,834
Transfers	-	-	-	-	-
Impairment change 2027	-	-	-	-	-
Depreciation Expense 2027	50,000	30,000	50,000	5,000	135,000
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-
Balance as at 31 December 2027	240,218	195,191	583,526	31,899	1,050,834

Net Book value 31 December 2024	249,659	175,616	76,702	-	501,977

Net Book value 31 December 2025	179,550	139,993	25,648	-	345,191

Net Book value 31 December 2026	279,550	109,993	(24,352)	20,000	385,191

Net Book value 31 December 2027	229,550	79,993	(74,352)	15,000	250,191

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
501,392	976,947	Balance at the start of the year	976,947	976,947
475,555	-	Additions in the year	-	-
976,947	976,947	Balance at the end of the year	976,947	976,947

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
108,318	109,756	Balance at the start of the year	239,756	140,000
1,438	130,000	Additions in the year	-	20,000
109,756	239,756	Balance at the end of the year	140,000	150,000

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
867,191	737,191	Net Book Value	836,947	826,947

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
105,298	90,550	Balance at the start of the year (Third Party)	80,550	70,550
140,038	140,000	Additions in the year (Third Party)	140,000	140,000
(154,786)	(150,000)	Lease terminations in the year (Third Party) (enter as negative)	(150,000)	(150,000)
90,550	80,550		70,550	60,550
90,550	80,550	Balance at the end of the year (Third Party)	70,550	60,550
90,550	80,550	TOTAL CURRENT	70,550	60,550

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
439,427	830,770	Balance at the start of the year (Third Party)	830,770	680,770
391,343		- Additions in the year (Third Party)	-	-
		Lease terminations in the year (Third Party)		
830,770	830,770		830,770	680,770
-	-	- Repayments in the year - Principal (Third Party)	(140,000)	(140,000)
-	-	- Repayments in the year - Interest (Third Party)	(10,000)	(10,000)
830,770	830,770	Balance at the end of the year (Third Party)	680,770	530,770
21,717	21,717	Balance at the start of the year (MPOs)	71,717	71,717
21,717	21,717		71,717	71,717
	50,000	Repayments in the year - Interest (MPOs)		
21,717	71,717	Balance at the end of the year (MPOs)	71,717	71,717
-	-	- Balance at the start of the year (SAGCs)	-	-
852,487	902,487	TOTAL NON-CURRENT	752,487	602,487
943,037	983,037	TOTAL LEASE LIABILITY	823,037	663,037

Financial risk management

As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability				-	983,037

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	70,550	60,550		131,100	823,037

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	70,550	60,550		131,100	663,037

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
159,736	156,786	Property Plant Equipment	135,000	135,000
159,736	156,786	Total depreciation expense	135,000	135,000

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
767,583	600,000	Creditors Third party	700,000	625,618
652,538	652,538	Creditors Ministries/Portfolios	652,538	652,538
1,420,121	1,252,538	Trade payables other payables and accruals - Current	1,352,538	1,278,156
		Non-Current Trade payables other payables and accruals		
-	-	Other payables	-	-
		Dividends/Surplus Payable		
-	-	Trade payables other payables and accruals - Non-Current	-	-
1,420,121	1,252,538	Total trade payables other payables and accruals	1,352,538	1,278,156

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
1,917,132	900,000	New Build Projects uncompleted	1,100,000	1,500,000
1,917,132	900,000	Total current portion	1,100,000	1,500,000
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
1,917,132	900,000	Total Unearned Revenue	1,100,000	1,500,000

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
88,086	50,000	Annual Leave/Comp-time	60,000	60,000
88,086	50,000	Total current portion	60,000	60,000
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
88,086	50,000	Total employee entitlements	60,000	60,000

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,454,000	3,454,000	Value of pension fund allocated assets	3,454,000	3,454,000
(2,751,000)	(2,751,000)	Past service liability	(2,751,000)	(2,751,000)
703,000	703,000	Fund (deficiency)/Surplus	703,000	703,000

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description Enter liability	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(4,770,000)	(4,800,000)	Defined benefit liability- post retirement healthcare	(5,000,000)	(4,000,000)
(4,770,000)	(4,800,000)	Total Unfunded Health Care Liability	(5,000,000)	(4,000,000)

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,110,014	11,634,000	Fees and Charges	12,274,992	12,837,592
571,010	570,000	Other Goods & Services Revenue	595,303	625,068
312,129	332,000	Sale of goods and services to Cabinet	332,000	332,000
11,993,153	12,536,000	Total sales of goods and services	13,202,295	13,794,660

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
9,040,347	9,500,000	Sales of goods and services	10,050,000	10,500,000
2,069,667	2,134,000	Annual Tonnage	2,224,992	2,337,592
11,110,014	11,634,000	Total Fees & Charges	12,274,992	12,837,592

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
283,596	300,000	Professional service fees	297,776	312,665
106,652	120,000	Vessel books and products	111,984	117,583
180,762	150,000	Other fees	185,543	194,820
571,010	570,000	Total Other Goods & Services Revenue	595,303	625,068

		Sales of Outputs to Cabinet		
312,129	332,000	Sales of Outputs to Cabinet	332,000	332,000
312,129	332,000	Total Sales of Outputs to Cabinet	332,000	332,000
		Other Interdepartmental Revenue		
-	-	Total Other Interdepartmental Revenue	-	-
11,993,153	12,536,000	Total Goods and Services	13,202,295	13,794,660

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
427,117	350,000	Interest on deposits	448,473	470,896
427,117	350,000	Total Investment revenue	448,473	470,896

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,223,347	3,441,214	Salaries, wages and allowances	3,541,518	3,718,594
858,620	900,000	Health care other	901,550	946,628
323,219	350,000	Pension	389,378	406,745
7,264	8,000	Leave	7,626	8,007
723,883	730,000	Other personnel related costs	760,077	798,081
5,136,333	5,429,214	Total Personnel Costs	5,600,150	5,878,056

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
719,109	720,000	Supplies and Materials	750,000	787,500
3,169,193	3,200,000	Purchase of services	3,342,822	3,576,820
149,425	204,000	Lease of Property and Equipment	157,300	165,100
97,320	100,000	Utilities	91,200	105,400
792,314	823,000	Travel and Subsistence	935,312	1,006,478
1,604,196	1,500,000	Other	1,467,395	1,506,389
6,531,557	6,547,000	Total Supplies & consumables	6,744,029	7,147,687

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
18,803		Net (gain) / loss on foreign exchange Transactions	24,000	25,000
18,803	0	Total gains/ (losses)	24,000	25,000

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
621,077	803,000	Surplus/(deficit) from ordinary activities	1,147,589	1,079,814
		Non-cash movements		
159,736	156,786	Depreciation & Amortisation	135,000	135,000
-	(173,801)	(Increase)/decrease in other current assets - Other	(1,357,233)	390,432
2,234,056	1,439,059	(Increase)/(decrease) in current liabilities - Other	(24,908)	(1,124,814)
3,014,869	2,225,044	Net cash flows from operating activities	(99,552)	480,432

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
835,408	850,000	Salaries & other short-term employee benefits	860,000	880,000
835,408	850,000	Total	860,000	880,000

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

NATIONAL DRUG COUNCIL

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Drug Council have agreed the National Drug Council will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Drug Council is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

National Drug Council activities involve:

- **Policy formulation, feedback and advice** (advocacy, provision of feedback and support to the development of policy and legislation aimed at reducing substance misuse and abuse). These will include but is not limited to:
 - The National Drug Council Act (2010 Revision)
 - The Liquor Licensing Act (2019) Revision and Regulations (1999)
 - Misuse of Drugs Act (2017 Revision)
 - The Pharmacy Act (2024 Revision)
 - Mental Health Policy Development

Additional legislation/policies relevant to the scope of the NDC's work include:

- **Liquor Advertising Act (2021 Revision)**
- **Tobacco Product and Intoxicating Liquor Advertising Law (1998 Revision)**
- **Tobacco Act (2008) and Regulations (2017 Revision)**
- **National School Misuse of Drugs Policy**
- **Prevention and Education** (initiatives such as presentations, workshops, programs, public information/media campaigns etc., aimed at reducing the negative impacts of alcohol and other drugs in our communities).
 - Continuation of prevention and education activities across the Cayman Islands
 - Development and implementation of programming for primary schools
 - Consistent delivery of programmes in Cayman Brac
 - Increase involvement in Youth to Youth
 - Delivery of training for servers and sellers of alcohol in accordance with revised liquor licencing legislation and supporting regulations.
 - Expansion of parent and caregiver education programmes
 - Collaboration with partners to support national anti-vaping and youth mental health campaigns
- **Research** (instrument design, data collection (surveillance), data analysis, reporting and information dissemination)
 - Design and conduct quantitative surveys (e.g., CISDUS, HMCIPSS, CISDUS+, Guardian, OS, Adolescent Nicotine Dependence Survey)

Conduct qualitative research to complement quantitative findings and explore emerging substance use behaviours Pilot and implement population-level surveys Expand and

- strengthen data collection and surveillance systems to capture substance use patterns across all age groups.
Facilitate evidence-informed decision-making by translating research findings into accessible formats for use by policymakers, educators, health professionals, and the wider community.
Establish an ethics committee policy to support research initiatives.
- **Evaluation** (coordinate/conduct program evaluations in a systematic approach of collecting and analysing programme data to answer questions about projects, policies and programmes, especially about their effectiveness).

SCOPE OF ACTIVITIES

The scope of the National Drug Council activities is as follows:

- **Policy and Prevention** -: To formulate policies intended to prevent or reduce drug abuse and to promote and encourage the implementation of such policies and programmes and to advise the Minister on matters of law reform relating to the misuse of drugs.
- **Research and Information Dissemination** -: To conduct/support studies and publish reports and other documentation on drug abuse and develop and maintain a database of information on, drug abuse in the Islands; and
- **Evaluation** -: Evaluate programming related to reducing the impacts of drug and alcohol abuse in the Cayman Islands in an effort to improve activities and programming and determine effectiveness whenever possible.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the National Drug Council are provided primarily in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Drug Council for the 2026 and 2027 financial years are as follows:

- Provide **policy advice**, advocate for policy and legislative change, and review matters as it relates to alcohol and other substance misuse and abuse in the Cayman Islands.
- Educate the public (youth, adults, special interest groups, communities as a whole) on issues of alcohol and other drug misuse and abuse with the goal **prevention** and of reducing the negative impacts to our society.
- Conduct **research** and provide information that is culturally relevant and based on scientific research and local data.
- **Evaluate** relevant programmes to ensure effective programming.
- Ensure best practice and adherence to relevant regional and international policies related to alcohol and other drug issues.
- Encourage and foster affiliations and exchange of information on a local, regional and international level.

5. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Drug Council for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	1,105	1,146	915
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	35	35	35
OPERATING EXPENSES	1,141	1,182	863
OPERATING SURPLUS/DEFICIT	-	-	87
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	(46)	(10)	20
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(46)	(10)	20

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	10.55:1	10.55:1	10.53:1
TOTAL ASSETS: TOTAL LIABILITIES	10.61:1	10.61:1	10.61:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	8	8	6
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	11	12	10
PROFESSIONAL AND TECHNICAL STAFF	8	9	7
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	6	6	7
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	5%	5%	7.5%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
N/A	-	-	-
TOTAL	-	-	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Staff Turnover	12.5%	Performance Management/Training	Increased time in lieu due to staff assuming other duties due to vacant posts.
Budget Cuts	0%	Increased opportunities for non-governmental funding	Unknown

6. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Drug Council is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	1,141	1,182	950
OPERATING EXPENSES	1,141	1,182	863
NET SURPLUS/(DEFICIT)	-	-	87

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	1,015	1,015	1,015
LIABILITIES	96	96	96
NET WORTH	919	919	919

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(46)	(10)	20
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

7. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO NATIONAL DRUG COUNCIL	-	-
CAPITAL WITHDRAWALS FROM NATIONAL DRUG COUNCIL	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL DRUG COUNCIL	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL DRUG COUNCIL	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL DRUG COUNCIL	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ³³	-	-
REMUNERATION ³⁴ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	143	143

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	13	13
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

³³ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

³⁴ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the National Drug Council undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Drug Council will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Katherine Ebanks-Wilks, MP

Minister for Health, Environment and Sustainability

On behalf of Cabinet



Chairman of the Board

National Drug Council

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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NATIONAL DRUG COUNCIL

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the National Drug Council for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

**Chairman of the Board
National Drug Council**

31 December 2025

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NATIONAL DRUG COUNCIL
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

National Drug Council's ('the NDC') financial statements have been prepared in accordance with International Accounting Standards and are stated in Cayman Islands dollars. The following is a summary of the most significant accounting and reporting policies used in preparing the financial statements:

a) Use of Estimates

The preparation of the financial statements requires the Council to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

b) Fixed Assets

Depreciation is being calculated on a straight-line basis on the opening cost over the estimated useful lives of the assets as follows:

Capital expenditures greater than \$1,000.00 is capitalized as fixed assets

	Contributed Assets Years remaining at acquisition	Purchased assets Useful lives
Office equipment	-	3
Office furniture	-	6
Computer equipment	-	3
Leasehold Improvement	-	3

NATIONAL DRUG COUNCIL

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

a) Deferred grant funds and income: Donation and grant income received for specific projects are credited to income in periods in which expenses on such projects are incurred.

b) Disclosure about Fair Value of Financial Instruments: The NDC recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains or losses arising from changes in the fair value of the assets or liabilities are recognised in the statement of operations. Financial instruments are initially measured at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are measured at their estimated fair market value. The carrying amounts of all financial instruments on the balance sheet are reasonable estimates of the fair values and no gains or losses have been recognised in the statement of operations for the changes in the fair value of the assets or liabilities.

c) Foreign Exchange: Revenue and expense transactions involving currencies other than Cayman Islands dollars are translated to Cayman Islands dollars at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the balance sheet dates. Gains and losses on exchange are taken to the statement of operations.

NATIONAL DRUG COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
722,461	742,462	Cash and cash equivalents	1	696,347	686,226
-	-	Marketable securities and deposits		-	-
183,111	253,237	Trade receivables	2	301,022	311,243
280	280	Other receivables	2	280	280
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
11,830	11,830	Prepayments	5	11,830	11,830
-	-	Loans	6	-	-
917,683	1,007,810	Total Current Assets		1,009,479	1,009,579
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
5,500	5,500	Prepayments	5	5,500	5,500
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
5,209	1,770	Property, plant and equipment	7	100	-
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
10,709	7,270	Total Non-Current Assets		5,600	5,500
928,392	1,015,080	Total Assets		1,015,079	1,015,079
		Current Liabilities			
66,314	66,314	Trade payables	11	66,314	66,314
29,359	29,359	Other payables and accruals	11	29,359	29,359
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
95,673	95,673	Total Current Liabilities		95,673	95,673
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
-	-	Total Non-Current Liabilities		-	-
95,673	95,673	Total Liabilities		95,673	95,673
832,719	919,407	Net Assets		919,406	919,406
		NET WORTH			
-	-	Contributed capital		-	-
-	-	Other Reserves		-	-
-	-	Revaluation reserve		-	-
832,718	919,407	Accumulated surpluses/(deficits)		919,406	919,406
832,718	919,407	Total Net Worth		919,406	919,406

NATIONAL DRUG COUNCIL
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
862,521	914,628	Sale of goods and services	17	1,105,092	1,146,099
-	-	Investment revenue	18	-	-
28,075	25,000	Donations	19	25,000	25,000
5,558	10,308	Other revenue		10,334	10,358
896,154	949,935	Total Revenue		1,140,426	1,181,457
		Expenses			
538,617	577,293	Personnel costs	20	830,346	858,975
86,304	100,328	Supplies and consumables	21	108,571	111,062
3,543	3,439	Depreciation and Amortisation	10	1,671	100
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
153,128	182,187	Other Operating expenses		199,839	211,319
781,592	863,247	Total Expenses		1,140,427	1,181,457
114,562	86,689	Surplus or (Deficit) for the period		-	-

NATIONAL DRUG COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
862,521	844,502	Sale of goods and services to Cabinet		1,057,476	1,136,016
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
-	-	Sale of goods and services - third party		-	-
-	-	Interest received		-	-
28,075	25,000	Donations / Grants		25,000	25,000
5,558	10,308	Other receipts		10,334	10,358
-	-	<i>Payments</i>		-	-
(538,617)	(577,293)	Personnel costs		(830,346)	(858,975)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(86,304)	(100,328)	Supplies and consumables - third party		(108,571)	(111,062)
-	-	Interest paid		-	-
(148,721)	(182,187)	Other payments		(200,008)	(211,457)
122,513	20,002	Net cash flows from operating activities	25	(46,115)	(10,121)
		CASH FLOWS FROM INVESTING ACTIVITIES			
-	-	Purchase of property, plant and equipment		-	-
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
-	-	Net cash flows from investing activities		-	-
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	-
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
-	-	Net cash flows from financing activities		-	-
122,513	20,002	Net increase/(decrease) in cash and cash equivalents		(46,115)	(10,121)
599,948	722,461	Cash and cash equivalents at beginning of period		742,462	696,347
722,461	742,462	Cash and cash equivalents at end of period		696,347	686,226

NATIONAL DRUG COUNCIL

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	-	-	-	718,156	718,156
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	-	-	-	718,156	718,156
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	114,562	114,562
Total recognised revenues and expenses for the period	-	-	-	114,562	114,562
Balance at 31 December 2024	-	-	-	832,718	832,718
Balance at 31 December 2024 brought forward	-	-	-	832,718	832,718
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	-	-	-	832,718	832,718
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	86,689	86,689
Total recognised revenues and expenses for the period	-	-	-	86,689	86,689
Balance at 31 December 2025 carried forward	-	-	-	919,407	919,407

NATIONAL DRUG COUNCIL
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	-	-	-	919,407	919,407
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	-	-	-	919,407	919,407
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	(0)	(0)
Total recognised revenues and expenses for the period	-	-	-	(0)	(0)
	-	-	-	-	-
Balance at 31 December 2026 carried forward	-	-	-	919,406	919,406
Balance at 31 December 2026 brought forward	-	-	-	919,406	919,406
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	-	-	-	919,406	919,406
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
	-	-	-	-	-
Balance at 31 December 2027	-	-	-	919,406	919,406
	-	-	-	-	-

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
722,461	742,462	CI\$ Account	696,347	686,226
722,461	742,462	TOTAL	696,347	686,226

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
158,531	228,657	Sale of goods and services to Cabinet	276,442	286,663
24,580	24,580	Other	24,580	24,580
-	-	Less: provision for doubtful debts	-	-
183,111	253,237	Total trade receivables	301,022	311,243

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
183,111	253,237	Past due 1-30 days	301,022	311,243
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
183,111	253,237	Total	301,022	311,243

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
280	280	Interest receivable	280	280
-	-	Less: provision for doubtful debts	-	-
280	280	Total other receivables	280	280

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
280	280	Past due 1-30 days	280	280
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
280	280	Total	280	280

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
480	480	Prepaid Insurance	480	480
5,500	5,500	Prepaid Rent	5,500	5,500
5,850	5,850	Prepaid others	5,850	5,850
11,830	11,830	Prepayments - Current	11,830	11,830
		Non-Current Prepayments		
5,500	5,500	Security deposit	5,500	5,500
5,500	5,500	Prepayments - Non-Current	5,500	5,500
17,330	17,330	Total Prepayments	17,330	17,330

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2024	26,440	43,493	49,098	48,836	167,868
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2024	26,440	43,493	49,098	48,836	167,868

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2025	26,440	43,493	49,098	48,836	167,868
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2025	26,440	43,493	49,098	48,836	167,868

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2026	26,440	43,493	49,098	48,836	167,868
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2026	26,440	43,493	49,098	48,836	167,868

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2027	26,440	43,493	49,098	48,836	167,868
Additions	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2027	26,440	43,493	49,098	48,836	167,868

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2024	26,440	39,443	48,994	44,238	159,115
Transfers	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-
Depreciation Expense 2024	-	1,317	104	2,122	3,543
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-
Balance as at 31 December 2024	26,440	40,760	49,098	46,360	162,658

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2025	26,440	40,760	49,098	46,360	162,658
Transfers	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-
Depreciation Expense 2025	-	1,317	-	2,122	3,439
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-
Balance as at 31 December 2025	26,440	42,076	49,098	48,483	166,098

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2026	26,440	42,076	49,098	48,483	166,098
Transfers	-	-	-	-	-
Impairment change 2026	-	-	-	-	-
Depreciation Expense 2026	-	1,317	-	354	1,671
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-
Balance as at 31 December 2026	26,440	43,393	49,098	48,837	167,768

	<i>Leasehold Improvements</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Total</i>
Balance as at 1 January 2027	26,440	43,393	49,098	48,837	167,768
Transfers	-	-	-	-	-
Impairment change 2027	-	-	-	-	-
Depreciation Expense 2027	-	100	-	-	100
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-
Balance as at 31 December 2027	26,440	43,493	49,098	48,837	167,868

Net Book value 31 December 2024	-	2,733	-	2,476	5,209

Net Book value 31 December 2025	-	1,417	-	354	1,770

Net Book value 31 December 2026	-	100	-	-	100

Net Book value 31 December 2027	-	-	-	-	-

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	19,139	19,139
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	19,139	19,139

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	19,139	19,139
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	19,139	19,139

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	19,139	19,139
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	19,139	19,139

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	19,139	19,139
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	19,139	19,139

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	19,139	19,139
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	19,139	19,139

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	19,139	19,139
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	19,139	19,139

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	19,139	19,139
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	19,139	19,139

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	19,139	19,139
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	19,139	19,139

Net Book value 31 December 2024	-	-

Net Book value 31 December 2025	-	-

Net Book value 31 December 2026	-	-

Net Book value 31 December 2027	-	-

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,543	3,439	Property Plant Equipment	1,671	100
3,543	3,439	Total depreciation expense	1,671	100

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
35,734	35,734	Creditors Third party	35,734	35,734
30,580	30,580	Creditors Ministries/Portfolios	30,580	30,580
17,565	17,565	Accrued Expenses	17,565	17,565
11,794	11,794	Other payables	11,794	11,794
95,673	95,673	Trade payables other payables and accruals - Current	95,673	95,673
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
95,673	95,673	Total trade payables other payables and accruals	95,673	95,673

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
80	85	Rentals	92	99
862,441	914,543	Sale of goods and services to Cabinet	1,105,000	1,146,000
862,521	914,628	Total sales of goods and services	1,105,092	1,146,099

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
80	85	Rental Income	92	99
80	85	Total Rentals	92	99

		Sales of Outputs to Cabinet		
862,441	914,543	Sales of Outputs to Cabinet	1,105,000	1,146,000
862,441	914,543	Total Sales of Outputs to Cabinet	1,105,000	1,146,000
		Other Interdepartmental Revenue		
-	-	Total Other Interdepartmental Revenue	-	-
862,521	914,628	Total Goods and Services	1,105,092	1,146,099

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
28,075	25,000		25,000	25,000
28,075	25,000	Total donations	25,000	25,000

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
432,527	464,614	Salaries, wages and allowances	655,363	668,164
84,041	88,493	Health care CINICO	141,588	155,747
19,386	21,390	Pension	30,458	31,981
2,663	2,796	Other personnel related costs	2,936	3,083
538,617	577,293	Total Personnel Costs	830,346	858,975

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,117	4,517	Supplies and Materials	4,955	5,435
66,000	78,000	Lease of Property and Equipment	84,000	84,000
16,187	17,811	Utilities	19,617	21,627
86,304	100,328	Total Supplies & consumables	108,571	111,062

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
114,562	86,689	Surplus/(deficit) from ordinary activities	-	-
		Non-cash movements		
3,543	3,439	Depreciation & Amortisation	1,671	100
-	-	Other Non-cash movement	-	-
		Changes in current assets and liabilities:		
(30,358)	(70,126)	(Increase)/decrease in other current assets - Cabinet	(47,785)	(10,221)
30,575	-	(Increase)/(decrease) in current liabilities - Ministries Portfolios	-	-
4,190	-	(Increase)/(decrease) in current liabilities - Other	-	-
122,513	20,002	Net cash flows from operating activities	(46,115)	(10,121)

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

NATIONAL GALLERY OF THE CAYMAN ISLANDS

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Gallery of the Cayman Islands have agreed the National Gallery of the Cayman Islands will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Gallery of the Cayman Islands is to operate during the period.

GENERAL NATURE OF ACTIVITIES

The mission of the National Gallery of the Cayman Islands is to promote the appreciation and practice of the visual arts, of and in the Cayman Islands and to encourage dialogue relating to cultural heritage, national identity, Caymanian history and the history of art.

The National Gallery Act (1999) provides that the purposes of the National Gallery shall be:

- a. to serve as an art gallery for the Islands and to establish in the Islands a national collection of works of art;
- b. to promote and encourage the practice of the visual arts of and in the Islands and to increase knowledge and appreciation of the visual arts; and
- c. to enable the interaction between the visual arts and other forms of art.

In an enriching, inclusive, environment that places Caymanian culture at the forefront while embracing the diverse cultures and traditions co-existing within the community, the Gallery seeks to serve a broad and far-reaching audience.

The functions of the National Gallery of the Cayman Islands (as per National Gallery Act 1999) are:

- To organise and maintain permanent and temporary public works of art;
- To collect and preserve significant works of art for a public collection;
- To facilitate the public exhibition of works of art or collections of works of art loaned by persons or bodies for that purpose;
- To present, or facilitate the presentation by others, of programmes of instruction in the visual arts;
- To lend works of art in the national collection to other art galleries for the purpose of promoting the culture of the Islands abroad;
- To encourage the evolution and enjoyment of the arts in the Islands;
- To promote the appreciation and interpretation of the visual arts as an integral component of education;
- To foster and encourage research in the visual arts;
- To provide facilities for the curation and restoration of works of art; and
- To perform such other functions as may be necessary to direct, manage and control the National Gallery and to fulfil its purpose specified in the National Gallery Act section 4.

The National Gallery of the Cayman Islands (NGCI, Gallery or National Gallery) is the country's national museums of art and a leading arts education venue, committed to providing innovative, creative programming and a multidisciplinary approach to the presentation, interpretation, and collection of the artistic expressions of our Caymanian cultural heritage, and current times. This mandate is achieved

through a variety of activities that aim to reach all members of the Cayman Islands community and the visiting public including: outreach and educational programmes, exhibitions, events, workshops, teacher training, school collaborations, art collections, lending library, and educational lectures.

NGGI's purpose-built home on the Esterley Tibbetts Highway averages approximately **20,000 visitors** annually. In addition, we host exhibition and programming at satellite exhibition venues across the Cayman Islands, including past projects at the Owen Roberts International Airport, the Health Services Authority are the Little Cayman Museum, the Cayman Brac Beach Resort, and various district centres.

The NGCI team seeks to ensure that the programmes, events, and exhibitions outlined in our Purchase and Ownership Agreements are achieved, through a public/private partnership funding model. Both our existing commitments, and the new programmes, aim to be executed professionally, in adherence with the International Council of Museums (ICOM) Code of Ethics and international museum standards, and within the agreed time allocated.

The scope of the National Gallery of the Cayman Islands (NGCI) activities are as follows:

- **National Art Exhibitions and Festivals [GAL 1]:** Provision of exhibitions, art festivals, and related educational programming for students, residents, and visitors.

NGCI is committed to presenting a vibrant, challenging and culturally relevant exhibition programme that balances traditional displays with critically engaged contemporary exhibitions, both at the main site and various community venues. Approximately one quarter of NGCI's resources are channeled into the exhibitions department annually to facilitate onsite exhibitions, satellite exhibitions off-site, and our virtual and online exhibition. Each year, funded allowing, we aim to keep access to our exhibition free for all visitors.

The Education Department works closely with the curatorial team to develop an extensive education programme for each exhibition. This is aimed at all ages of the community and features in-depth lectures, screenings, and workshops relating to art history, cultural heritage, national identity, Caymanian history, and the history of art.

- **National Art Collection [GAL 2]:** NGCI is charged with managing, conserving, exhibiting, and promoting the Cayman Islands National Art Collection. In addition, when funding is available, we actively acquire works of art of national significance to continue growing the collection, which has resulted in growth of 350% since 2012.

The collection is centred on a core of quality Caymanian artworks and supplemented with additional works from the region and abroad. Collections care and the development of related educational resources, publications and exhibition the make the collection accessible to our public are the core function of NGCI. This includes cross-curricular lesson plans aimed at visual arts and cultural heritage learning. Our Art Library, Labyrinth and Sculpture Garden are also managed under this output.

- **Arts Education, Outreach and Training [GAL 3]:** The NGCI is the leading education centre for visual arts education in the Cayman Islands. Our programme schedule is designed to be fully inclusive with programmes ranging from primary level through to senior citizens across all three islands. These include primary/secondary/teen classes and workshops; programmes for students and adults with special needs; Sister Islands programming; family events and resources; professional development workshops for artists; and continuing education programmes for adults.
- **Art Information (Promotion, Scholarship, Publication, and Facilities) [GAL 4]:** NGCI is tasked with researching, developing, and disseminating information about Cayman Islands art and culture to local and international audiences via publications, lectures, scholarships, academic papers, traditional media outlets, social media, community events, marketing, and promotions. In addition, we support Government in matters relating to visual arts and cultural policy. Output 4 also includes the management of our 9,000 sq. ft. facility and offsite storage units; retail areas (gift shop, café, and facility rental department); procurement, annual reports and audit; and the ongoing execution, monitoring, and evaluation of the NGCI Strategic Plan and its objectives.

Customers and Location of Activities

NGCI is housed in a 9,000 square foot, purpose-built museum facility with three exhibition galleries, an art studio, library, auditorium, art café, gift shop, and gardens that host temporary exhibitions by local and international artists, monthly workshops and lectures, along with a variety of annual events, film screenings, and private functions. The central location, which has free admission for both local and international audiences, provides a stimulating environment for learning about Cayman's unique cultural history and contemporary arts. NGCI also hosts satellite exhibitions in venues on the Sister Islands: Cayman Brac (Cayman Brac Reef Resort) and Little Cayman (Little Cayman Museum), Owen Roberts International Airport, and various community venues.

The services provided by National Gallery of the Cayman Islands are intended to be accessible to all members of the Cayman Islands community including all ages of students; amateur and professional artists; targeted outreach participants - the incarcerated, the recovering institutionalised substance abuser, at-risk youth; specialised groups such as seniors, researchers, teachers; and both residents and visitors to the islands in general.

The NGCI Education Department works at various locations across the Cayman Islands including Northward and Fairbanks Prisons, Caribbean Haven, Bonaventure, seniors homes, civil centres, district libraries, and various public and private schools in Grand Cayman, Cayman Brac, and Little Cayman, as well as at other locations on demand.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the *National Gallery of the Cayman Islands* for the 2026 and 2027 financial period are as follows:

- **Strategic Goal 1 – Collections:** To develop and strengthen the National Collection by creating opportunities for acquisition and commission of artwork while ensuring its care and conservation.
- **Strategic Goal 2 – Exhibitions:** To enhance the public understanding and enjoyment of the visual arts by providing stimulating, informative, and enjoyable onsite temporary exhibition programmes, travelling exhibitions, and displays.
- **Strategic Goal 3 – Education:** To increase the understanding of, and engagement with, the visual arts as a vital component of the cultural heritage of the Cayman Islands through vibrant, stimulating, and accessible programmes of learning.
- **Strategic Goal 4 – Marketing and Communication:** To promote the National Gallery collections, exhibitions, programmes, and activities, through strategic marketing, promotions, technology, and products.
- **Strategic Goal 5 – Board Member Participation:** To take full advantage of Board Members' ability to contribute over and above their statutory obligations of supervision, and to seek ways in which individual Board Members can take effective roles to enhance the functioning and management of the Gallery and its programmes.
- **Strategic Goal 6 – Finance and Business:** To maximise the financial resources available through public (government funding) and private sector support (fundraising), trading (retail/events/membership), and through the sound management of NGCI's assets and resources.
- **Strategic Goal 7 – Human Resources:** To sustain and encourage an inclusive environment for all staff. Provide an encouraging, supportive, and equitable environment in which all staff will have the opportunity to grow professionally, whilst fulfilling their roles and responsibilities, and contributing to achieving the goals of NGCI.
- **Strategic Goal 8 - Operations and Facilities:** To establish the Gallery as an inclusive gathering place by creating an environment for all staff and visitors that has the highest standards of safety, fitness for purpose, legal compliance, and protection of the physical and intellectual assets of NGCI.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Gallery of the Cayman Islands for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	1 050	1 073	785
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	400	400	408
OPERATING EXPENSES	(1 448)	(1 470)	(1 400)
OPERATING SURPLUS/DEFICIT	152	157	(62)
NET WORTH	6,906	7,318	6,485
CASH FLOWS FROM OPERATING ACTIVITIES	13	108	(97)
CASH FLOWS FROM INVESTING ACTIVITIES	(149)	30	(10)
CASH FLOWS FROM FINANCING ACTIVITIES	120	125	109
CHANGE IN CASH BALANCES	(16)	263	2

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	14.22:1	15.12:1	11.30:1
TOTAL ASSETS: TOTAL LIABILITIES	40.69:1	40.36:1	32.09:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	10	10	12
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	20%	20%	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	7 080	7 504	6 693
ASSET REPLACEMENTS: TOTAL ASSETS	1:34	-	1:71
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	1:1.6	1:1.6	1:1.5
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	1:1.9	-	1:0.2
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
Art Collection Storage System	-	75	-
Driveway Lighting and Wayfaring System NGCI/CNCF	70	-	-
Maintenance Upgrades	50	50	109
TOTAL	120	125	109

RISK MANAGEMENT

KEY RISKS FACED BY SAGC	CHANGE IN STATUS FROM 205	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Not receiving upgrade grant	(50,000)	N/A – Work dependent on government grant	50,000
Not receiving drive lighting and wayfaring grant	(70,000)	N/A – Work dependent on government grant	70,000
Not receiving upgrade grant	(50,000)	N/A – Work dependent on government grant	50,000
Not receiving art storage grant	(75,000)	N/A – Work dependent on government grant	75,000
Fundraising revenue	400K	Not receiving private sector funding support to balance budget annually	400K

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Gallery of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	1,600	1,628	1,338
OPERATING EXPENSES	1,448	1,471	1,400
NET SURPLUS/(DEFICIT)	152	157	(62)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	7,080	7,501	6,693
LIABILITIES	174	186	209
NET WORTH	6,906	7,318	6,485

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	13	108	(97)
CASH FLOWS FROM INVESTING ACTIVITIES	(149)	30	(10)
CASH FLOWS FROM FINANCING ACTIVITIES	120	125	109

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO NATIONAL HOUSING DEVELOPMENT TRUST	-	-
CAPITAL WITHDRAWALS FROM NATIONAL HOUSING DEVELOPMENT TRUST	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL HOUSING DEVELOPMENT TRUST	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL HOUSING DEVELOPMENT TRUST	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL HOUSING DEVELOPMENT TRUST	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ³⁵	-	-
REMUNERATION ³⁶ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	12	12
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2	2

³⁵ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

³⁶ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the National Gallery of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Gallery of the Cayman Islands will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Isaac Rankine, MP

Minister for Youth, Sports, Culture and Heritage

On behalf of Cabinet



Susan A Olde, OBE, Chairperson of the Board

National Gallery of the Cayman Islands

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the National Gallery of the Cayman Islands for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
National Gallery of the Cayman Islands

31 December 2025

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NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

1. Background information

The National Gallery of the Cayman Islands (the “Gallery”) was established on April 23, 1999 in accordance with the National Gallery Act. Prior to this date, the Gallery operated as an unincorporated entity.

The Gallery, through its Management Board, acquires artworks and collects materials to be held in trust for the purpose of preserving them for posterity and promoting their usefulness in the development of the arts, exhibition, research and education for the public benefit.

Through organising and maintaining permanent and temporary public exhibitions of works of art, the Gallery promotes and encourages the awareness, appreciation and practice of the visual arts in the Cayman Islands.

The National Gallery Act states that the property of the Gallery shall be vested in up to four trustees appointed by the Governor in Cabinet, up to two of whom may also be members of the Management Board.

2. Significant accounting policies

In conformity with the Public Management and Finance Act (2020 Revision), these financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

These financial statements are presented in Cayman Islands dollars and are prepared on the historic cost basis, unless otherwise stated.

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

(a) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(b) Standards and amendments to existing standards

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after January 1, 2025. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Gallery's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for recognizing expenses and liabilities for social benefits, measuring expenses and liabilities for social benefits, presenting information about social benefits in the financial statements and determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity. The new Social Benefits standard is effective for periods beginning on or after January 1, 2025.

(c) Recognition of revenue

Events and exhibitions income is recognised in the accounting period in which the events and exhibitions are held. Gallery gift shop income is recognised when the Gallery sells a product to a customer, which usually coincides with the date the transaction price is received. Revenue from facility rental is recognised after the facility has been used. The Gallery does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Gallery does not adjust any of the transaction prices for the time value of money.

(d) Government grant

The Government grant is received for financial support on a quarterly basis and is recorded when the grant becomes receivable.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

(a) Donations

Donations are recorded when they are received, unless specifically intended for a certain fiscal year.

(b) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property.

(c) Interest income

(d) Interest income is recorded on an accruals basis.

(i) Bequest

The assets and revenue from the bequest are recognized in the period in which the Gallery has control of the assets. The Gallery measures the proceeds from the bequest at fair value on date of recognition.

(j) Property and equipment

In accordance with IPSAS 17, *Property, Plant and Equipment*, the Gallery has elected to use the cost model for all classes of property and equipment.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

Computer systems and hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Workshop equipment	5 years
Vehicles	5 years
Building	50 years

The Gallery capitalizes property and equipment costing \$500 or more.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

(k) Cash

In accordance with IPSAS 2, *Cash Flow Statements*, cash and cash equivalents comprise cash on hand, cash at bank, deposits on call and highly liquid investments with an original maturity of six months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash placed on a fixed term deposit and cash on hand.

(l) Financial instruments

Financial assets within the scope of IPSAS 29, *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables. The Gallery determines the classification of its financial assets at initial recognition.

The Gallery's financial instruments on the statement of financial position include cash and cash equivalents, accounts receivable, and accounts payable and other accruals. The carrying values of these financial instruments approximate their fair values due to their short-term nature.

Classification

Financial assets that are classified at amortized cost includes cash and cash equivalents and accounts receivable. Financial liabilities that are not at fair value through profit and loss are carried at amortized cost and included in accounts payable.

Recognition

The Gallery recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase of a financial asset is recognized using trade date accounting. From this date, any gains and losses arising from changes in the fair value of the financial assets or financial liabilities are recorded.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, all instruments classified at fair value through profit and loss are measured at fair value with changes in their fair value recognized in the statement of financial performance.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows generated by the asset, discounted at the original effective interest rate.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of financial performance.

(m) Inventory

In accordance with IPSAS 12, *Inventories*, inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of net realisable value or cost using the specific identification method for their individual costs.

Inventory is recorded net of an allowance for obsolete and slow-moving items. Any change in the allowance for obsolescence is reflected in the statement of financial performance in the period of change.

No inventory items were pledged as security during the current or prior financial year.

(n) Foreign exchange

In accordance with IPSAS 4, *The Effects of Changes in Foreign Exchange Rates*, transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of foreign exchange transactions are recognised as income or expenses in the period in which they arise.

The Cayman Islands dollar to U.S. dollar exchange rate adopted by the Gallery is CI\$0.82: US\$1.00.

(o) Collections and exhibits

Consistent with the practice followed by many galleries, collections and exhibits purchased and donated are not included in the statement of financial position. The costs of all objects purchased are recorded as an expense in the statement of financial performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation. These assets are presented in the Schedule of Collections and Exhibits

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

(Unaudited) in the Supplementary Information. Values are determined by the Gallery Director to be reasonable estimates of fair market value and are the insured values as at December 31, 2020.

(p) Donated services

A substantial number of unpaid volunteers make significant contributions of their time to develop the Gallery's programmes. The Gallery receives a number of donations in kind. The value of this contributed time and donated goods is not reflected in these financial statements since they are not susceptible to objective measurement or valuation.

(q) Repairs and maintenance

Costs associated with routine repairs and maintenance are expensed as they are incurred.

(r) Budget

The annual budget is prepared on an accrual basis. As both the 2019 and 2020 budget and financial statements have been prepared on an accrual basis, there are no basis or timing differences that would require reconciliation between the actual comparable amounts.

The budgets for the financial year were presented in the Gallery's Ownership Agreement and were approved by the Parliament. The budget amounts in the Ownership Agreement are summarised. These summaries have been split out in these financial statements to enable comparison on a line-by-line basis.

Explanatory comments are provided in the notes as to any material differences between budget and actual.

Cash and cash equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates and the fixed term deposit earns interest at 0.05%.

The restricted cash and fixed term deposit are held in separate accounts with a local Cayman bank. The restricted funds relate to the bequest received in 2020 as described in Note 13.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

3. Land held in a private trust

During the year ended December 31, 1998, the use of a parcel of land was donated to a trust for a period of 80 years, for the exclusive use of the Gallery and for a National Art Gallery to be built upon. The property is not to be subdivided or combined with the surrounding land and will at all times be held by the trustees, as separate and apart from the adjacent lots. The land is managed by three trustees. Currently, two trustees are active with a third pending. No changes are expected to the original Trust and therefore the possibility of a change in ownership is not deemed to be a concern. The land is not reflected in these financial statements.

4. Employee benefits

The Gallery provides retirement benefits for its employees through the Silver Thatch Pension Plan (the “Plan”). The Gallery operates a defined contribution plan, which is a post-employment benefit plan under which an entity pays fixed contributions into the Plan, and will have no legal or constructive obligation to pay further contributions if the pension fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised as an expense in the year in which they are incurred based on set contribution rates.

5. Financial instruments and associated risks

During the year, the Gallery entered into transactions which gave rise to the following financial assets and liabilities: cash and cash equivalents, accounts receivables and accounts payable and other accruals. This note presents information about the Gallery’s exposure to each of the below risks, policies and processes for measuring and managing risk, and the Gallery’s management of capital.

6. Financial instruments and associated risks (continued)

(a) Market risk

Market risk is the risk that changes in interest rates and foreign exchange rates will make a financial instrument less valuable or more onerous. The Management Board does not believe the Gallery is exposed to any material market risk.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Gallery.

The maximum amount of credit exposure is represented by the carrying amounts of cash and cash equivalents and accounts receivable on the statement of financial position. Cash and cash equivalents held by the Gallery are held with two major international financial institutions in the

Cayman Islands. The Gallery is subject to credit risk to the extent that one or both of these institutions may be unable to fulfil their obligations to repay amounts owed.

The Gallery's accounts receivable is neither past due nor impaired and are assessed to be recoverable. 83% of the Gallery's accounts receivable is due from the Government of the Cayman Islands. The Gallery manages the risk of non-payment of the remaining receivable by monitoring specific customers.

(c) Liquidity risk

The Management Board does not believe the Gallery is exposed to any material liquidity risk as all financial assets and financial liabilities have remaining contractual maturities of less than one year.

The government grant (see Note 6) equates to 59% (2019: 49%) of the Gallery's annual budget. Private sector and general public donations of funds, goods and services are the Gallery's other sources of revenue. The Management Board manages the Gallery's operations funding risks by undertaking fundraising activities throughout the year. In cases of funding shortfalls, programmes, events and exhibitions are cut back.

7. Commitments

As of December 31, 2025, the Gallery had no significant financial commitments to any third party.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

8. Related parties

The Government of the Cayman Islands, the trustees appointed by the Governor in Cabinet and the members of the Management Board are considered related parties. Also, certain expenses are borne by staff or volunteers and are reimbursed by the Gallery. Transactions and balances with the Government are disclosed in Note 6.

9. Contingent liabilities

As of December 31, 2024, and 2025, the Gallery has no quantifiable or non-quantifiable contingent liabilities.

10. Fund balance

Management controls the capital of the Gallery to ensure that adequate cash flows are generated to fund its programs. The Management Board and Director ensure that overall risk management strategy is in line with this objective. There have been no changes to the strategy adopted by management to control capital of the Gallery since the previous year.

In 2020, the Gallery and the Cayman National Cultural Foundation (CNCF) became the recipients of a bequest from the estate of a former Gallery/CNCF patron and land donor. In accordance with the donor's will, the executors were directed to distribute 25% of the donor's estate equally to the Gallery and CNCF. In reaching an agreement with the executors that the Gallery would receive an absolute gift of 12.5% of the net realised value of the donor's estate instead of the opportunity to benefit from a trust established for the Gallery and the CNCF to run for fifty years, a restriction was agreed on the use of the funds by the Gallery. The restriction requires the Gallery to use the bequest from the donor's estate for capital and special projects to memorialise the bequest donor. The use of the proceeds is restrictive and not for operations of the Gallery.

On May 19, 2020, the Management Board of the Gallery approved the restriction on the use of the proceeds from the bequest and that a separate account be prepared.

As at December 31, 2022, the proceeds from the donor were invested in a fixed term deposit and in a restricted cash account (see Note 3) and included in the Statement of Changes in Fund Balance as "Restricted Fund".

11. Operating lease

The Gallery has an operating lease for storage containers. Minimum lease payments recognised as an expense during the year ended December 31, 2024 amount to CI\$21 000 (2023: CI\$21 085). The original leased storage units contract ended on December 31, 2018, and thereafter renews automatically at the end of each month.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

The Gallery continues to occupy the units for a period of one month until it is terminated by either party on one month's prior written notice.

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
781,768	783,702	Cash and cash equivalents	1	768,043	1,031,222
-	-	Marketable securities and deposits		-	-
253,625	261,274	Trade receivables	2	320,195	331,216
-	-	Other receivables	2	-	-
29,312	30,532	Inventories	3	40,000	45,000
1,182,830	1,217,834	Investments	4	1,266,547	1,317,209
60,150	63,076	Prepayments	5	80,000	87,500
-	-	Loans	6	-	-
2,307,685	2,356,417	Total Current Assets		2,474,785	2,812,147
		Non-Current Assets			
1,331	1,331	Trade receivables	2	1,331	1,331
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
1,837,157	1,921,666	Investments	4	1,998,533	2,078,474
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
2,359,515	2,413,980	Property, plant and equipment	7	2,605,750	2,612,151
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
4,198,003	4,336,977	Total Non-Current Assets		4,605,614	4,691,956
6,505,688	6,693,394	Total Assets		7,080,399	7,504,103
		Current Liabilities			
44,453	33,356	Trade payables	11	34,357	35,387
64,416	50,405	Other payables and accruals	11	30,750	30,750
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
7	7	Bank Overdraft	1	7	7
108,531	124,810	Unearned revenue	12	108,909	119,800
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
217,406	208,578	Total Current Liabilities		174,023	185,945
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
-	-	Total Non-Current Liabilities		-	-
217,406	208,578	Total Liabilities		174,023	185,945
6,288,282	6,484,816	Net Assets		6,906,376	7,318,158
		NET WORTH			
375,470	484,470	Contributed capital		604,470	729,470
-	-	Other Reserves		-	-
-	-	Revaluation reserve		-	-
5,912,812	6,000,346	Accumulated surpluses/(deficits)		6,301,906	6,588,688
6,288,282	6,484,816	Total Net Worth		6,906,376	7,318,158

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
1,124,375	1,073,406	Sale of goods and services	17	1,330,000	1,352,999
138,627	144,172	Investment revenue	18	149,939	155,187
84,196	120,000	Donations	19	120,000	120,000
-	-	Other revenue		-	-
1,347,198	1,337,578	Total Revenue		1,599,939	1,628,186
		Expenses			
647,515	671,342	Personnel costs	20	694,302	697,993
719,865	628,956	Supplies and consumables	21	647,168	654,109
91,129	99,658	Depreciation and Amortisation	10	106,847	118,599
-	-	- Impairment of Inventory, property, plant and equipment		-	-
-	-	- Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	- Litigation costs	23	-	-
18,207	-	- Other (Gains)/losses	24	-	-
-	-	- Other Operating expenses		-	-
1,476,716	1,399,956	Total Expenses		1,448,317	1,470,701
(129,518)	(62,378)	Surplus or (Deficit) for the period		151,622	157,485

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
774,000	785,000	Sale of goods and services to Cabinet		1,050,000	1,073,000
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
350,375	288,406	Sale of goods and services - third party		280,000	280,000
-	-	Interest received		-	-
84,196	120,000	Donations / Grants		120,000	120,000
-	-	Other receipts		-	-
-	-	<i>Payments</i>		-	-
(647,294)	(671,342)	Personnel costs		(694,302)	(697,993)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(778,852)	(619,180)	Supplies and consumables - third party		(742,678)	(667,015)
-	-	Interest paid		-	-
-	-	Other payments		-	-
-217,575	-97,116	Net cash flows from operating activities	25	13,019	107,992
		CASH FLOWS FROM INVESTING ACTIVITIES			
(65,780)	(154,122)	Purchase of property, plant and equipment		(298,617)	(125,000)
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
138,627	144,172	Proceeds from sale of investments		149,939	155,187
72,847	(9,950)	Net cash flows from investing activities		(148,678)	30,187
		CASH FLOWS FROM FINANCING ACTIVITIES			
106,669	109,000	Equity Investment from Cabinet		120,000	125,000
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
106,669	109,000	Net cash flows from financing activities		120,000	125,000
(38,059)	1,934	Net increase/(decrease) in cash and cash equivalents		(15,659)	263,179
819,827	781,768	Cash and cash equivalents at beginning of period		783,702	768,043
781,768	783,702	Cash and cash equivalents at end of period		768,043	1,031,222

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	268,801	-	-	6,042,330	6,311,131
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	268,801	-	-	6,042,330	6,311,131
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	106,669	-	-	-	106,669
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	106,669	-	-	-	106,669
Surplus/(deficit)for the period 2024	-	-	-	(129,518)	(129,518)
Total recognised revenues and expenses for the period	106,669	-	-	(129,518)	(22,849)
Balance at 31 December 2024	375,470	-	-	5,912,812	6,288,282
Balance at 31 December 2024 brought forward	375,470	-	-	5,912,812	6,288,282
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	375,470	-	-	5,912,812	6,288,282
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	149,912	149,912
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	109,000	-	-	-	109,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	109,000	-	-	149,912	258,912
Surplus/(deficit)for the period 2025	-	-	-	(62,378)	(62,378)
Total recognised revenues and expenses for the period	109,000	-	-	87,534	196,534
Balance at 31 December 2025 carried forward	484,470	-	-	6,000,346	6,484,816

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	484,470	-	-	6,000,346	6,484,816
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	484,470	-	-	6,000,346	6,484,816
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	149,939	149,939
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	120,000	-	-	-	120,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	120,000	-	-	149,939	269,939
Surplus/(deficit)for the period 2026	-	-	-	151,622	151,622
Total recognised revenues and expenses for the period	120,000	-	-	301,561	421,561
Balance at 31 December 2026 carried forward	604,470	-	-	6,301,906	6,906,376
Balance at 31 December 2026 brought forward	604,470	-	-	6,301,906	6,906,376
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	604,470	-	-	6,301,906	6,906,376
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	129,297	129,297
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	125,000	-	-	-	125,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	125,000	-	-	129,297	254,297
Surplus/(deficit)for the period 2027	-	-	-	157,485	157,485
Total recognised revenues and expenses for the period	125,000	-	-	286,782	411,782
Balance at 31 December 2027	729,470	-	-	6,588,688	7,318,158

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
82,316	84,785	Cash on hand	87,329	89,949
377,110	366,905	CI\$ Account	338,749	589,049
322,341	332,012	US\$ Account	341,972	352,231
(7)	(7)	Bank Overdraft	(7)	(7)
781,761	783,695	TOTAL	768,043	1,031,222

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
211,500	217,845	Sale of goods and services to Cabinet	262,500	268,250
7,333	7,553	Sale of goods and services to Statutory Agencies and Government Companies	10,000	10,300
37,041	38,152	Sale of goods and services - third party	50,000	55,000
(918)	(946)	Less: provision for doubtful debts	(974)	(1,003)
254,956	262,605	Total trade receivables	321,526	332,547

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
128,625	121,274	Past due 1-30 days	130,195	137,382
62,500	62,500	Past due 31-60 days	87,500	89,417
62,500	62,500	Past due 61-90 days	87,500	89,418
-	15,000	Past due 90 and above	15,000	15,000
		Non-Current		
1,331	1,331	Past due 1 year and above	1,331	1,331
254,956	262,605	Total	321,526	332,547

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(918)	(946)	Balance at beginning of period	(946)	(974)
-	-	Additional provisions made during the year	(28)	(29)
(918)	(946)	Balance at 31st December	(974)	(1,003)

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
29,312	30,532	Inventory held for sale	40,000	45,000
29,312	30,532	INVENTORIES - Current	40,000	45,000
		Non-Current Inventories		
-	-	INVENTORIES - Non-Current	-	-
29,312	30,532	TOTAL INVENTORIES	40,000	45,000

NOTE 4: INVESTMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Investments - at the lower of cost or market value	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Investments		
1,131,600	1,154,734	Short-term Investments - restricted	1,200,924	1,248,961
51,230	63,099	Accrued interest on fixed deposit accounts	65,623	68,248
1,182,830	1,217,834	Investments - Current	1,266,547	1,317,209
		Non-Current Investments		
1,837,157	1,921,666	Long-term Investments - restricted	1,998,533	2,078,474
1,837,157	1,921,666	Investments -Non-Current	1,998,533	2,078,474
3,019,987	3,139,500	Total Investments	3,265,080	3,395,683

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
44,132	45,456	Prepaid Fees	55,000	60,000
16,018	17,620	Prepaid Insurance	25,000	27,500
60,150	63,076	Prepayments - Current	80,000	87,500
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
60,150	63,076	Total Prepayments	80,000	87,500

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	2,964,469	316,550	82,044	42,416	25,300	12,883	10,175	3,453,837
Additions	32,293	21,049	12,437	-	-	-	31,144	96,923
Disposals and Derecognition	(24,403)	(7,581)	(6,635)	-	-	-	-	(38,618)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	(31,144)	-	-	-	-	-	(31,144)
Balance as at 31 December 2024	2,972,360	298,874	87,846	42,416	25,300	12,883	41,319	3,480,998

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	2,972,361	298,874	87,846	42,416	25,300	12,883	41,319	3,480,999
Additions	-	9,914	21,519	-	-	-	122,689	154,122
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	2,972,361	308,788	109,365	42,416	25,300	12,883	164,008	3,635,121

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	2,972,361	308,788	109,365	42,416	25,300	12,883	164,008	3,635,121
Additions	462,625	-	-	-	-	-	(164,008)	298,617
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	3,434,986	308,788	109,365	42,416	25,300	12,883	-	3,933,738

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	3,434,986	308,788	109,365	42,416	25,300	12,883	-	3,933,738
Additions	125,000	-	-	-	-	-	-	125,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	3,559,986	308,788	109,365	42,416	25,300	12,883	-	4,058,738

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2024	698,112	200,293	71,890	42,416	25,300	12,754	-	1,050,765
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2024	59,290	24,396	7,400	-	-	43	-	91,129
Eliminate on Disposal or Derecognition 2024	(6,195)	(7,581)	(6,635)	-	-	-	-	(20,411)
Balance as at 31 December 2024	751,207	217,108	72,655	42,416	25,300	12,797	-	1,121,483

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2025	751,207	217,108	72,655	42,416	25,300	12,797	-	1,121,483
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2025	59,290	33,045	7,280	-	-	43	-	99,658
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	810,497	250,153	79,935	42,416	25,300	12,840	-	1,221,141

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2026	810,497	250,153	79,935	42,416	25,300	12,840	-	1,221,141
Transfers	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-
Depreciation Expense 2026	59,290	33,045	7,280	-	-	43	7,189	106,847
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	869,787	283,198	87,215	42,416	25,300	12,883	7,189	1,327,988

	<i>Buildings and Leasehold</i>	<i>Furniture and Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>
Balance as at 1 January 2027	869,787	283,198	87,215	42,416	25,300	12,883	7,189	1,327,988
Transfers	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-
Depreciation Expense 2027	71,042	33,045	7,280	-	-	43	7,189	118,599
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	940,829	316,243	94,495	42,416	25,300	12,926	14,377	1,446,587

Net Book value 31 December 2024	2,221,153	81,766	15,191	0	-	86	41,319	2,359,515
Net Book value 31 December 2025	2,161,864	58,635	29,430	-	-	43	164,008	2,413,980
Net Book value 31 December 2026	2,565,199	25,590	22,150	-	-	-	(7,189)	2,605,750
Net Book value 31 December 2027	2,619,156	(7,455)	14,870	-	-	(43)	(14,377)	2,612,151

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
91,129	99,658	Property Plant Equipment	106,847	118,599
91,129	99,658	Total depreciation expense	106,847	118,599

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
28,668	33,356	Creditors Third party	34,357	35,387
15,785	-	Creditors other Statutory Agencies and Government Companies	-	-
34,588	30,000	Accrued Expenses	30,750	30,750
29,828	20,405	Other payables	-	-
108,869	83,761	Trade payables other payables and accruals - Current	65,107	66,137
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
108,869	83,761	Total trade payables other payables and accruals	65,107	66,137

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
108,531	124,810	Deferred Revenue	108,909	119,800
108,531	124,810	Total current portion	108,909	119,800
		Non-Current Unearned Revenue		
-	-	Total non-current portion	-	-
108,531	124,810	Total Unearned Revenue	108,909	119,800

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
33,014	9,642	General Sales	19,040	19,040
51,735	7,785	Rentals	7,785	7,785
265,626	270,978	Other Goods & Services Revenue	253,175	253,174
774,000	785,000	Sale of goods and services to Cabinet	1,050,000	1,073,000
1,124,375	1,073,406	Total sales of goods and services	1,330,000	1,352,999

NATIONAL GALLERY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
33,014	9,642	Gallery Gift Shop & Art Café	19,040	19,040
33,014	9,642	Total General Sales	19,040	19,040

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
51,735	7,785	Facility Rentals	7,785	7,785
51,735	7,785	Total Rentals	7,785	7,785

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
265,626	270,978	Collections, Art Classes, Donations/Sponsorships, Events, Exhibitions, Membership Fees	253,175	253,174
265,626	270,978	Total Other Goods & Services Revenue	253,175	253,174

		Sales of Outputs to Cabinet		
774,000	785,000	Sales of Outputs to Cabinet	1,050,000	1,073,000
774,000	785,000	Total Sales of Outputs to Cabinet	1,050,000	1,073,000
		Other Interdepartmental Revenue		
-	-	Total Other Interdepartmental Revenue	-	-
1,124,375	1,073,406	Total Goods and Services	1,330,000	1,352,999

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
138,627	144,172	Interest on deposits	149,939	155,187
138,627	144,172	Total Investment revenue	149,939	155,187

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
84,196	120,000	Donation	120,000	120,000
84,196	120,000	Total donations	120,000	120,000

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
601,100	616,371	Salaries, wages and allowances	638,910	641,206
20,002	24,603	Health care other	25,833	27,125
26,412	30,368	Pension	29,559	29,662
647,515	671,342	Total Personnel Costs	694,302	697,993

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
302,116	173,897	Supplies and Materials	125,500	126,341
101,747	105,500	Purchase of services	115,500	117,013
21,000	21,840	Lease of Property and Equipment	25,000	25,625
73,467	76,148	Utilities	78,148	80,102
82,581	97,598	General Insurance	106,684	116,661
0	950	Travel and Subsistence	955	979
138,954	153,023	Other	195,382	187,389
719,865	628,956	Total Supplies & consumables	647,168	654,109

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
18,207	-	- Net (gain) / loss on disposal of property, plant and equipment	-	-
18,207	-	Total gains/ (losses)	-	-

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(129,518)	(62,378)	Surplus/(deficit) from ordinary activities	151,622	157,485
		Non-cash movements		
91,129	99,658	Depreciation & Amortisation	106,847	118,599
18,207	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
(138,627)	(6,345)	(Increase)/decrease in other current assets - Cabinet	(44,655)	(5,750)
-	-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(2,447)	(300)
(58,766)	(128,051)	(Increase)/decrease in other current assets - Other	(118,368)	(160,186)
-	-	(Increase)/(decrease) in current liabilities - Other	(79,979)	(1,855)
(217,575)	(97,116)	Net cash flows from operating activities	13,019	107,992

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

NATIONAL HOUSING DEVELOPMENT TRUST

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Housing Development Trust have agreed the National Housing Development Trust will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Housing Development Trust is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The National Housing Development Trust plays a crucial role in the economic development of the Cayman Islands by providing Caymanians with access to affordable homes.

SCOPE OF ACTIVITIES

The scope of the National Housing Development Trust activities is as follows:

- Construction of affordable homes to be sold at an affordable price to Caymanians living in Grand Cayman.
- Development and construction of affordable homes at the Trust's cost, to be sold to qualified Caymanians at an affordable price. Purchasers are responsible for securing a mortgage through local financial institutions to complete the purchase.
- Administration and oversight of home repair projects for qualified Caymanians, ensuring works are carried out under the supervision of the Trust and delivered to agreed standards.
- Administration of rentals and lease-to-own programmes providing access to affordable housing accommodation to Caymanians living in Grand Cayman.
- Provision of administrative duties and loan processing services on behalf of the Cayman Islands Government for housing assistance mortgage programmes.
- Administration of the Build on Your Own Property (BYOP) Programme, whereby the Trust manages the design and construction of an affordable home on the client's land. Upon completion, the client secures a mortgage from a local bank to repay the Trust for the completed home.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the National Housing Development Trust are available only within the Cayman Islands. Programmes are principally available to residents of Grand Cayman; provisions of the Sister Islands Affordable Housing Development Corporation are available to residents of Cayman Brac and Little Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Housing Development Trust for the 2026 and 2027 financial years are as follows:

STRATEGIC GOALS

1. Deliver Housing Projects – Advance the planning and execution of affordable housing development sites, across Grand Cayman.
2. Expand Affordable Housing Supply – Develop a long-term strategy for affordable housing across Grand Cayman, while exploring public-private partnerships to maximize site potential and meet community needs.
3. Strengthen Housing Programmes – Enhance and diversify the Trust’s housing initiatives, including the Build on Your Own Property programme (BYOP), and the establishment of a Lease-to-Own programme (LTO).
4. Modernize Operations – Drive digitization of Trust operations, including records management, application processing, and client services, and expand the Trust’s online presence.
5. Improve Governance and Compliance – Ensure timely completion of annual reports, reinforcing transparency, accountability, and compliance with statutory obligations.
6. Innovate Building Design and Delivery – Introduce more resilient, efficient, and diverse housing designs while continuing to strengthen contractor management and oversight to ensure quality, timely delivery, and value for money.
7. Enhance Data and Policy Frameworks – Strengthen data collection processes, conduct comprehensive reviews of eligibility policies and application criteria, and update relevant policies to ensure programmes meet current standards.
8. Promote Sustainability and Resilience – Support the Ministry in implementing the forthcoming Public and Affordable Housing Policy and 10-Year Strategic Plan, and adopt construction methods and designs that respond to environmental, social, and economic challenges.

OBJECTIVES

The objectives for the National Housing Development Trust for the 2026 and 2027 financial period are as follows:

1. Complete construction, maintenance and management of affordable housing programmes in accordance with the agreed deliverables.
2. Develop and implement a comprehensive rental housing strategy, allocating a portion of housing stock to rental units to meet diverse housing needs and generate sustainable revenue.
3. Launch a public education and outreach campaign to raise awareness of NHDT programmes, eligibility criteria, and housing opportunities.
4. Implement business continuity training and planning to ensure organizational resilience against disruptions.

5. Build strong partnerships with local contractors, financial institutions, and community stakeholders to expand housing delivery capacity.
6. Provide ongoing counseling and support services to applicants, tenants, and homeowners under NHDT programmes.
7. Ensure procurement, project management, and financial stewardship adhere to good governance and deliver measurable value for money.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in Schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Housing Development Trust for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	1,700	1,700	710
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	7,316	13,696	1,166
OPERATING EXPENSES	10,866	17,246	4,472
OPERATING SURPLUS/DEFICIT	(1,850)	(1,850)	(2,596)
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	(1,430)	(1,437)	(2,173)
CASH FLOWS FROM INVESTING ACTIVITIES	(800)	(620)	-
CASH FLOWS FROM FINANCING ACTIVITIES	7,861	6,865	6,857
CHANGE IN CASH BALANCES	5,631	4,808	4,684

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	13.34:1	19.27:1	8.81:1
TOTAL ASSETS: TOTAL LIABILITIES	30.67:1	36.46:1	25.13:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL-TIME EQUIVALENT STAFF EMPLOYED	11	11	11
STAFF TURNOVER (%)			
MANAGERS	3	3	3
PROFESSIONAL AND TECHNICAL STAFF	3	3	3
CLERICAL AND LABOURER STAFF	5	5	5
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	Over 10 Yrs	Over 10 Yrs	Over 10 Yrs
PROFESSIONAL AND TECHNICAL STAFF	Avg 16 Yrs	Avg 17 Yrs	Avg 15 Yrs
CLERICAL AND LABOURER STAFF	Over 10 Yrs	Over 10 Yrs	Over 10 Yrs
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	36,037	36,244	35,657
ASSET REPLACEMENTS: TOTAL ASSETS	0%	0%	0%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0%	0%	0%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
CONSTRUCTION OF AFFORDABLE HOMES	7,200	13,580	2,600
TOTAL	7,200	13,580	2,600

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Default on lease payments	Unchanged	Follow up on delinquent accounts and arrange for payment of outstanding balances	Accrued income reduced
Damage or loss to assets while under construction	Unchanged	Safeguard assets and effect appropriate insurance	Undetermined
Loss or absence of key personnel	Unchanged	Ensure appropriate cross-training, records management, and employee welfare	Undetermined
Adverse site conditions leading to increased construction costs	Unchanged	Appropriate surveys and inclusion of risk factors in budgeting	Undetermined
Global economic shocks, such as increases in tariffs for construction materials	Increased	Procure in a manner that transfers risk to the party best able to manage	Undetermined
Natural disasters	Unchanged	Ensure appropriate insurance coverage	Undetermined

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Housing Development Trust is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	9,016	15,396	1,876
COST OF GOODS SOLD (Affordable House Sales)	7,200	13,580	1,050
OPERATING EXPENSES	3,666	3,666	3,422
NET SURPLUS/(DEFICIT)	-1,850	-1,850	-2,596

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	52,727	52,742	46,716
LIABILITIES	1,719	1,584	1,859
NET WORTH	51,008	56,158	44,858

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	-1,430	-1,437	-2,173
CASH FLOWS FROM INVESTING ACTIVITIES	-800	-620	-
CASH FLOWS FROM FINANCING ACTIVITIES	7,861	6,865	6,857

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO NATIONAL HOUSING DEVELOPMENT TRUST	8,000	7,000
CAPITAL WITHDRAWALS FROM NATIONAL HOUSING DEVELOPMENT TRUST	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL HOUSING DEVELOPMENT TRUST	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL HOUSING DEVELOPMENT TRUST	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL HOUSING DEVELOPMENT TRUST	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ³⁷	-	-
REMUNERATION ³⁸ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	108	108
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	371	371

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8-10	8-10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2-3	2-3

³⁷ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

³⁸ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the National Housing Development Trust undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing, describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will then sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree that this Ownership Agreement accurately documents the ownership performance the National Housing Development Trust will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Johany Ebanks, MP

Minister for Planning, Lands, Agriculture, Housing, and Infrastructure

On behalf of the Cabinet



Chairman of the Board

National Housing Development Trust

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the National Housing Development Trust for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
National Housing Development Trust

31 December 2025

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NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Description and principal activities

The National Housing Development Trust (the “Trust”) was incorporated on September 29, 2003, as a not-for-profit company by guarantee without share capital. The Trust provides affordable housing to Caymanians of the Cayman Islands.

The National Housing Development Trust offers several programmes:

- a) The Government Guaranteed Home Assistance Mortgage (GGHAM) - The Cayman Islands Government (CIG), working along with local banks, provides mortgage funding to persons who cannot qualify for a traditional mortgage from a commercial bank and who are unable to accumulate the required 5-20% down payment required for acquiring a mortgage. This programme expired in 2012; therefore, no new loans have been processed. The Trust continues to administer a portfolio of 110 out of 325 mortgages issued between 2007-2012.
- b) The Affordable Housing Initiative (“AHI”) is designed to assist Caymanian families to access affordable homes.
- c) As of October 2025, there were 29 registered Tenancy agreements under the Affordable Housing Initiative programme.
- d) The Affordable Housing Initiative (“AHI”) is also designed to provide low-income families with the opportunity of homeownership. As of October 2025, there were 120 Affordable Houses sold to families under the Affordable Housing Initiative programme.
- e) The Build on Your Own Property (“BYOP”) is an option for a person owning their own home if they have their own land. The National Housing Development Trust assists Caymanians in constructing affordable homes on their own property. As of October 2025, there were 7 clients who achieved homeownership under the Build on Your Own Property Programme.

The Trust is a government-owned company with its registered office situated at the Government Administration Building on Elgin Avenue, George Town, Grand Cayman, and its office operation located at Cayman Centre, Bldg B, Unit B3-B5, 118 Dorcy Drive, George Town, Grand Cayman.

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant accounting policies

Certain new accounting standards have been published and have not been early adopted by the Trust. The Trust's assessments of the impact of these new standards are set out below:

IPSAS 43, Leases, issued in January 2022, will be implemented for financial statements covering periods starting on or after January 1, 2025. Among its provisions, IPSAS 43 mandates lessees to assess and account for right-of-use assets and the lease liability. Exceptions are granted for short-term leases, which will continue to be treated like operating leases under IPSAS 13.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations, issued in May 2022, will be applied for financial statements covering periods commencing on or after January 1, 2025. Offering guidance on the accounting treatment of non-current assets offered for sale on commercial terms, IPSAS 44 fills a gap previously unaddressed.

IPSAS 45, Property, Plant and Equipment, was issued in May 2023 and replaces IPSAS 17, effective for periods beginning on or after January 1, 2025. It clarifies the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment.

IPSAS 46, Measurement (issued in May 2023 and effective for periods beginning on or after January 1, 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice.

IPSAS 47, Revenue (issued in May 2023 and effective for periods beginning on or after January 1, 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions. It is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. The impact of this standard on the NHDT's financial statements will be assessed more fully closer to the effective date of adoption.

IPSAS 48, Transfer Expenses (issued in May 2023 and effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses. It presents two accounting models based on the existence of a binding arrangement. It is not anticipated that IPSAS 48 will have an impact on the NHDT's financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis, except for land and buildings, which are included in Property, Plant, and

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant accounting policies (continued)

Equipment. These items are stated at fair value. These Financial Statements are rounded to the nearest thousand.

Changes in accounting policies

When presentation or classification of items in the financial statements is amended, or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so. The accounting policies have been consistently applied to all the years presented.

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2026-2027 Ownership Agreement and approved by the Parliament.

(c) Reporting period

The financial statements are prepared for the 12 months from 1 January to 31 December with comparative figures for the 12-month period from the previous year.

(d) Judgments and estimates

The preparation of financial statements in conformity with the IPSAS requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the reporting period and in any future periods that are affected by those revisions.

(e) Revenue

Revenue is recognized in the accounting year in which it is earned. Revenue received but not yet earned at the end of the reporting year is recognized as a liability (unearned revenue). The Trust derives its revenue from outputs to the Cabinet, mortgage interest, strata fees, donations, sale of homes, and rental of houses to the Caymanian public at the fair value of the services provided.

Revenue is recognized based on contract prices of affordable homes.

(f) Expenses

Expenses are recognized when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received.

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant accounting policies (continued)

(g) Operating leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under the operating leases are recognized as an expense on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash-in-transit, and bank accounts with a maturity of no more than three months at the date of acquisition.

(i) Prepayments

The portion of recognized expenditure paid in advance of receiving goods or services has been recognized as a prepayment in these financial statements.

(j) Other receivables –Build Your Own Property (BYOP)

Other receivables – Build Your Own Property (BYOP) represent amounts advanced by the Trust for properties under construction for approved clients under the BYOP programme. The Trust disburses funds as the construction progresses and records these amounts as receivables. Upon completion of the home and issuance of the Certificate of Occupancy, the client is required to secure a mortgage from a local financial institution. The mortgage proceeds are then used by the client to settle the balance owed to the Trust for the completed home.

(k) Other receivables –Build Your Own Property (BYOP) (Continued)

In addition, the Trust charges interest to the Client at the agreed market rate (prime + 1%), which is recorded as miscellaneous income under sales of goods and services.

(l) Property, plant and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and any recognized impairment loss. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant accounting policies (continued)

Depreciation is charged to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Computer equipment	3
Furniture and fixtures	12
Office and telephone equipment	5
Vehicle	5
Road Formation Works	50
Road Structure	20
Low-income housing properties	10 - 50
Leasehold improvements	Over the unexpired period of lease or useful life of the improvement

Depreciation on the new AHI houses started upon the issuance of the Certificate of Occupancy, which signals the point at which they are available for use. At this point, they are in the location and condition necessary for them to be operating in the manner intended by Management, as outlined in IPSAS 17.

(m) Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Financial Performance.

(n) Work in progress

This account consists of costs incurred attributable to bringing the asset to a condition necessary for it to be capable of operating in the manner intended by management. It is categorized as current assets for the actual cost related to each project.

When the Affordable Housing Initiative (AHI) houses are complete, then a reclass will be made to the relevant property, plant, and equipment. The Trust's objective is to complete projects within an approximate eighteen (18) month period.

(o) Inventory assets

AHI Houses

This account consists of completed AHI houses, for which parcels have been allocated, issued Certificate of Occupancy, and held specifically for resale. Homes are valued at lower of cost and net realizable value.

Houses that are held as rental property or lease-to-own are held in property, plant, and equipment –AHI Houses.

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant accounting policies (continued)

AHI Land

Inventory assets also consist of land lots held for transfer on sale of the completed AHI houses held in inventory. In accordance with IPSAS 12, where inventory is acquired as a non-exchange transaction, the costs are measured at the fair value on acquisition. The fair value of the land is based on the first valuation carried out on acquisition.

(p) Land

Land is acquired from the government at no cost and is recorded at fair market value at the date of acquisition. A revaluation of this asset is undertaken every 5 years.

(q) Deferred liabilities

Payments/ accrued amounts made by purchasers on their mortgage principal are recorded as deferred liabilities.

(r) Employee benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave, and other similar benefits are recognized in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Trust are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Plan. The Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration, management, and investment functions. Intertrust is the plan administrator, Saxon Pensions is the Client Services Agent and BlackRock is the Investment Manager.

(s) Financial instruments

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, trade accounts receivable, and accounts payable, all of which are recognised in the Statement of Financial Position.

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise accounts payable and accrued expenses, employee entitlements, and long-term debt.

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Significant accounting policies (continued)

Recognition

The Trust recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognized in the Statements of Financial Performance.

Measurement

Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. After initial recognition, all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortized cost, which is the amount at which the liability was initially recognized, less any payments, plus any accrued interest on the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is derecognized when the Trust realizes the rights to the benefits specified in the contract or loses control over any right that comprises that asset. A financial liability is derecognized when it is extinguished, meaning that the obligation is discharged, cancelled, or expired.

(t) Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realized.

(u) Foreign currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from the settlement of such transactions are recognized in the Statement of Financial Performance.

At the end of the reporting period, the following exchange rates are to be used to translate foreign currency balances:

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at the year-end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
3,174,865	7,859,258	Cash and cash equivalents	1	13,490,105	18,297,700
-	-	Marketable securities and deposits		-	-
2,102,459	2,102,459	Trade receivables	2	2,102,459	2,102,459
64,692	64,692	Other receivables	2	64,692	64,692
1,034,036	1,034,036	Inventories	3	1,034,036	1,034,036
-	-	Investments	4	-	-
(1,244)	(1,244)	Prepayments	5	(1,244)	(1,244)
-	-	Loans	6	-	-
6,374,808	11,059,201	Total Current Assets		16,690,048	21,497,643
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
35,662,858	35,382,379	Property, plant and equipment	7	35,901,901	36,243,947
417,790	274,839	Right-of-use assets	9	135,438	-
-	-	Intangible Assets	8	-	-
36,080,648	35,657,219	Total Non-Current Assets		36,037,339	36,243,947
42,455,456	46,716,419	Total Assets		52,727,387	57,741,590
		Current Liabilities			
1,066,382	1,066,382	Trade payables	11	1,066,382	1,066,382
49,151	49,151	Other payables and accruals	11	49,151	49,151
142,950	139,401	Lease Liability	9	135,438	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
1,258,483	1,254,934	Total Current Liabilities		1,250,971	1,115,533
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
468,310	468,310	Other payables and accruals	11	468,310	468,310
274,839	135,438	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
743,149	603,748	Total Non-Current Liabilities		468,310	468,310
2,001,632	1,858,682	Total Liabilities		1,719,281	1,583,843
40,453,823	44,857,737	Net Assets		51,008,106	56,157,747
		NET WORTH			
58,437,946	65,437,946	Contributed capital		73,437,946	80,437,946
-	-	Other Reserves		-	-
12,986,674	12,986,674	Revaluation reserve		12,986,674	12,986,674
(30,970,797)	(33,566,883)	Accumulated surpluses/(deficits)		(35,416,514)	(37,266,873)
40,453,823	44,857,737	Total Net Worth		51,008,106	56,157,747

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
3,785,741	1,875,790	Sale of goods and services	17	9,015,790	15,395,790
-	-	Investment revenue	18	-	-
-	-	Donations	19	-	-
360	250	Other revenue		250	250
3,786,101	1,876,040	Total Revenue		9,016,040	15,396,040
		Expenses			
1,123,148	1,303,957	Personnel costs	20	1,314,957	1,314,957
6,103,371	2,655,088	Supplies and consumables	21	9,033,861	15,413,861
394,239	423,429	Depreciation and Amortisation	10	419,880	413,392
-	-	Impairment of Inventory, property, plant and equipment		-	-
69,258	89,652	Finance costs & overdraft interest (including lease interest)	22	96,973	104,188
-	-	Litigation costs	23	-	-
44,179	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
7,734,196	4,472,126	Total Expenses		10,865,672	17,246,399
(3,948,095)	(2,596,086)	Surplus or (Deficit) for the period		(1,849,632)	(1,850,359)

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
710,000	710,000	Sale of goods and services to Cabinet		1,700,000	1,700,000
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
2,930,000	1,050,000	Sale of goods and services - third party		7,200,000	13,580,000
-	-	Interest received		-	-
-	-	Donations / Grants		-	-
146,101	116,040	Other receipts		116,040	116,040
-	-	<i>Payments</i>		-	-
(1,123,148)	(1,303,957)	Personnel costs		(1,314,957)	(1,314,957)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(4,992,573)	(2,655,088)	Supplies and consumables - third party		(9,033,861)	(15,413,861)
(69,258)	(89,652)	Interest paid		(96,973)	(104,188)
-	-	Other payments		-	-
-2,398,878	-2,172,657	Net cash flows from operating activities	25	-1,429,752	-1,436,966
		CASH FLOWS FROM INVESTING ACTIVITIES			
(2,137,903)	-	Purchase of property, plant and equipment		(800,000)	(620,000)
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
(2,137,903)	-	Net cash flows from investing activities		(800,000)	(620,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
7,705,469	7,000,000	Equity Investment from Cabinet		8,000,000	7,000,000
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
(160,910)	(142,950)	Repayment of Borrowings		(139,401)	(135,438)
-	-	Currency Issues		-	-
7,544,559	6,857,050	Net cash flows from financing activities		7,860,599	6,864,562
3,007,778	4,684,393	Net increase/(decrease) in cash and cash equivalents		5,630,847	4,807,596
167,088	3,174,865	Cash and cash equivalents at beginning of period		7,859,258	13,490,105
3,174,865	7,859,258	Cash and cash equivalents at end of period		13,490,105	18,297,700

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	50,732,476	-	12,986,674	(27,022,702)	36,696,449
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	50,732,476	-	12,986,674	(27,022,702)	36,696,449
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	7,705,469	-	-	-	7,705,469
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	7,705,469	-	-	-	7,705,469
Surplus/(deficit)for the period 2024	-	-	-	(3,948,095)	(3,948,095)
Total recognised revenues and expenses for the period	7,705,469	-	-	(3,948,095)	3,757,374
Balance at 31 December 2024	58,437,946	-	12,986,674	(30,970,797)	40,453,823
Balance at 31 December 2024 brought forward	58,437,946	-	12,986,674	(30,970,797)	40,453,823
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	58,437,946	-	12,986,674	(30,970,797)	40,453,823
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	7,000,000	-	-	-	7,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	7,000,000	-	-	-	7,000,000
Surplus/(deficit)for the period 2025	-	-	-	(2,596,086)	(2,596,086)
Total recognised revenues and expenses for the period	7,000,000	-	-	(2,596,086)	4,403,914
Balance at 31 December 2025 carried forward	65,437,946	-	12,986,674	(33,566,883)	44,857,737

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	65,437,946	-	12,986,674	(33,566,883)	44,857,737
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	65,437,946	-	12,986,674	(33,566,883)	44,857,737
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	8,000,000	-	-	-	8,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	8,000,000	-	-	-	8,000,000
Surplus/(deficit)for the period 2026	-	-	-	(1,849,632)	(1,849,632)
Total recognised revenues and expenses for the period	8,000,000	-	-	(1,849,632)	6,150,368
Balance at 31 December 2026 carried forward	73,437,946	-	12,986,674	(35,416,514)	51,008,106
Balance at 31 December 2026 brought forward	73,437,946	-	12,986,674	(35,416,514)	51,008,106
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	73,437,946	-	12,986,674	(35,416,514)	51,008,106
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	7,000,000	-	-	-	7,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	7,000,000	-	-	-	7,000,000
Surplus/(deficit)for the period 2027	-	-	-	(1,850,359)	(1,850,359)
Total recognised revenues and expenses for the period	7,000,000	-	-	(1,850,359)	5,149,641
Balance at 31 December 2027	80,437,946	-	12,986,674	(37,266,873)	56,157,747

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,749,781	49,781	Cash in transit	49,781	49,781
1,414,060	7,798,452	CI\$ Account	13,429,300	18,236,895
11,024	11,024	US\$ Account	11,024	11,024
3,174,865	7,859,258	TOTAL	13,490,105	18,297,700

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,432,897	2,432,897	Sale of goods and services - third party	2,432,897	2,432,897
(330,438)	(330,438)	Less: provision for doubtful debts (Enter -ve number)	(330,438)	(330,438)
2,102,459	2,102,459	Total trade receivables	2,102,459	2,102,459

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
2,102,459	2,102,459	Past due 1-30 days	2,102,459	2,102,459
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
2,102,459	2,102,459	Total	2,102,459	2,102,459

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
64,692	64,692	Other	64,692	64,692
-	-	Less: provision for doubtful debts	-	-
64,692	64,692	Total other receivables	64,692	64,692

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
64,692	64,692	Past due 1-30 days	64,692	64,692
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
64,692	64,692	Total	64,692	64,692

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(308,878)	(330,438)	Balance at beginning of period	(330,438)	(330,438)
(21,560)	-	Additional provisions made during the year	-	-
(330,438)	(330,438)	Balance at 31st December	(330,438)	(330,438)

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
1,034,036	1,034,036	Inventory held for sale	1,034,036	1,034,036
1,034,036	1,034,036	INVENTORIES - Current	1,034,036	1,034,036
-	-	INVENTORIES - Non-Current	-	-
1,034,036	1,034,036	TOTAL INVENTORIES	1,034,036	1,034,036

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
(1,244)	(1,244)	14203 - Employee Salary/Wage Advances	(1,244)	(1,244)
(1,244)	(1,244)	Prepayments - Current	(1,244)	(1,244)
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
(1,244)	(1,244)	Total Prepayments	(1,244)	(1,244)

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2024	18,961,968	182,615	3,089,200	174,665	55,240	27,266	53,465	2,935,002	884,881	124,296	9,535,476	36,024,075
Additions	-	-	-	-	-	-	-	-	-	-	2,308,219	2,308,219
Disposals and Derecognition	(655,704)	-	(162,500)	82,323	10,000	10,719	11,401	-	-	-	-	(703,761)
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	18,306,264	182,615	2,926,700	256,988	65,240	37,985	64,866	2,935,002	884,881	124,296	11,843,695	37,628,533

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2025	18,306,264	182,615	2,926,700	256,988	65,240	37,985	64,866	2,935,002	884,881	124,296	11,843,695	37,628,533
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	18,306,264	182,615	2,926,700	256,988	65,240	37,985	64,866	2,935,002	884,881	124,296	11,843,695	37,628,533

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2026	18,306,264	182,615	2,926,700	256,988	65,240	37,985	64,866	2,935,002	884,881	124,296	11,843,695	37,628,533
Additions	-	-	-	-	-	-	-	-	-	-	800,000	800,000
Disposals and Derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	18,306,264	182,615	2,926,700	256,988	65,240	37,985	64,866	2,935,002	884,881	124,296	12,643,695	38,428,533

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2027	18,306,264	182,615	2,926,700	256,988	65,240	37,985	64,866	2,935,002	884,881	124,296	12,643,695	38,428,533
Additions	-	-	-	-	-	-	-	-	-	-	620,000	620,000
Disposals and Derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	18,306,264	182,615	2,926,700	256,988	65,240	37,985	64,866	2,935,002	884,881	124,296	13,263,695	39,048,533

Accumulated Depreciation and impairment losses

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2024	-	60,519	341,802	149,346	43,893	19,843	42,914	981,261	-	67,301	-	1,706,880
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	22,827	115,842	14,766	2,265	3,036	3,749	106,277	-	14,880	-	283,642
Eliminate on Disposal or Derecognition 2024	-	-	(24,847)	-	-	-	-	-	-	-	-	(24,847)
Balance as at 31 December 2024	-	83,346	432,797	164,113	46,158	22,879	46,664	1,087,538	-	82,181	-	1,965,675

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2025	-	83,346	432,797	164,113	46,158	22,879	46,664	1,087,538	-	82,181	-	1,965,675
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	22,827	112,679	14,766	2,265	3,036	3,749	106,277	-	14,880	-	280,479
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	106,173	545,476	178,879	48,422	25,915	50,413	1,193,815	-	97,061	-	2,246,153

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2026	-	106,173	545,476	178,879	48,422	25,915	50,413	1,193,815	-	97,061	-	2,246,153
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	22,827	112,679	14,766	2,265	3,036	3,749	106,277	-	14,880	-	280,479
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	129,000	658,154	193,645	50,687	28,951	54,162	1,300,093	-	111,941	-	2,526,632

	Land	Plant and equipment	Buildings and Leasehold	Leasehold Improvements	Furniture and Fittings	Computer Hardware	Office Equipment	Roads and Sidewalks	Infrastructure	Motor Vehicles	Assets under construction or development	Total
Balance as at 1 January 2027	-	129,000	658,154	193,645	50,687	28,951	54,162	1,300,093	-	111,941	-	2,526,632
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	22,827	112,679	14,766	2,265	3,036	3,749	106,277	-	12,355	-	277,954
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	151,827	770,833	208,411	52,951	31,986	57,911	1,406,370	-	124,296	-	2,804,586

Net Book value 31 December 2024	18,306,264	99,270	2,493,903	92,875	19,082	15,106	18,203	1,847,464	884,881	42,115	11,843,695	35,662,858

Net Book value 31 December 2025	18,306,264	76,443	2,381,224	78,109	16,818	12,070	14,453	1,741,187	884,881	27,235	11,843,695	35,382,379

Net Book value 31 December 2026	18,306,264	53,616	2,268,546	63,343	14,553	9,034	10,704	1,634,910	884,881	12,355	12,643,695	35,901,901

Net Book value 31 December 2027	18,306,264	30,789	2,155,867	48,577	12,289	5,998	6,955	1,528,632	884,881	-	13,263,695	36,243,947

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	3,102	3,102
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	3,102	3,102

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	3,102	3,102
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	3,102	3,102

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	3,102	3,102
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	3,102	3,102

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	3,102	3,102
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	3,102	3,102

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	3,102	3,102
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	3,102	3,102

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	3,102	3,102
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	3,102	3,102

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	3,102	3,102
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	3,102	3,102

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	3,102	3,102
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	3,102	3,102

Net Book value 31 December 2024	-	-

Net Book value 31 December 2025	-	-

Net Book value 31 December 2026	-	-

Net Book value 31 December 2027	-	-

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	528,387	Balance at the start of the year	528,387	528,387
528,387	-	Additions in the year	-	-
528,387	528,387	Balance at the end of the year	528,387	528,387

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	110,597	Balance at the start of the year	253,547	392,948
110,597	142,950	Additions in the year	139,401	135,438
110,597	253,547	Balance at the end of the year	392,948	528,387

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
417,790	274,839	Net Book Value	135,438	-

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	142,950	Balance at the start of the year (Third Party)	139,401	135,438
253,547	139,401	Additions in the year (Third Party)	135,438	
253,547	282,351	Lease terminations in the year (Third Party)		
			274,839	135,438
(110,597)	(142,950)	Repayments in the year - Principal (Third Party)	(139,401)	(135,438)
		Repayments in the year - Interest (Third Party)		
142,950	139,401	Balance at the end of the year (Third Party)	135,438	-
142,950	139,401	TOTAL CURRENT	135,438	-

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	274,839	Balance at the start of the year (Third Party)	135,438	-
385,436	-	Additions in the year (Third Party)	-	-
385,436	274,839	Lease terminations in the year (Third Party)		
			135,438	-
(110,597)	(139,401)	Repayments in the year - Principal (Third Party)	(135,438)	-
274,839	135,438	Balance at the end of the year (Third Party)	-	-
274,839	135,438	TOTAL NON-CURRENT	-	-
417,790	274,839	TOTAL LEASE LIABILITY	135,438	-

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
110,597	142,950	Depreciation charge for right of use	139,401	135,438
110,597	142,950	Total cash outflow for leases	139,401	135,438

Financial risk management

As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	139,401	135,438	-	274,839	274,839

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	135,438	-	-	135,438	135,438

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	-	-	-	-	-

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
283,642	280,479	Property Plant Equipment	280,479	277,954
110,597	142,950	Right-of-use assets	139,401	135,438
394,239	423,429	Total depreciation expense	419,880	413,392

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
1,066,382	1,066,382	Creditors Third party	1,066,382	1,066,382
49,151	49,151	Other payables	49,151	49,151
1,115,533	1,115,533	Trade payables other payables and accruals - Current	1,115,533	1,115,533
		Non-Current Trade payables other payables and accruals		
468,310	468,310	Other payables	468,310	468,310
468,310	468,310	Trade payables other payables and accruals - Non-Current	468,310	468,310
1,583,843	1,583,843	Total trade payables other payables and accruals	1,583,843	1,583,843

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
45,941	41,790	Fees and Charges	41,790	41,790
2,930,000	1,050,000	General Sales	7,200,000	13,580,000
99,800	74,000	Rentals	74,000	74,000
710,000	710,000	Sale of goods and services to Cabinet	1,700,000	1,700,000
3,785,741	1,875,790	Total sales of goods and services	9,015,790	15,395,790

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,536	5,000	Total 42030 · Insurance Reimbursement Fee	5,000	5,000
5,937	-	42118 · Miscellaneous Sales	-	-
32,467	36,790	Total 48100 · Mortgage Interest	36,790	36,790
45,941	41,790	Total Fees & Charges	41,790	41,790

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,930,000	1,050,000	42120 · AHI House Sales	7,200,000	13,580,000
2,930,000	1,050,000	Total General Sales	7,200,000	13,580,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
99,800	74,000	48200 · Rental Income	74,000	74,000
99,800	74,000	Total Rentals	74,000	74,000

		Sales of Outputs to Cabinet		
710,000	710,000	Sales of Outputs to Cabinet	1,700,000	1,700,000
710,000	710,000	Total Sales of Outputs to Cabinet	1,700,000	1,700,000
		<i>Other Interdepartmental Revenue</i>		
-	-	Total Other Interdepartmental Revenue	-	-
3,785,741	1,875,790	Total Goods and Services	9,015,790	15,395,790

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
818,110	998,597	Salaries, wages and allowances	1,008,597	1,008,597
174,660	189,371	Health care CINICO	189,371	189,371
119,682	103,989	Pension	104,989	104,989
10,696	12,000	Other personnel related costs	12,000	12,000
1,123,148	1,303,957	Total Personnel Costs	1,314,957	1,314,957

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
5,015,457	1,050,000	Supplies and Materials	7,200,000	13,580,000
690	-	Purchase of services	-	-
73,712	69,232	Lease of Property and Equipment	69,232	69,232
45,091	45,200	Utilities	45,200	45,200
85,697	85,697	General Insurance	102,837	102,837
-	10,000	Travel and Subsistence	10,000	10,000
6,833	14,000	Recruitment and Training	14,000	14,000
875,891	1,380,959	Other	1,592,593	1,592,593
6,103,371	2,655,088	Total Supplies & consumables	9,033,861	15,413,861

NOTE 22: FINANCE COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
69,258	89,652	Other borrowing costs	96,973	104,188
69,258	89,652	Total Finance cost	96,973	104,188

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
44,179	-	Net (gain) / loss on disposal of property, plant and equipment	-	-
-	-	Net (gain) / loss on Derecognition and revaluation of assets	-	-
		Net (gain) / loss on foreign exchange Transactions		
44,179	-	Total gains/ (losses)	-	-

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(3,948,095)	(2,596,086)	Surplus/(deficit) from ordinary activities	(1,849,632)	(1,850,359)
		Non-cash movements		
394,239	423,429	Depreciation & Amortisation	419,880	413,392
-	-	Impairment	-	-
44,179	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
1,933,739	-	(Increase)/decrease in other current assets - Other	-	-
(822,941)	-	(Increase)/(decrease) in current liabilities - Other	-	-
(2,398,878)	(2,172,657)	Net cash flows from operating activities	(1,429,752)	(1,436,966)

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

NATIONAL ROADS AUTHORITY

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Roads Authority have agreed the National Roads Authority will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Roads Authority is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The general nature of activities of the National Roads Authority involves the management and development of public roads and related infrastructure in accordance with the National Roads Authority Act.

SCOPE OF ACTIVITIES

The scope of activities of the National Roads Authority includes providing policy advice, publication of a National Roads Plan, provision of project and construction management services for the delivery of new road-works and the maintenance management of the existing road infrastructure for fund-holding Client Agencies.

Additionally, the National Roads Authority provides support services to:

- Public Works Department to enable that Department to provide an appropriate response to Hurricanes and other national emergencies.
- Planning Department for the review of planning applications involving road related matters and the site inspection of road related constructed applications.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the National Roads Authority are fund-holding Government Agencies, approved private sector clients and any other entity. These services are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Roads Authority for the 2026 and 2027 financial years are as follows:

- Continue establishment of the Authority, develop and implement effective administrative, financial and information management systems
- Identify and seek approval for strategies for financing future road development

To continue the Traffic Improvement and Road Development Programmes.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Roads Authority for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	14,314	14,330	29,580
REVENUE FROM OTHERS	601	675	675
OPERATING EXPENSES	19,004	20,263	32,512
OPERATING SURPLUS/DEFICIT	(4,089)	(5,258)	(2,257)
NET WORTH	(1,128)	(6,387)	2,960
CASH FLOWS FROM OPERATING ACTIVITIES	(233)	(1,801)	2,870
CASH FLOWS FROM INVESTING ACTIVITIES	(750)	(750)	(392)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(983)	(2,551)	2,478

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	18.58:1	17.86:1	17.60:1
TOTAL ASSETS: TOTAL LIABILITIES	0.96:1	0.82:1	1.10:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	142	142	142
STAFF TURNOVER (%)			
MANAGERS	0%	0%	0%
PROFESSIONAL AND TECHNICAL STAFF	0%	0%	0%
CLERICAL AND LABOURER STAFF	8%	8%	8%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	12.8	13.8	11.8
PROFESSIONAL AND TECHNICAL STAFF	17.9	18.8	17.4
CLERICAL AND LABOURER STAFF	9.9	10.9	8.9
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	30,781	28,177	32,533
ASSET REPLACEMENTS: TOTAL ASSETS	.03	.03	.01
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	.28	.22	.34
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.95	1	1.63
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
N/A	-	-	-
TOTAL	-	-	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Work related injuries to persons.	Continued implementation of preventative measure.	Continued training and educating of safety standards for explosive management, heavy equipment machinery operating for workforce personnel.	Undefined: Related directly to nature of injury.
Accidents related to the operation of vehicles and heavy equipment.	Improvement of employee awareness of risk factors.	Driver training courses and appropriate machinery training for reducing risk.	Undefined: Related directly to nature of injury.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Roads Authority is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	14,915	15,004	30,255
OPERATING EXPENSES	19,004	20,263	32,512
NET SURPLUS/(DEFICIT)	(4,089)	(5,259)	(2,257)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	30,781	28,177	32,533
LIABILITIES	31,909	34,564	29,573
NET WORTH	(1,128)	(6,387)	2,960

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(233)	(1,801)	2,870
CASH FLOWS FROM INVESTING ACTIVITIES	(750)	(750)	(392)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO NATIONAL ROADS AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM NATIONAL ROADS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL ROADS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL ROADS AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL ROADS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ³⁹	210	210
REMUNERATION ⁴⁰ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	40	40
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,173	1,239

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	7	7

³⁹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

⁴⁰ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the National Roads Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Roads Authority will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Johany Ebanks, MP

Minister for Planning, Lands, Agriculture, Housing and Infrastructure

On behalf of Cabinet



Chairman of the Board

National Roads Authority

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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NATIONAL ROADS AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the National Roads Authority for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
National Roads Authority

31 December 2025

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NATIONAL ROADS AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

The significant accounting policies adapted by the NRA in these budget financial statements are as follows:

- (a) Cash and cash equivalents
 - a. This comprises cash at bank and short-term investments with maturity at inception of three months or less.

- (b) Property, plant and equipment/ depreciation
 - a. Property, plant and equipment include motor vehicles, heavy equipment, dump truck, furniture and fixtures and computer hardware and software are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis at annual rates estimated to write off the carrying value of each asset over the period of its expected useful life.

 - b. Annual rates are as follows:

I. Vehicles and Heavy Equipment	4-12 Years
II. Furniture and Fixtures	3-15 Years
III. Computer Hardware and Software	3-6 Years
IV. Other Plant and Equipment	3-20 Years

- (c) Accounts receivable
 - I. Receivable are stated at original invoice amounts less provision for doubtful debts
 - II. Allowance for bad debts
 - b. The allowance for bad debts is established through a provision for bad debts charged to expenses. Account receivable are written off against the allowance when management believes that the collectability of the amount is unlikely. The allowance is an amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

- (d) Accounts Payable and accrued liabilities
 - a. Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.
 - b. Obligations for contribution to defined contribution and defined benefits pension plans are recognized as an expense in the statement of financial performance as incurred.
 - c. Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognized as liability.

NATIONAL ROADS AUTHORITY

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

- (a) Revenue recognition
 - a. Revenue from sale of services to other government agencies is recognized when it is earned. Unearned revenue comprises amounts paid to the Authority in advance of work performed. These unearned amounts are recognized as revenue in the statement of financial performance as work is performed related to the amount received or billed in advance. Investment revenue is recognized in the period in which it is earned. Donations are recognized at fair value at the time of receipt.
- (b) Expense recognition
 - a. Expenses are recognized when incurred.

NATIONAL ROADS AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
23,394,018	25,871,492	Cash and cash equivalents	1	24,888,758	22,337,310
-	-	Marketable securities and deposits		-	-
4,561,561	1,777,709	Trade receivables	2	1,025,600	918,977
29,352	-	Other receivables	2	-	-
44,747	57,652	Inventories	3	60,000	65,000
-	-	Investments	4	-	-
240,225	240,225	Prepayments	5	145,000	152,250
-	-	Loans	6	-	-
28,269,903	27,947,078	Total Current Assets		26,119,358	23,473,537
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
1,149,000	1,191,821	Pension Plan Surplus	15	1,235,163	1,280,317
3,626,487	3,378,488	Property, plant and equipment	7	3,416,621	3,419,230
-	-	Right-of-use assets	9	-	-
22,109	16,030	Intangible Assets	8	9,819	3,609
4,797,596	4,586,338	Total Non-Current Assets		4,661,603	4,703,155
33,067,499	32,533,416	Total Assets		30,780,961	28,176,692
		Current Liabilities			
1,856,269	1,291,249	Trade payables	11	1,094,123	987,500
164,421	195,358	Other payables and accruals	11	205,126	215,382
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
101,317	101,317	Employee entitlements	13	106,383	111,702
-	-	Current Portion of Borrowings	14	-	-
2,122,007	1,587,924	Total Current Liabilities		1,405,632	1,314,584
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
25,728,000	27,985,000	Unfunded post retirement health care	16	30,503,650	33,248,979
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
25,728,000	27,985,000	Total Non-Current Liabilities		30,503,650	33,248,979
27,850,007	29,572,924	Total Liabilities		31,909,282	34,563,563
5,217,492	2,960,492	Net Assets		(1,128,321)	(6,386,871)
		NET WORTH			
4,653,535	4,653,535	Contributed capital		4,653,535	4,653,535
-	-	Other Reserves		-	-
-	-	Revaluation reserve		-	-
563,957	(1,693,043)	Accumulated surpluses/(deficits)		(5,781,856)	(11,040,406)
5,217,492	2,960,492	Total Net Worth		(1,128,321)	(6,386,871)

NATIONAL ROADS AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
36,950,653	29,580,100	Revenue			
659,410	675,268	Sale of goods and services	17	14,314,250	14,329,963
-	-	Investment revenue	18	601,343	674,890
4,877,000	-	Donations	19	-	-
	-	Other revenue		-	-
42,487,063	30,255,368	Total Revenue		14,915,593	15,004,853
		Expenses			
12,900,557	13,810,929	Personnel costs	20	14,834,483	15,901,466
21,700,796	18,052,271	Supplies and consumables	21	3,451,846	3,608,335
614,822	649,168	Depreciation and Amortisation	10	718,077	753,602
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
53,836	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
35,270,011	32,512,368	Total Expenses		19,004,406	20,263,403
7,217,052	(2,257,000)	Surplus or (Deficit) for the period		(4,088,813)	(5,258,550)

NATIONAL ROADS AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
27,144,044	18,066,605	Sale of goods and services to Cabinet		441,076	-
86,055	278,907	Sale of goods and services to Ministries/Portfolios		311,033	324,293
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
10,542	-	Sale of goods and services - third party		-	-
659,410	675,268	Interest received		601,343	674,890
-	-	Donations / Grants		-	-
14,000,000	14,000,000	Other receipts		14,000,000	14,000,000
-	-	<i>Payments</i>		-	-
(10,601,557)	(11,553,929)	Personnel costs		(12,315,833)	(13,156,137)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(22,240,123)	(18,596,971)	Supplies and consumables - third party		(3,270,353)	(3,644,494)
-	-	Interest paid		-	-
(30,608)	-	Other payments		-	-
9,027,763	2,869,880	Net cash flows from operating activities	25	(232,734)	(1,801,448)
		CASH FLOWS FROM INVESTING ACTIVITIES			
(816,875)	(392,406)	Purchase of property, plant and equipment		(750,000)	(750,000)
131,347	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
(685,528)	(392,406)	Net cash flows from investing activities		(750,000)	(750,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		-	-
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
-	-	Net cash flows from financing activities		-	-
8,342,235	2,477,474	Net increase/(decrease) in cash and cash equivalents		(982,734)	(2,551,448)
15,051,783	23,394,018	Cash and cash equivalents at beginning of period		25,871,492	24,888,758
23,394,018	25,871,492	Cash and cash equivalents at end of period		24,888,758	22,337,310

NATIONAL ROADS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	4,653,535	-	-	(6,653,095)	(1,999,560)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	4,653,535	-	-	(6,653,095)	(1,999,560)
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	7,217,052	7,217,052
Total recognised revenues and expenses for the period	-	-	-	7,217,052	7,217,052
Balance at 31 December 2024	4,653,535	-	-	563,957	5,217,492
Balance at 31 December 2024 brought forward	4,653,535	-	-	563,957	5,217,492
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	4,653,535	-	-	563,957	5,217,492
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	(2,257,000)	(2,257,000)
Total recognised revenues and expenses for the period	-	-	-	(2,257,000)	(2,257,000)
Balance at 31 December 2025 carried forward	4,653,535	-	-	(1,693,043)	2,960,492

NATIONAL ROADS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	4,653,535	-	-	(1,693,043)	2,960,492
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	4,653,535	-	-	(1,693,043)	2,960,492
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026	-	-	-	(4,088,813)	(4,088,813)
Total recognised revenues and expenses for the period	-	-	-	(4,088,813)	(4,088,813)
	-	-	-	-	-
Balance at 31 December 2026 carried forward	4,653,535	-	-	(5,781,856)	(1,128,321)
Balance at 31 December 2026 brought forward	4,653,535	-	-	(5,781,856)	(1,128,321)
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	4,653,535	-	-	(5,781,856)	(1,128,321)
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027	-	-	-	(5,258,550)	(5,258,550)
Total recognised revenues and expenses for the period	-	-	-	(5,258,550)	(5,258,550)
	-	-	-	-	-
Balance at 31 December 2027	4,653,535	-	-	(11,040,406)	(6,386,871)

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
8,357,341	10,139,547	CI\$ Account	5,551,198	824,860
30,728	50,728	Payroll Current Account	55,000	55,000
15,005,949	15,681,217	Short-Term Fixed Deposits	19,282,560	21,457,450
23,394,018	25,871,492	TOTAL	24,888,758	22,337,310

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,114,068	1,747,397	Sale of goods and services to Cabinet	1,094,123	987,500
517,181	100,000	Sale of goods and services to Ministries/Portfolios	-	-
3,835	3,835	Sale of goods and services - third party	5,000	5,000
(73,523)	(73,523)	Less: provision for doubtful debts	(73,523)	(73,523)
4,561,561	1,777,709	Total trade receivables	1,025,600	918,977

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
4,561,561	1,777,709	Past due 1-30 days	1,025,600	918,977
-	-	- Past due 31-60 days	-	-
-	-	- Past due 61-90 days	-	-
-	-	- Past due 90 and above	-	-
-	-	- Non-Current	-	-
-	-	- Past due 1 year and above	-	-
4,561,561	1,777,709	Total	1,025,600	918,977

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,839	-	Advances (salary, Official Travel, etc)	-	-
26,513	-	Other	-	-
-	-	Less: provision for doubtful debts	-	-
29,352	-	Total other receivables	-	-

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
29,352	-	- Past due 1-30 days	-	-
-	-	- Past due 31-60 days	-	-
-	-	- Past due 61-90 days	-	-
-	-	- Past due 90 and above	-	-
-	-	- Non-Current	-	-
-	-	- Past due 1 year and above	-	-
29,352	-	Total	-	-

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(73,523)	(73,523)	Balance at beginning of period	(73,523)	(73,523)
(73,523)	(73,523)	Balance at 31st December	(73,523)	(73,523)

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
44,747	57,652	Inventory held for use in the provision of goods and services	60,000	65,000
44,747	57,652	INVENTORIES - Current	60,000	65,000
-	-	INVENTORIES - Non-Current	-	-
44,747	57,652	TOTAL INVENTORIES	60,000	65,000

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
240,225	240,225		145,000	152,250
240,225	240,225	Prepayments - Current	145,000	152,250
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
240,225	240,225	Total Prepayments	145,000	152,250

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	4,618,072	273,836	230,432	124,072	47,318	4,526,766	9,820,496
Additions	451,634	-	1,295	28,354	-	335,591	816,875
Disposals and Derecognition	-	-	-	-	-	(217,205)	(217,205)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2024	5,069,706	273,836	231,727	152,426	47,318	4,645,153	10,420,165

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	5,069,706	273,836	231,727	152,426	47,318	4,645,153	10,420,165
Additions	251,857	31,400	7,216	6,568	5,065	90,300	392,406
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2025	5,321,563	305,236	238,943	158,994	52,383	4,735,453	10,812,571

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	5,321,563	305,236	238,943	158,994	52,383	4,735,453	10,812,571
Additions	562,500	-	-	-	-	187,500	750,000
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2026	5,884,063	305,236	238,943	158,994	52,383	4,922,953	11,562,571

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	5,884,063	305,236	238,943	158,994	52,383	4,922,953	11,562,571
Additions	562,500	-	-	-	-	187,500	750,000
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2027	6,446,563	305,236	238,943	158,994	52,383	5,110,453	12,312,571

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	2,710,134	273,836	187,907	99,358	40,693	2,914,362	6,226,289
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2024	324,780	-	13,244	13,272	1,928	246,186	599,410
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-	(32,022)	(32,022)
Balance as at 31 December 2024	3,034,914	273,836	201,151	112,630	42,622	3,128,526	6,793,678

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	3,034,914	273,836	201,151	112,630	42,622	3,128,526	6,793,678
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2025	343,795	1,832	13,666	15,421	2,130	263,563	640,405
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	3,378,709	275,667	214,817	128,050	44,751	3,392,089	7,434,083

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	3,378,709	275,667	214,817	128,050	44,751	3,392,089	7,434,083
Transfers	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-
Depreciation Expense 2026	382,378	3,140	13,589	13,123	2,292	297,345	711,866
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-
Balance as at 31 December 2026	3,761,087	278,807	228,406	141,173	47,043	3,689,434	8,145,950

	<i>Plant and equipment</i>	<i>Leasehold improvements</i>	<i>Furniture and fittings</i>	<i>Computer hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	3,761,087	278,807	228,406	141,173	47,043	3,689,434	8,145,950
Transfers	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-
Depreciation Expense 2027	417,173	3,140	315	9,675	2,136	314,952	747,391
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-
Balance as at 31 December 2027	4,178,260	281,947	228,721	150,848	49,179	4,004,386	8,893,341

Net Book value 31 December 2024	2,034,792	-	30,576	39,796	4,696	1,516,627	3,626,487

Net Book value 31 December 2025	1,942,854	29,568	24,126	30,944	7,632	1,343,364	3,378,488

Net Book value 31 December 2026	2,122,976	26,428	10,537	17,821	5,340	1,233,519	3,416,621

Net Book value 31 December 2027	2,268,303	23,288	10,222	8,146	3,204	1,106,067	3,419,230

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	234,033	234,033
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	234,033	234,033

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	234,033	234,033
Additions	2,684	2,684
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	236,717	236,717

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	236,717	236,717
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	236,717	236,717

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	236,717	236,717
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	236,717	236,717

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	196,513	196,513
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	15,411	15,411
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	211,924	211,924

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	211,924	211,924
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	8,763	8,763
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	220,687	220,687

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	220,687	220,687
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	6,211	6,211
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	226,898	226,898

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	226,898	226,898
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	6,211	6,211
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	233,108	233,108

Net Book value 31 December 2024	22,109	22,109

Net Book value 31 December 2025	16,030	16,030

Net Book value 31 December 2026	9,819	9,819

Net Book value 31 December 2027	3,609	3,609

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
599,410	640,405	Property Plant Equipment	711,866	747,391
15,411	8,763	Intangible Assets	6,211	6,211
614,822	649,168	Total depreciation expense	718,077	753,602

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
1,570,861	1,272,819	Creditors Third party	1,086,123	978,000
38,432	18,430	Creditors Ministries/Portfolios	8,000	9,500
246,976	-	Creditors other Statutory Agencies and Government Companies	-	-
164,421	195,358	Accrued Expenses	205,126	215,382
2,020,690	1,486,607	Trade payables other payables and accruals - Current	1,299,249	1,202,882
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
2,020,690	1,486,607	Total trade payables other payables and accruals	1,299,249	1,202,882

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
101,317	101,317	Annual Leave/Comp-time	106,383	111,702
101,317	101,317	Total current portion	106,383	111,702
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
101,317	101,317	Total employee entitlements	106,383	111,702

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
6,806,000	7,176,927	Value of pension fund allocated assets	7,567,405	7,979,829
(5,657,000)	(5,985,106)	Past service liability (Enter -No.)	(6,332,242)	(6,699,512)
1,149,000	1,191,821	Fund (deficiency)/Surplus	1,235,163	1,280,317

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(25,728,000)	(25,728,000)	Defined benefit liability- post retirement healthcare	(27,985,000)	(30,503,650)
-	(2,257,000)		(2,518,650)	(2,745,329)
(25,728,000)	(27,985,000)	Total Unfunded Health Care Liability	(30,503,650)	(33,248,979)

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
5,250	5,250	Fees and Charges	5,400	5,670
14,000,000	14,000,000	General Sales	14,000,000	14,000,000
12,745	13,190	Other Goods & Services Revenue	13,850	14,543
22,335,869	15,282,753	Sale of goods and services to Cabinet	-	-
596,789	278,907	Sale of goods and services to Other Ministries and Portfolios	295,000	309,750
36,950,653	29,580,100	Total sales of goods and services	14,314,250	14,329,963

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
5,250	5,250		5,400	5,670
5,250	5,250	Total Fees & Charges	5,400	5,670

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
14,000,000	14,000,000		14,000,000	14,000,000
14,000,000	14,000,000	Total General Sales	14,000,000	14,000,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
12,745	13,190		13,850	14,543
12,745	13,190	Total Other Goods & Services Revenue	13,850	14,543

		<i>Other Interdepartmental Revenue</i>		
596,789	278,907	Revenue from Ministries/Portfolios	295,000	309,750
596,789	278,907	Total Other Interdepartmental Revenue	295,000	309,750
36,950,653	29,580,100	Total Goods and Services	14,314,250	14,329,963

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
659,410	675,268	Interest on deposits	601,343	674,890
659,410	675,268	Total Investment revenue	601,343	674,890

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,323,777	7,978,828	Salaries, wages and allowances	8,377,769	8,796,658
2,550,132	3,071,112	Health care CINICO	3,414,168	3,809,388
2,576,000	2,257,000	Health care other	2,518,650	2,745,329
235,000	239,365	Pension	251,333	263,900
33,228	-	Leave	-	-
182,420	264,624	Other personnel related costs	272,563	286,191
12,900,557	13,810,929	Total Personnel Costs	14,834,483	15,901,466

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,532,098	3,787,527	Supplies and Materials	587,000	616,350
14,139,740	11,187,040	Purchase of services	546,000	573,300
92,135	97,498	Lease of Property and Equipment	45,000	45,000
1,278,178	1,282,412	Utilities	1,346,533	1,413,859
174,377	193,776	General Insurance	203,465	213,638
463,171	476,400	Interdepartmental expenses	400,508	410,348
194,770	178,000	Recruitment and Training	183,340	188,840
826,327	849,618	Other	140,000	147,000
21,700,796	18,052,271	Total Supplies & consumables	3,451,846	3,608,335

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,217,052	(2,257,000)	Surplus/(deficit) from ordinary activities	(4,088,813)	(5,258,550)
		Non-cash movements		
614,822	649,168	Depreciation & Amortisation	718,077	753,602
-	-	Impairment	-	-
53,836	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
-	2,690,797	(Increase)/decrease in other current assets - Cabinet	3,050,083	1,655,654
(27,715)	15,345	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(55,383)	(365,782)
4,328,849	1,155,001	(Increase)/decrease in other current assets - Ministries Portfolios	53,887	(400,070)
(1,119,549)	12,905	(Increase)/decrease in other current assets - Other	(92,877)	12,250
-	69,581	(Increase)/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
(2,039,531)	534,083	(Increase)/(decrease) in current liabilities - Other	182,292	1,801,448
9,027,763	2,869,880	Net cash flows from operating activities	(232,734)	(1,801,448)

NATIONAL ROADS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,021,786	1,032,753	Salaries & other short-term employee benefits	1,212,949	1,278,830
1,021,786	1,032,753	Total	1,212,949	1,278,830

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

PORT AUTHORITY OF THE CAYMAN ISLANDS

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Port Authority of the Cayman Islands have agreed the Port Authority of the Cayman Islands will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Port Authority of the Cayman Islands is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Port Authority of the Cayman Islands activities involve the management of the maritime affairs of the Cayman Islands.

SCOPE OF ACTIVITIES

The scope of the Port Authority of the Cayman Islands activities is as follows:

- Providing and maintaining facilities for the offloading of cargo imports into all three Islands.
- To contribute to the growth of cruise tourism (and thereby the economy), by providing and maintaining facilities to accommodate the cruise ship passengers.
- Providing and maintaining navigational markers in Cayman Islands waters.
- Providing a patrolling presence, using two fully equipped motor vessels, in the immediate harbour area of the Cayman Islands during cruise ship visits.
- Providing a safe and enjoyable environment for the Port Authority's staff and customers.
- Enforcement of the Port Authority Act and the Regulations

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Port Authority of the Cayman Islands are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Port Authority of the Cayman Islands for the 2026 and 2027 financial years are as follows:

- Improve the image of the Cayman Islands and the experience of the cruise tourist, by maintaining and upgrading the existing cruise ship arrival facilities in George Town and at Spotts. This will enhance our competitiveness as a cruise destination as we continue to meet international standards.
- To fine tune the existing computer system, to meet management's need for more useful management reports and to serve the customer needs more efficiently. This is part of our efforts to modernize and improve the Port to increase performance, resiliency and the quality of life for Caymanians.
- To improve operations through the continued upkeep to existing equipment as well as the purchase of new and more efficient equipment.
- Improve the efficiency of cargo operations by continuing the phased implementation of our master development plan which involves the modernization and expansion of the existing facilities.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Port Authority of the Cayman Islands for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	35,395	35,316	35,225
OPERATING EXPENSES	39,127	41,263	37,419
OPERATING SURPLUS/(DEFICIT)	(3,732)	(5,947)	(2,194)
NET WORTH	47,638	42,171	50,891
CASH FLOWS FROM OPERATING ACTIVITIES	2,412	347	4,716
CASH FLOWS FROM INVESTING ACTIVITIES	(3,800)	(5,280)	(8,610)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(1,388)	(4,933)	(3,894)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	5.33:1	3.33:1	6.57:1
TOTAL ASSETS: TOTAL LIABILITIES	1.85:1	1.70:1	1.98:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	202	202	202
STAFF TURNOVER			
MANAGERS	-	-	1
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	2
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	24	25	23
PROFESSIONAL AND TECHNICAL STAFF	15	16	14
CLERICAL AND LABOURER STAFF	21	22	20
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	HR PLUS PLATFORM	HR PLUS PLATFORM	HR PLUS PLATFORM

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	103,566	102,040	102,921
ASSET REPLACEMENTS: TOTAL ASSETS	0.04: 1	0.06: 1	0.09: 1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.77: 1	0.76: 1	0.79: 1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.63: 1	0.49: 1	0.27: 1
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
ADMIN, WAREHOUSE AND TERMINALS RENNOVATIONS	650	-	500
DOCK AND RWCT UPGRADES	600	300	150
CAYMAN BRAC OFFICE AND DOCK REHABILITATION	200	-	235
MARINE VESSELS	-	500	500
FLEET REPLACEMENT	500	900	475
ASSET REPLACEMENT	400	480	900
CRANE AND HEAVY EQUIPMENT	1,450	3,100	5,850
TOTAL	3,800	5,280	8,610

RISK MANAGEMENT

KEY RISKS	MITIGATION STRATEGIES
<i>Strategic risks</i> • Lack of long-term planning • Capital Structure	• Master Plan developed. Further work being pursued. • Better cash management
<i>Compliance risks</i> • Risk of breach of Port Laws and Regulations • Risk of breach of PMFA and Regulations • Risk of non-compliant financial reports • Risk of breach of security protocols	• Keep professional staff updated • Continuing training and development of staff • Regular reporting to strategic levels • Continual training and regular reporting
<i>Operational risks</i> • Inability to efficiently discharge cargo • Personal injury or fatality during operations • Terrorism • Breakdown of equipment • Lawsuits for negligence • Hurricanes and Storms	• Trained personnel; rotated staff • Safety procedures; adequate insurance • Security protocols; trained security staff • Backup equipment; maintenance programs • Hurricane plan practiced continually • Price negotiations • Operational efficiency • Manage risk value within \$750,000
<i>Reputational risks</i> • Damage to the Cayman Tourism Brand • Loss of confidence in Port's ability to deliver	• Manage key relationships in the cruise sector • Training; capacity maintenance; upskilling of technical staff

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Port Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	35,395	35,316	35,225
OPERATING EXPENSES	39,127	41,263	37,419
NET SURPLUS/(DEFICIT)	(3,732)	(5,947)	(2,194)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	103,566	102,040	102,921
LIABILITIES	55,927	59,869	52,030
NET WORTH	47,639	42,171	50,891

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	2,412	347	4,716
CASH FLOWS FROM INVESTING ACTIVITIES	(3,800)	(5,280)	(8,610)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁴¹	-	-
REMUNERATION ⁴² PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	828	871
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	828	871

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	3	3

⁴¹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

⁴² Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Port Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

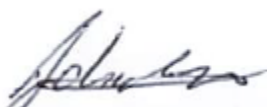
Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Port Authority of the Cayman Islands will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Johany Ebanks, MP

Minister for Planning, Lands, Agriculture, Housing, and Infrastructure

On behalf of Cabinet



Chairman of the Board

Port Authority of the Cayman Islands

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Port Authority of the Cayman Islands for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Port Authority of the Cayman Islands

31 December 2025

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PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

1. Background information

The Port Authority of the Cayman Islands (the “Port Authority”) is a statutory body established on September 15, 1976 under the Port Authority Act. This Act was revised in 1999. The Port Authority is also governed by the *Port Regulations (2020 Revision)* and the *Public Authorities Act (2020 Revision)*.

The Port Authority is principally engaged in the management of the maritime affairs of the Cayman Islands.

2. Significant accounting policies

The principal accounting policies adopted by the Port Authority are as follows:

(a) Changes in accounting policies

The Port Authority recognizes the effects of changes in accounting policy retrospectively. When presentation or classification of items in the financial statements are amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impractical to do so.

(b) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results may differ from these estimates.

(c) Financial instruments

The Port Authority adopted IFRS 9 effective January 1, 2018. IFRS 9 supersedes IAS 39, Financial Instruments-Recognition and Measurement (IAS 39). IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of the financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. The Port Authority adopted IFRS 9 retrospectively with no restatements of comparatives. The adoption did not result in any material adjustment to the carrying amounts of financial assets, financial liabilities or opening general reserve balance.

(i) Recognition and Derecognition

The Port Authority recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when control over the contractual rights to receive cash flows and benefits related to the financial assets are transferred and/or substantially all the risk and rewards of ownership had been given to another party. Financial liabilities are derecognized when obligations under the contract expire and are discharged or cancelled.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

(i) Classification and Measurement

Under IFRS, financial assets and financial liabilities are initially measured at fair value, with subsequent measurement determined in line with their classification. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (“FVTPL”) are recognized immediately in the profit or loss.

The Port Authority classifies its financial assets (subsequently) in the following specified categories:

- Amortized cost;
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Amortized cost: Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets at amortized cost include cash and cash equivalents, accounts receivable, other receivables and deposits.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Port Authority does not currently have any financial assets measured subsequently at fair value.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at FVTPL unless they meet the criteria above to be measured at amortized cost or FVTOCI.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

The following table presents the types of financial instruments held by the Port Authority within each financial instrument classification under IAS 39 and IFRS 9:

	IAS 39		IFRS 9
	Classification	Measurement basis	Classification and Measurement basis
Financial Assets:			
Cash and Cash Equivalents	Loans and Receivables	Amortized Cost	Amortized Cost
Accounts and other receivables	Loans and Receivables	Amortized Cost	Amortized Cost
Financial Liabilities			
Accounts payable and accrued expenses	Other liabilities	Amortized Cost	Amortized Cost

(ii) Impairment of Financial Assets

Under IFRS 9, financial assets under all categories are assessed for impairment based on the expected loss model. The expected loss model requires a loss allowance to be recorded at an amount equal to:

- expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or
- expected credit losses that result from all possible default events over the life of the financial instrument.

A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. The Port Authority does not hold any financial instruments that exhibit such an increase in risk to warrant a loss allowance for lifetime expected credit losses.

Additionally, entities can elect an accounting policy of recognizing lifetime expected credit losses for all contract assets and/or trade receivables, including those that contain a significant financing component.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

The Port Authority assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The only financial asset for which a loss allowance has been recorded equal to the 12-month expected credit losses as at the yearend is the account receivable and other receivable, through the allowance for doubtful accounts. The measurement of the expected credit losses reflects an unbiased amount that is determined by evaluating the range of possible outcomes. To measure the expected credit losses, account receivable and other receivables have been grouped on shared credit risk characteristics using reasonable and supportable information about past events, current conditions, reasonable supportable forecast of future economic conditions and days past due.

Financial liabilities are initially measured at fair value net of transaction cost. Subsequently, they are measured at amortized cost using the effective interest method. Financial liabilities at amortized cost include accounts payable and accrued expenses, current and long-term loans.

(d) Property, Plant and Equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses.

Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Comprehensive Income in the year in which the asset is acquired.

Land, buildings and Docks reported in the Statement of Financial Position as of the period end are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment loss. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising from the revaluation of such asset is recognized in other comprehensive income in the Statement of Comprehensive Income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same class of asset previously in other income/expense in the Statement of Comprehensive Income. In this case, the increase is credited to the other income or expense to the extent of the decrease previously expensed. A decrease in the carrying amount arising from the revaluation of such asset is recognized in the other income/expense to the extent that it exceeds the balance, if any, held at revaluation reserve relating to previous revaluation gain of that class of asset.

Computer equipment, computer software, furniture and equipment, light and buoys and loose tools are stated at cost less accumulated depreciation and accumulated impairment losses.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis at the following rates estimated to write off the cost of the assets over their expected useful lives:

Buildings	20 - 50 Years
Marine Dock	20 - 50 years
Cranes and Heavy Equipment	10 - 25 years
Lights and buoys	5 - 15 Years
Equipment and furniture	5 Years
Computer Equipment	5 Years
Vehicles	5 years
Computer Software	5 years
Loose Tools	5 years
Right of Use	3 - 10 years

Residual values and useful lives are reviewed, and adjusted if necessary, at the end of each reporting period.

i. Additions

The cost of an item of property, plant, and equipment is recognized as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Port Authority and the cost of the item can be measured reliably.

Work in progress is recognized at cost less impairment and is not depreciated.

ii. Disposals

Gains and losses on disposals are determined by comparing the sales proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Income.

iii. Subsequent costs

Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Port Authority and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognized in the Statement of Comprehensive Income as they are incurred.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

iv. Revaluation gains and losses

The Port Authority values its assets to ensure that the carrying amount does not exceed the recoverable amount. This is intended to move the assets to being reported at fair value rather than at historical cost. For the year ended 31 December 2022, the plant and equipment was reported at revalued amounts less subsequent depreciation where applicable. This value was determined by reference to the market (dealers, traders and online auctions) and adjusted for transportation and other direct costs normally associated with the relevant assets.

It is not expected that the fair values would have materially changed since the last valuation was performed. Buildings and docks were reported at fair value less subsequent depreciation and Land was reported at fair value. Leases were reported at net present value less amortization. This equates to their fair values.

v. Impairment

The carrying amount of the Port Authority's assets other than inventories (see note 3(i)) are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(e) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising from derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the period in which the property is derecognised.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

(a) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Cayman Islands dollars at the foreign currency exchange rate at the statement of financial position dates. Foreign exchange differences arising from translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the foreign exchange rates at the dates that the fair values were determined.

(b) Provision for expected credit losses of trade receivables

The Authority uses simplified loss rate model for trade receivable. The written off amount is used to calculate a loss rate for the calculation of the expected credit losses. Loss given default is taken at full amount, unless given specific considerations. Management determines that the effective interest rate of the deposit and current accounts is insignificant and concludes that the effect of discounting is trivial. Forward looking information is considered; however, no adjustment is made in the current year due to the trades receivables being short-term in nature and the loss rate reflects the current and future outlook of the portfolio.

(c) Construction in progress

This relates to cost incurred attributable to bringing the asset to condition necessary for it to be capable of operating in the manner intended for its use. They are then reclassified to the appropriate fixed asset category once completed. Construction in progress is measured at cost. No depreciation is calculated until it is completed and available for its intended use.

(d) Inventory

Inventory consists of diesel fuel and service parts and consumables for the Port Authority's fleet of vehicles, cranes and other specialised equipment. These are valued at the lower of net realisable value or cost, on a first in, first out basis. Inventory is recorded net of an allowance for obsolete items. Any change in the allowance for obsolescence is reflected in the Statements of Comprehensive Income in the year of change. There was no provision for obsolescence in the year ended 31 December 2024 or 31 December 2023.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

(f) Revenue recognition

The Port Authority adopted IFRS 15, Revenue from Contracts with Customers, effective 1 January 2018. IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures.

The Port Authority adopted IFRS 15, Revenue from Contracts with Customers, effective 1 January 2018. IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18, Revenue, and a number of revenue-related interpretations. IFRS 15 applies to nearly all contracts with customers. The main exceptions are leases, financial instruments and insurance contracts. The Port Authority's material revenue streams subject to IFRS 15 are cargo, vessels and revenue from cruise passenger services. The adoption of IFRS 15 did not result in any material change to the pattern of revenue recognition by the Port Authority. The Port Authority adopted the standard using the modified retrospective approach with no restatement of comparatives and did not record any adjustment upon adoption.

Revenue is measured at the fair value of the consideration received or receivable, and is recognized when the amount of revenue can be reasonably measured, collection is probable, and when it is likely that the economic benefits associated with the transaction will flow to the Port Authority for each of the various revenue streams. Amounts recognized and classified as revenue arising in the ordinary course of activities of the Port Authority include the following:

(i) Revenue from vessels, cargo and passengers

Revenue earned from vessels, cargo and passengers is recognized when services are substantially rendered.

Also included in port revenue is receipt of diesel sales to small boats recognized as revenue upon receipt. The expenses (cost of sales) incurred in the sales are reported on a net basis with the associated income.

(ii) Passenger fees

In accordance with the Port Authority Regulation (Revision 2020), the Port Authority charges the owners or agent of every ship a passenger fee of \$2.46 for every passenger appearing on the manifest as passenger fees.

(iii) Rent income

Rent income is recognized on a straight-line basis over the term of the lease agreement. Rent deposits are classified as liability and included in accounts payable and accrued expense.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

2. Significant accounting policies (continued)

(iv) Other income

Other income includes items that are non-recurring and not directly related to the Port Authority's operations and activities in the ordinary course of business.

(g) Expenses

Expenses are recognized in the accounting period in which they are incurred.

(h) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(i) Pension and other post-retirement benefits

The Port Authority participates in the Silver Thatch Pension Plan, a defined contribution pension fund, in accordance with the Cayman Islands National Pension Act. The Port Authority makes monthly contributions of 10% of an employee's salary to an approved pension provider. Employees who joined after July 2018 are required to contribute 50% of their pension. This was changed to the Port Authority making 100% pension contributions for all employees beginning January 2021. Contributions are charged to expenses, as they are incurred based on set contribution rates.

These amendments have no impact on the financial statements of the Port Authority as it does not have any interest rate hedge relationships.

(j) Going Concern

These financial statements have been prepared on going concern basis. Management has a reasonable expectation that the Port has and will have adequate resources to continue in operational existence for the foreseeable future.

3. Restricted bank balances

Management has placed restrictions on the use of certain bank balances in order to fund the future expenditures for Defined Benefit Health Care. An actuarial valuation is done annually to determine the movement of the liability and annual expense in order to properly reflect same in the financial records. Given the extent of the liability, the Board directed that funds be set aside on a monthly basis to meet the obligation over time.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

The Board of Directors approved the establishment of a depreciation fund to be used for the replacement of assets. This involves the setting aside of 50% of the monthly depreciation in short term deposits. This will gradually increase to 100% of the depreciation as funds become available.

4. Related party transactions

The Port Authority also engages the services of other departments of the Cayman Islands Government. Such services are provided on an arm's length basis.

5. Fair value disclosure

The following methods and assumptions were used by management to estimate the fair value of each class of financial instruments:

(a) Cash and cash equivalents

The carrying amount approximates fair value.

(b) Accounts receivable / other receivables / other assets / accounts payable and accrued expenses / related party / prepaid expenses

The above financial instruments are substantially short term, and do not bear interest. As such, their carrying amount approximates their fair value.

(c) Current and long-term debt

Included in these balances is non-interest-bearing obligations for post-employment health care. The carrying amount of these obligations represents the discounted liability and is adjusted each year by actuarial valuation to account for changes in assumptions and inputs.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in interest rate assumptions have been reflected in note 11. Changes in the discount rate assumptions could significantly affect the estimates, especially for the defined benefit liability, as seen in note 11.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

6. Financial instruments and associated risks

The Port Authority's activities expose it to various types of risk. Financial risk can be broken down into credit risk, interest rate risk, and foreign currency risk. The Port Authority is exposed to financial risks through its financial assets, and financial liabilities. The most important types of financial risk to which the Port Authority is exposed are credit and interest rate risk.

Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted. To reduce exposure to credit risk, the Port Authority performs ongoing credit evaluations of the financial condition of its customers but generally does not require collateral.

The Port Authority invests available cash and cash equivalents with one local bank. The Port Authority also holds receivables from clients. Counterparties to these financial instruments expose the Port Authority to credit-related losses in the event of non-performance. However, management does not expect the bank and the debtors to renege on their obligations, due to the soundness of the bank and the credit checks done by the Port Authority. When bad debts are identified, they are expensed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Port Authority holds cash and cash equivalents that are interest bearing and as a result, the Port Authority is subject to risk due to fluctuations in the prevailing levels of market interest rates in relation to these financial instruments.

Foreign currency risk

The Port Authority receives revenue in Cayman Islands Dollars (CI\$) as well as United States Dollars (US\$), and pays expenses in both currencies. Since the exchange between CI\$ and US\$ is fixed, the Port Authority is not exposed to foreign currency risk.

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
18,730,565	14,836,204	Cash and cash equivalents	1	13,448,199	8,515,689
-	-	Marketable securities and deposits		-	-
2,387,922	1,945,562	Trade receivables	2	1,983,398	2,037,974
152,276	50,000	Other receivables	2	50,000	50,000
1,821,950	1,544,099	Inventories	3	1,421,104	1,342,432
-	-	Investments	4	-	-
349,835	50,000	Prepayments	5	50,000	50,000
-	-	Loans	6	-	-
23,442,548	18,425,865	Total Current Assets		16,952,701	11,996,095
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
9,100,000	9,900,000	Investments	4	10,700,000	11,500,000
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
67,977,172	74,161,577	Property, plant and equipment	7	75,585,872	78,278,966
540,281	433,707	Right-of-use assets	9	327,133	264,536
-	-	Intangible Assets	8	-	-
77,617,453	84,495,284	Total Non-Current Assets		86,613,005	90,043,502
101,060,001	102,921,149	Total Assets		103,565,706	102,039,597
		Current Liabilities			
1,596,418	1,458,221	Trade payables	11	1,939,679	2,443,679
926,108	901,855	Other payables and accruals	11	915,397	906,397
542,834	443,147	Lease Liability	9	325,152	251,480
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
3,065,360	2,803,223	Total Current Liabilities		3,180,228	3,601,556
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
45,376,000	49,227,000	Unfunded post retirement health care	16	52,747,000	56,267,000
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
45,376,000	49,227,000	Total Non-Current Liabilities		52,747,000	56,267,000
48,441,360	52,030,223	Total Liabilities		55,927,228	59,868,556
52,618,641	50,890,926	Net Assets		47,638,478	42,171,041
		NET WORTH			
-	-	Contributed capital		-	-
-	-	Other Reserves		-	-
37,438,374	37,918,374	Revaluation reserve		38,398,374	38,878,374
15,180,267	12,972,552	Accumulated surpluses/(deficits)		9,240,104	3,292,667
52,618,641	50,890,926	Total Net Worth		47,638,478	42,171,041

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
35,073,139	34,974,541	Sale of goods and services	17	35,194,948	35,165,902
206,413	250,000	Investment revenue	18	200,000	150,000
-	-	Donations	19	-	-
-	-	Other revenue		-	-
35,279,552	35,224,541	Total Revenue		35,394,948	35,315,902
		Expenses			
19,130,027	22,393,948	Personnel costs	20	23,576,289	24,986,358
9,584,093	9,057,314	Supplies and consumables	21	9,868,827	10,427,478
1,996,428	2,436,854	Depreciation and Amortisation	10	2,482,280	2,649,503
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
(95,303)	(800,000)	Other (Gains)/losses	24	(800,000)	(800,000)
6,265,000	4,331,000	Other Operating expenses		4,000,000	4,000,000
36,880,245	37,419,116	Total Expenses		39,127,397	41,263,339
(1,600,693)	(2,194,575)	Surplus or (Deficit) for the period		(3,732,448)	(5,947,437)

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
-	-	- Sale of goods and services to Cabinet		-	-
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
34,752,420	36,166,901	- Sale of goods and services - third party		35,857,111	35,761,326
-	-	- Interest received		-	-
-	-	- Donations / Grants		-	-
-	-	- Other receipts		-	-
-	-	<i>Payments</i>		-	-
(19,130,027)	(22,393,948)	- Personnel costs		(23,576,290)	(24,986,358)
(887,386)	(914,008)	- Supplies and consumables - Ministries/Portfolios		(941,428)	(969,671)
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
(8,703,799)	(8,143,307)	- Supplies and consumables - third party		(8,927,398)	(9,457,808)
-	-	- Interest paid		-	-
-	-	- Other payments		-	-
6,031,208	4,715,639	Net cash flows from operating activities	25	2,411,996	347,489
		CASH FLOWS FROM INVESTING ACTIVITIES			
(687,059)	(8,610,000)	- Purchase of property, plant and equipment		(3,800,000)	(5,280,000)
-	-	- Proceeds from sale of property, plant and equipment		-	-
-	-	- Purchase of investments		-	-
-	-	- Proceeds from sale of investments		-	-
(687,059)	(8,610,000)	Net cash flows from investing activities		(3,800,000)	(5,280,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	- Equity Investment from Cabinet		-	-
-	-	- Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	- Borrowings		-	-
-	-	- Repayment of Borrowings		-	-
-	-	- Currency Issues		-	-
-	-	Net cash flows from financing activities		-	-
5,344,149	(3,894,361)	Net increase/(decrease) in cash and cash equivalents		(1,388,004)	(4,932,511)
13,386,416	18,730,565	Cash and cash equivalents at beginning of period		14,836,204	13,448,199
18,730,565	14,836,204	Cash and cash equivalents at end of period		13,448,199	8,515,688

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	-	-	37,438,374	16,662,867	54,101,241
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	118,093	118,093
Restated balance 31 December 2023	-	-	37,438,374	16,780,960	54,219,334
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	(1,600,693)	(1,600,693)
Total recognised revenues and expenses for the period	-	-	-	(1,600,693)	(1,600,693)
Balance at 31 December 2024	-	-	37,438,374	15,180,267	52,618,641
Balance at 31 December 2024 brought forward	-	-	37,438,374	15,180,267	52,618,641
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	(13,140)	(13,140)
Restated balance 31 December 2024	-	-	37,438,374	15,167,127	52,605,501
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	480,000	-	480,000
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	480,000	-	480,000
Surplus/(deficit)for the period 2025	-	-	-	(2,194,575)	(2,194,575)
Total recognised revenues and expenses for the period	-	-	480,000	(2,194,575)	(1,714,575)
Balance at 31 December 2025 carried forward	-	-	37,918,374	12,972,552	50,890,926

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)
Balance at 31 December 2025 brought forward	-	-	37,918,374	12,972,552
Prior Year Adjustments	-	-	-	-
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2025	-	-	37,918,374	12,972,552
Changes in net worth for 2026				
Gain/(loss) on property revaluation	-	-	480,000	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	480,000	-
Surplus/(deficit)for the period 2026	-	-	-	(3,732,448)
Total recognised revenues and expenses for the period	-	-	480,000	(3,732,448)
Balance at 31 December 2026 carried forward	-	-	38,398,374	9,240,104
Balance at 31 December 2026 brought forward	-	-	38,398,374	9,240,104
Prior Year Adjustments	-	-	-	-
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2026	-	-	38,398,374	9,240,104
Changes in net worth for 2027				
Gain/(loss) on property revaluation	-	-	480,000	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	480,000	-
Surplus/(deficit)for the period 2027	-	-	-	(5,947,437)
Total recognised revenues and expenses for the period	-	-	480,000	(5,947,437)
Balance at 31 December 2027	-	-	38,878,374	3,292,667

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
300	300	Cash on hand	300	300
5,631,532	5,038,444	CI\$ Account	3,085,644	4,015,389
992,572	1,655,205	US\$ Account	1,200,000	1,000,000
12,106,161	8,142,255	Short-Term Fixed Deposits	9,162,255	3,500,000
18,730,565	14,836,204	TOTAL	13,448,199	8,515,689

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,976,118	2,533,758	Sale of goods and services - third party	2,571,594	2,626,170
(588,196)	(588,196)	Less: provision for doubtful debts	(588,196)	(588,196)
2,387,922	1,945,562	Total trade receivables	1,983,398	2,037,974

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
1,528,381	1,137,480	Past due 1-30 days	1,173,398	1,222,974
84,522	87,520	Past due 31-60 days	90,000	85,000
-	-	Past due 61-90 days	-	-
775,019	720,562	Past due 90 and above	720,000	730,000
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
2,387,922	1,945,562	Total	1,983,398	2,037,974

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
152,276	50,000	Other	50,000	50,000
-	-	Less: provision for doubtful debts	-	-
152,276	50,000	Total other receivables	50,000	50,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
152,276	50,000	Past due 1-30 days	50,000	50,000
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
-	-	Non-Current	-	-
-	-	Past due 1 year and above	-	-
152,276	50,000	Total	50,000	50,000

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(294,206)	(588,196)	Balance at beginning of period	(588,196)	(588,196)
(293,990)	-	Additional provisions made during the year	-	-
(588,196)	(588,196)	Balance at 31st December	(588,196)	(588,196)

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
1,821,950	1,544,099	Inventory held for use in the provision of goods and services	1,421,104	1,342,432
1,821,950	1,544,099	INVENTORIES - Current	1,421,104	1,342,432
-	-	INVENTORIES - Non-Current	-	-
1,821,950	1,544,099	TOTAL INVENTORIES	1,421,104	1,342,432

NOTE 4: INVESTMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Investments - at the lower of cost or market value	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Investments		
-	-	Investments - Current	-	-
		Non-Current Investments		
9,100,000	9,900,000	Investment Property	10,700,000	11,500,000
9,100,000	9,900,000	Investments -Non-Current	10,700,000	11,500,000
9,100,000	9,900,000	Total Investments	10,700,000	11,500,000

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
349,835	50,000	Prepaid Expenses	50,000	50,000
349,835	50,000	Prepayments - Current	50,000	50,000
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
349,835	50,000	Total Prepayments	50,000	50,000

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Marine Vessels	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	41,625,000	24,505,224	1,809,386	2,426,483	13,584,845	-	911,724	67,412	84,930,074
Additions	-	353,360	87,519	94,549	107,232	-	16,502	27,900	687,062
Disposals and Derecognition	-	-	-	-	(76,471)	-	-	-	(76,471)
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	41,625,000	24,858,584	1,896,905	2,521,032	13,615,606	-	928,226	95,312	85,540,665

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Marine Vessels	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	41,625,000	24,858,584	1,896,905	2,521,032	13,615,606	-	928,226	95,312	85,540,665
Additions	85,000	800,000	300,000	600,000	6,325,000	500,000	-	-	8,610,000
Disposals and Derecognition	-	-	-	-	-	-	-	(95,312)	(95,312)
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(3)	-	-	-	(3)
Balance as at 31 December 2025	41,710,000	25,658,584	2,196,905	3,121,032	19,940,603	500,000	928,226	-	94,055,350

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Marine Vessels	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	41,710,000	25,658,584	2,196,905	3,121,032	19,940,603	500,000	928,226	-	94,055,350
Additions	-	1,450,000	300,000	100,000	1,950,000	-	-	-	3,800,000
Disposals and Derecognition	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	1	-	1
Balance as at 31 December 2026	41,710,000	27,108,584	2,496,905	3,221,032	21,890,603	500,000	928,227	-	97,855,351

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Marine Vessels	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	41,710,000	27,108,584	2,496,905	3,221,032	21,890,603	500,000	928,227	-	97,855,351
Additions	-	300,000	300,000	180,000	4,000,000	500,000	-	-	5,280,000
Disposals and Derecognition	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	41,710,000	27,408,584	2,796,905	3,401,032	25,890,603	1,000,000	928,227	-	103,135,351

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Marine Vessels	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	-	4,001,819	1,582,872	2,202,707	7,113,155	-	844,860	-	15,745,413
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	1,351,197	96,667	76,971	351,354	-	13,665	-	1,889,854
Eliminate on Disposal or Derecognition 2024	-	-	-	-	(71,774)	-	-	-	(71,774)
Balance as at 31 December 2024	-	5,353,016	1,679,539	2,279,678	7,392,735	-	858,525	-	17,563,493
Balance as at 1 January 2025	-	5,353,016	1,679,539	2,279,678	7,392,735	-	858,525	-	17,563,493
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	1,383,197	156,667	196,971	561,031	18,749	13,665	-	2,330,280
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	6,736,213	1,836,206	2,476,649	7,953,766	18,749	872,190	-	19,893,773
Balance as at 1 January 2026	-	6,736,213	1,836,206	2,476,649	7,953,766	18,749	872,190	-	19,893,773
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	1,441,197	140,667	209,471	551,957	18,749	13,665	-	2,375,706
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	8,177,410	1,976,873	2,686,120	8,505,723	37,498	885,855	-	22,269,479
Balance as at 1 January 2027	-	8,177,410	1,976,873	2,686,120	8,505,723	37,498	885,855	-	22,269,479
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	1,453,197	200,667	245,471	655,157	18,749	13,665	-	2,586,906
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	9,630,607	2,177,540	2,931,591	9,160,880	56,247	899,520	-	24,856,385
Net Book value 31 December 2024	41,625,000	19,505,568	217,366	241,354	6,222,871	-	69,701	95,312	67,977,172
Net Book value 31 December 2025	41,710,000	18,922,371	360,699	644,383	11,986,837	481,251	56,036	-	74,161,577
Net Book value 31 December 2026	41,710,000	18,931,174	520,032	534,912	13,384,880	462,502	42,372	-	75,585,872
Net Book value 31 December 2027	41,710,000	17,777,977	-	619,365	469,441	16,729,723	943,753	28,707	78,278,966

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
496,443	716,719	Balance at the start of the year	716,719	716,719
220,276	-	Additions in the year	-	-
716,719	716,719	Balance at the end of the year	716,719	716,719

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
69,864	176,438	Balance at the start of the year	283,012	389,586
106,574	106,574	Additions in the year	106,574	62,597
176,438	283,012	Balance at the end of the year	389,586	452,183

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
540,281	433,707	Net Book Value	327,133	264,536

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
431,935	542,834	Balance at the start of the year (Third Party)	443,147	325,152
220,276	-	Additions in the year (Third Party)	-	-
		Lease terminations in the year (Third Party)		
652,211	542,834		443,147	325,152
(109,377)	(99,687)	Repayments in the year - Principal (Third Party)	(117,995)	(73,672)
542,834	443,147	Balance at the end of the year (Third Party)	325,152	251,480
542,834	443,147	TOTAL CURRENT	325,152	251,480

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
542,834	443,147	TOTAL LEASE LIABILITY	325,152	251,480

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
106,574	106,574	Depreciation charge for right of use	106,574	62,597
11,894	19,394	Interest expense on lease liabilities	12,770	6,690
118,468	125,968	Total cash outflow for leases	119,344	69,287

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial risk management
As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability		443,147		443,147	443,147

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability		325,152		325,152	325,152

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability		251,480		251,480	251,480

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,889,854	2,330,280	Property Plant Equipment	2,375,706	2,586,906
106,574	106,574	Right-of-use assets	106,574	62,597
1,996,428	2,436,854	Total depreciation expense	2,482,280	2,649,503

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
1,596,418	1,458,221	Creditors Third party	1,939,679	2,443,679
137,838	135,208	Payroll Deductions	134,000	130,000
671,873	650,250	Accrued Expenses	665,000	660,000
116,397	116,397	Other payables	116,397	116,397
2,522,526	2,360,076	Trade payables other payables and accruals - Current	2,855,076	3,350,076
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
2,522,526	2,360,076	Total trade payables other payables and accruals	2,855,076	3,350,076

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(45,376,000)	(49,227,000)	Defined benefit liability- post retirement healthcare	(52,747,000)	(56,267,000)
(45,376,000)	(49,227,000)	Total Unfunded Health Care Liability	(52,747,000)	(56,267,000)

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
33,779,776	33,681,178	Fees and Charges	33,901,585	33,872,539
1,293,363	1,293,363	Rentals	1,293,363	1,293,363
35,073,139	34,974,541	Total sales of goods and services	35,194,948	35,165,902

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
25,698,048	25,955,028	Cargo handling	25,695,478	25,438,523
6,213,539	6,081,059	Cruise ship passenger fees	6,525,045	6,715,800
1,374,593	1,285,541	Maritime services	1,324,107	1,363,830
385,724	259,550	Other income	256,955	254,385
107,872	100,000	Diesel sales	100,000	100,000
33,779,776	33,681,178	Total Fees & Charges	33,901,585	33,872,539

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,293,363	1,293,363	Rental Income	1,293,363	1,293,363
1,293,363	1,293,363	Total Rentals	1,293,363	1,293,363

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
35,073,139	34,974,541	Total Goods and Services	35,194,948	35,165,902

NOTE 18: INVESTMENT REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
206,413	250,000	Interest on deposits	200,000	150,000
206,413	250,000	Total Investment revenue	200,000	150,000

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
15,312,241	17,265,630	Salaries, wages and allowances	18,128,912	19,035,357
2,179,081	2,600,809	Health care other	2,834,882	3,090,021
1,399,090	1,655,787	Pension	1,670,078	1,847,505
239,615	871,722	Other personnel related costs	942,418	1,013,475
19,130,027	22,393,948	Total Personnel Costs	23,576,289	24,986,358

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
5,085,604	3,833,955	Supplies and Materials	4,123,125	4,315,077
2,622,359	3,282,503	Purchase of services	3,737,812	4,035,084
755,486	781,928	Utilities	809,295	837,621
887,386	914,008	General Insurance	941,428	969,671
233,258	244,921	Travel and Subsistence	257,167	270,025
9,584,093	9,057,314	Total Supplies & consumables	9,868,827	10,427,478

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,697	-	Net (gain) / loss on disposal of property, plant and equipment	-	-
(100,000)	(800,000)	Net (gain) / loss on Derecognition and revaluation of assets	(800,000)	(800,000)
(95,303)	(800,000)	Total gains/ (losses)	(800,000)	(800,000)

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(1,600,693)	(2,194,575)	Surplus/(deficit) from ordinary activities	(3,732,448)	(5,947,437)
		Non-cash movements		
1,996,428	2,436,854	Depreciation & Amortisation	2,482,280	2,649,503
4,697	-	(Gain)/losses on sale of property plant and equipment	-	-
(100,000)	(800,000)	(Gain) / loss on Derecognition and revaluation of assets	(800,000)	(800,000)
6,159,729	4,313,487	Other Non-cash movement	3,882,006	3,926,327
-	-	Changes in current assets and liabilities:	-	-
(743,046)	1,122,322	(Increase)/decrease in other current assets - Other	85,158	24,096
314,093	(162,450)	(Increase)/(decrease) in current liabilities - Other	495,000	495,000
6,031,208	4,715,638	Net cash flows from operating activities	2,411,996	347,489

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
764,630	732,560	Salaries & other short-term employee benefits	762,500	799,340
764,630	732,560	Total	762,500	799,340

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

PUBLIC SERVICE PENSIONS BOARD

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

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APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Public Service Pensions Board have agreed the Public Service Pensions Board (PSPB) will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Public Service Pensions Board is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Public Service Pensions Board's activities involve pension administration and fund investment management services.

SCOPE OF ACTIVITIES

The scope of Public Service Pensions Board activities is as follows:

- a) Administration of the:
 - Public Service Pensions Plan
 - Parliamentary Pensions Plan
 - Judicial Pension Plan
 - Ex-Gratia Pensions Scheme including engagement with Government on funding
- b) Management of the Public Service Pensions Fund investments
- c) Policy advice on pension requirements for public service pension plans, pension reform and directing the drafting of related legislation.

CUSTOMERS AND LOCATION OF ACTIVITIES

The Public Service Pensions Board provides pension administration and fund investments management services to its membership comprised of:

- eligible employees of the;
 - Cayman Islands Government;
 - Participating statutory authorities (Cayman Islands Development Board, Cayman Islands Monetary Authority, Water Authority, Cayman Turtle Centre, National Roads Authority, Civil Aviation Authority, Airports Authority, Maritime Authority of the Cayman Islands, Health Service Authority, CAYS Foundation, Utility Regulation and Competition Office (OfReg), Cayman Islands Attractions Authority, CINICO, Cayman Stock Exchange and Public Service Pensions Board);
 - The Speaker and elected members of the Parliament; and
 - Judges of the Grand Court
- Deferred Vested plan members; and
- Pensioners.

Industry advisory services are provided to the Cayman Islands Government and non-core services provided to other stakeholders.

The Public Service Pensions Board services are provided locally.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Public Service Pensions Board (PSPB) for the 2026 and 2027 financial years are as follows:

STRATEGIC GOALS

PSPB 2022 Strategy: Driving Plan Sustainability

1. Aligns with our “Member Services” focus;
2. Sets the operational direction for the next 5 years; and
3. Sets out a stakeholder driven 5-year roadmap to advance The Authority toward its vision to provide best in class investment programme and excellence in Member Services whilst maintaining Plan sustainability.

The Strategy is focused on the following strategic goals:

1. Improve the long-term sustainability of the Plan;
2. Cultivate at all levels a high-performing, risk-intelligent and innovative organization focusing on Excellence in Member Services; and
3. Engage in Government policy development to enhance the long-term sustainability and effectiveness of our pension schemes.

STRATEGIC OBJECTIVES and ACTIVITIES

The fundamental mission of the Public Service Pensions Board is to administer the Plans, manage the Fund, and provide quality and timely service to its members and other stakeholders. Its strategic objective and activities are membership focused, aligns with the strategic goals of the organisation, and sets the operational direction for the period, as we build toward achieving the PSPB 2022 Strategy.

These objectives and activities are detailed in the Public Service Pensions Board’s Annual Business Plan document.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Public Service Pensions Board for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	18,620	19,950	17,505
OPERATING EXPENSES	18,620	19,950	17,505
OPERATING SURPLUS/DEFICIT	-	-	-
NET WORTH	-	-	-
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	-	-	-

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	-	-	-
TOTAL ASSETS: TOTAL LIABILITIES	-	-	-

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	-	-	37
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	17.4
PROFESSIONAL AND TECHNICAL STAFF	-	-	12.0
CLERICAL AND LABOURER STAFF	-	-	14.0
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	-	-	-
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
NEW OFFICE ACCOMODATION	-	-	TBD
TOTAL	-	-	-

5. RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Hurricane	Risk Unchanged	Hurricane Preparedness Plan in place.	Unquantifiable
Public Liability	Risk Unchanged	Seeking public liability coverage (tendered process).	Unquantifiable
Loss of key personnel	Risk Unchanged	Training and development in place as retention incentive.	Unquantifiable
Cyber Security	Risk Unchanged	Cyber security insurance, third party and penetration cloud-based testing.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Public Service Pensions Board is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	18,620	19,950	17,505
OPERATING EXPENSES	18,620	19,950	17,505
NET SURPLUS/(DEFICIT)	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	-	-	-
LIABILITIES	-	-	-
NET WORTH	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO PUBLIC SERVICE PENSIONS BOARD	-	-
CAPITAL WITHDRAWALS FROM PUBLIC SERVICE PENSIONS BOARD	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY PUBLIC SERVICE PENSIONS BOARD	-	-
GOVERNMENT LOANS TO BE MADE TO PUBLIC SERVICE PENSIONS BOARD	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO PUBLIC SERVICE PENSIONS BOARD	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁴³	-	-
REMUNERATION ⁴⁴ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	-	-
NUMBER OF KEY SENIOR MANAGEMENT (MD)	-	-

⁴³ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

⁴⁴ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Public Service Pensions Board undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Public Service Pensions Board will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Franz Manderson, MBE, Cert Hon

Deputy Governor

On behalf of Cabinet



Chairman of the Board

Public Service Pensions Board

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Public Service Pensions Board for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board

Public Service Pensions Board

31 December 2025

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PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Basis of preparation

PSPB's financial statements are prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards and present the aggregate financial position of the Fund as a separate financial reporting entity independent of the plan sponsors and plan participants.

They are prepared to assist participants and others in reviewing the activities of the Fund for the fiscal period, but they do not portray the funding requirements of the Plan or the benefits security of individual plan participants.

The following are a summary of the **significant** accounting policies used:

Reporting and functional currency

The financial statements are presented in Cayman Islands dollars, rounded to the nearest thousand.

Changes in accounting policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Judgments and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires judgments, estimates and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Contributions

Contributions are accounted for on the accrual basis and are reflective of the latest gazetted contribution rates

PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Investments

Investments are stated at their fair market value at the date of the Statements of Net Assets Available for Benefits. Realized and unrealized gains and losses are recognized in the Statements of Changes in Net Assets Available for Benefits.

Investment income

Investment income is accounted for on the accrual basis.

PUBLIC SERVICE PENSIONS BOARD
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Fixed assets

Fixed assets are initially recorded at cost. Subsequently, depreciation is charged to operations per annum on a straight-line basis as follows:

Furniture and fixtures	10%
Computer equipment and software	20%
Office equipment	20%
Vehicle	20%

Intangibles

Intangible asset is comprised of externally acquired software for internal use. It is measured at cost and amortized on a straight-line basis over its useful life over a period not exceeding 5 years.

Disposals

Gains and losses on disposals of fixed assets are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Changes in Net Assets Available for Benefits.

Foreign currency transactions

Transactions in foreign currencies, other than in US Dollars, are translated at the rate of exchange prevailing at the date of the transaction. Transactions in US dollars are translated at the rate of US\$1.20 = CI\$1.00.

Changes in International Financial Reporting Standards

Leases

Leases are accounted for under the guidance provided by IFRS 16.

PUBLIC SERVICE PENSIONS BOARD

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
-	-	- Sale of goods and services	17	-	-
-	-	- Investment revenue	18	-	-
-	-	- Donations	19	-	-
13,410,417	17,505,389	Other revenue		18,619,980	19,950,375
13,410,417	17,505,389	Total Revenue		18,619,980	19,950,375
		Expenses			
3,534,295	5,927,817	Personnel costs	20	6,224,208	6,691,024
2,518,320	3,127,616	Supplies and consumables	21	3,283,997	3,530,300
323,981	228,833	Depreciation and Amortisation	10	392,284	392,284
-	-	- Impairment of Inventory, property, plant and equipment		-	-
14,129	151,178	Finance costs & overdraft interest (including lease interest)	22	246,049	227,817
-	-	- Litigation costs	23	-	-
-	-	- Other (Gains)/losses	24	-	-
7,019,693	8,069,945	Other Operating expenses		8,473,442	9,108,950
13,410,417	17,505,389	Total Expenses		18,619,980	19,950,375
-	-	Surplus or (Deficit) for the period		-	-

PUBLIC SERVICE PENSIONS BOARD

NOTES TO THE FORECAST FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
323,981	228,833	Depreciation charge for right of use	392,284	392,284
323,981	228,833	Total cash outflow for leases	392,284	392,284

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
323,981	228,833	Right-of-use assets	392,284	392,284
323,981	228,833	Total depreciation expense	392,284	392,284

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,675,440	3,520,008	Salaries, wages and allowances	3,696,008	3,973,209
542,590	1,041,905	Health care CINICO	1,094,000	1,176,050
254,820	413,296	Pension	433,961	466,508
61,446	952,608	Other personnel related costs	1,000,238	1,075,256
3,534,295	5,927,817	Total Personnel Costs	6,224,208	6,691,024

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
19,675	25,274	Supplies and Materials	26,538	28,528
-	598,904	Lease of Property and Equipment	628,849	676,013
39,168	33,831	Utilities	35,523	38,190
119,739	144,300	General Insurance	151,515	162,879
56,298	97,651	Travel and Subsistence	102,534	110,224
32,391	244,144	Recruitment and Training	256,351	275,578
2,251,048	1,983,512	Other	2,082,688	2,238,889
2,518,320	3,127,616	Total Supplies & consumables	3,283,997	3,530,300

NOTE 22: FINANCE COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
14,129	151,178	Interest on borrowings	246,049	227,817
14,129	151,178	Total Finance cost	246,049	227,817

PUBLIC SERVICE PENSIONS BOARD

**NOTES TO THE FORECAST FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027**

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Surplus/(deficit) from ordinary activities	-	-
		Non-cash movements		
323,981	228,833	Depreciation & Amortisation	392,284	392,284
		Changes in current assets and liabilities:		
323,981	228,833	Net cash flows from operating activities	392,284	392,284

OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

**SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT
CORPORATION**

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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2. Nature and Scope of Activities
3. Strategic Goals and Objectives
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Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Sister Islands Affordable Housing Corporation have agreed the Sister Islands Affordable Housing Corporation will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Sister Islands Affordable Housing Corporation is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Sister Islands Affordable Housing Development Corporation activities involve being an important factor in the economic development of the Cayman Islands by providing affordable homes to Caymanians in the Sister Islands.

SCOPE OF ACTIVITIES

The scope of the Sister Islands Affordable Housing Development Corporation activities is as follows:

- Construction of affordable homes to be sold to the Caymanian public in the Sister Islands at an affordable price.
- Assisting with financing Caymanian households in the Sister Islands that qualify under criteria set by the Corporation for the purchase of an affordable home that have been constructed under the supervision of the Corporation.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Sister Islands Affordable Housing Development Corporation are provided only within the Sister Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Sister Islands Affordable Housing Corporation for the 2026 and 2027 financial years are as follows:

STRATEGIC GOALS

- To become a well-structured, efficiently managed organization that is fair and prudent in its processing and selection of eligible applicants for the affordable homes offered by the Corporation.
- To identify the housing needs of Caymanians in the Sister Islands and to continue developing affordable homes to meet these needs and which will contribute to the economic development of the Sister Islands.

OBJECTIVES

- Where necessary, to seek out additional funding for future development of affordable housing that have been identified as an imperative need in the economic development of the Sister Islands.
- To continue a close working relationship with the local construction industry in the Sister Islands
- To develop new homes for the households in the Sister Islands community.
- To ensure that the Sister Islands Affordable Housing Development Corporation is managed in an efficient and prudent manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Sister Islands Affordable Housing Corporation for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	569	570	600
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	552	552	387
OPERATING EXPENSES	-	-	759
OPERATING SURPLUS/DEFICIT	1,121	1,122	228
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	48	48	89
CASH FLOWS FROM INVESTING ACTIVITIES	24	37	37
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	85	84	114

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	74.8:1	74.8:1	61.4:1
TOTAL ASSETS: TOTAL LIABILITIES	33.7:1	33.7:1	33.7:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	-	-	-
STAFF TURNOVER (%)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	-	-	-
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
CONSTRUCTION OF 3 HOUSES FOR SALE	1,000	1,000	700
TOTAL	1,000	1,000	700

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Destruction, damage or loss of assets	Ongoing	Safeguard assets Contracts All Risk Insurance	Undetermined
Dwindling number of eligible applicants due to small community in Sister Islands	Ongoing	Closely monitor the need for this service Begin construction on a house only if a pre-qualifying applicant is available	Going concern of the Corporation
Applicants not qualifying for bank loans or opting out after the house has been completed	Ongoing	Board of Directors perform financial due diligence on clients prior to breaking ground	Not being able to sell a house for a long period of time therefore incurring maintenance costs
Potential budget reductions from Government to cover administrative costs of the Corporation	Ongoing	Two Ministry representatives attend all board meetings to keep abreast of the operations of the Corporation	Going concern of the Corporation

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Sister Islands Affordable Housing Corporation is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	1,121	1,121	987
OPERATING EXPENSES	-	-	759
NET SURPLUS/(DEFICIT)	-	-	228

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	2,803	2,803	2,803
LIABILITIES	83	83	83
NET WORTH	2,720	2,720	2,720

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	48	48	89
CASH FLOWS FROM INVESTING ACTIVITIES	37	37	24
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
CAPITAL WITHDRAWALS FROM SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
GOVERNMENT LOANS TO BE MADE TO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁴⁵	-	-
REMUNERATION ⁴⁶ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	None	None

⁴⁵ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

⁴⁶ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Sister Islands Affordable Housing Corporation undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Sister Islands Affordable Housing Corporation will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Nickolas DaCosta, MP

Minister for District Administration and Home Affairs

On behalf of Cabinet



Chairman of the Board

Sister Islands Affordable Housing Development Corporation

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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SISTER ISLANDS AFFORDABLE HOUSING CORPORATION
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Sister Islands Affordable Housing Corporation for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board

Sister Islands Affordable Housing Development Corporation

31 December 2025

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SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

1. Establishment and principal activities

The Sister Islands Affordable Housing Development Corporation (SIAHDC) was incorporated as a non-profit company on 1 June 2006 and is a wholly owned Government entity.

The main purpose of the Organization is to promote affordable home ownership on Cayman Brac and Little Cayman. Two properties are currently owned on Cayman Brac: Watering Place and West End with spaces for 15 homes and 20-30 homes respectively.

The Sister Islands Affordable Housing Development Corporation aims to provide quality concrete construction freehold homes which are owned outright by the successful applicants. The Organization works closely with the Public Works Department and the Ministry of District Administration and Lands.

The main office is located at the Avistar Building III, Unit# 48, West End, Cayman Brac and correspondences may be sent to P.O. Box 141, Cayman Brac KY2-2101.

2. Significant accounting policies

These Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision). The significant accounting policies adopted by the SIAHDC in these financial statements are as follows:

(a) Basis of preparation

The Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision). The measurement base applied is historical cost adjusted for revaluations of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

(b) Use of estimates

The preparation Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the forecast financial statements as well as the reported amounts of income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the reporting period and in any future periods that are affected by those revisions.

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(c) Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(d) Reporting Period

The reporting period is the year ended 31 December 2026 and 2027.

(e) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statement date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of Financial Performance.

(f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(g) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collected by the SIAHDC according to the agreed terms, a provision for bad debt is established.

(h) Property, plant and equipment/depreciation

In keeping the accounting policies of the Government of the Cayman Islands, who is the sole shareholder, all fixed asset purchases under CI\$1,000 are immediately expensed. Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization and any impairment losses. Depreciation is charged to the statement of Financial Performance on a straight-line basis based on the estimated useful life of the Asset.

(i) Revenue recognition

Revenue is recognized at the point the Organization meets the obligations to the purchaser. Revenue from housing sales is recognized at the point of sale.

(j) Expense

Expenses are recognized when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received.

(k) Operating lease

Lease payments are recognized as an expense on a straight-line basis over the lease term.

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(l) Land

Land was acquired from the Government at no cost and is recorded at fair market value at the date of acquisition.

(m) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retirement leave and other similar benefits are recognized in the Operating Statement when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of SIAHDC are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Board.

Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration. Saxon Pensions are the Client Services Agent and Coutts Cayman are the Investment Managers.

(n) Financial Instruments

i. Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favorable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable. Financial liabilities are comprised of accounts payables and accrued expenses.

ii. Recognition

The Sister Islands Affordable Housing Development Corporation recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of Financial Performance.

iii. Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

iv. De-recognition

A financial asset is derecognized when the Sister Islands Affordable Housing Development Corporation realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled or expired.

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

iii. Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

iv. De-recognition

A financial asset is derecognized when the Sister Islands Affordable Housing Development Corporation realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(o) Provisions and Contingencies

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

(p) Subsequent Events

Post year-end events that provide additional information about the Sister Islands Affordable Housing Development Corporation's position at the balance sheet date (adjusting event) re reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to the financial statements when material.

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,372,532	2,486,385	Current Assets			
-	-	Cash and cash equivalents	1	2,571,133	2,655,533
7,509	7,079	Marketable securities and deposits			
158,627	134,223	Trade receivables	2	-	-
-	-	Other receivables	2	7,079	7,079
207,018	175,246	Inventories	3	97,617	61,010
-	-	Investments	4	-	-
-	-	Prepayments	5	127,451	79,657
-	-	Loans	6	-	-
2,745,686	2,802,933	Total Current Assets		2,803,280	2,803,280
-	-	Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
726	347	Property, plant and equipment	7	-	-
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
726	347	Total Non-Current Assets		-	-
2,746,412	2,803,280	Total Assets		2,803,280	2,803,280
36,991	37,500	Current Liabilities			
-	-	Trade payables	11	37,500	37,500
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
36,991	37,500	Total Current Liabilities		37,500	37,500
-	-	Non-Current Liabilities			
217,295	45,615	Trade payables	11	-	-
-	-	Other payables and accruals	11	45,615	45,615
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Unfunded pension liability	15	-	-
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
217,295	45,615	Total Non-Current Liabilities		45,615	45,615
254,286	83,115	Total Liabilities		83,115	83,115
2,492,127	2,720,165	Net Assets		2,720,165	2,720,165
3,452,627	3,452,627	NET WORTH			
-	-	Contributed capital		3,452,627	3,452,627
-	-	Other Reserves		-	-
(960,501)	(732,462)	Revaluation reserve		-	-
		Accumulated surpluses/(deficits)		(732,462)	(732,462)
2,492,127	2,720,165	Total Net Worth		2,720,165	2,720,165

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
-	930,000	Sale of goods and services	17	1,064,263	1,065,116
-	-	Investment revenue	18	-	-
-	-	Donations	19	-	-
54,805	56,935	Other revenue		56,935	56,935
54,805	986,935	Total Revenue		1,121,198	1,122,050
		Expenses			
-	-	Personnel costs	20	-	-
1,503	715,817	Supplies and consumables	21	1,072,950	1,072,950
411	379	Depreciation and Amortisation	10	347	-
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
42,366	42,700	Other Operating expenses		47,900	49,100
44,279	758,896	Total Expenses		1,121,198	1,122,050
10,526	228,039	Surplus or (Deficit) for the period		-	-

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
37,405	600,000	Sale of goods and services to Cabinet		569,263	570,116
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
-	330,000	Sale of goods and services - third party		495,000	495,000
49,613	57,364	Interest received		56,935	56,935
-	-	- Donations / Grants		-	-
-	-	- Other receipts		-	-
-	-	<i>Payments</i>			
-	-	Personnel costs		-	-
(32,476)	(34,491)	Supplies and consumables - Ministries/Portfolios		(37,800)	(37,800)
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
10,482	(863,424)	Supplies and consumables - third party		(1,035,256)	(1,036,456)
-	-	- Interest paid		-	-
-	-	- Other payments		-	-
65,024	89,449	Net cash flows from operating activities	25	48,142	47,794
		CASH FLOWS FROM INVESTING ACTIVITIES			
-	-	- Purchase of property, plant and equipment		-	-
-	-	- Proceeds from sale of property, plant and equipment		-	-
-	-	- Purchase of investments		-	-
300,223	24,404	Proceeds from sale of investments		36,606	36,606
300,223	24,404	Net cash flows from investing activities		36,606	36,606
		CASH FLOWS FROM FINANCING ACTIVITIES			
(300,223)	-	- Equity Investment from Cabinet		-	-
-	-	- Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	- Borrowings		-	-
-	-	- Repayment of Borrowings		-	-
-	-	- Currency Issues		-	-
(300,223)	-	Net cash flows from financing activities		-	-
65,024	113,853	Net increase/(decrease) in cash and cash equivalents		84,748	84,400
2,307,508	2,372,532	Cash and cash equivalents at beginning of period		2,486,385	2,571,133
2,372,532	2,486,385	Cash and cash equivalents at end of period		2,571,133	2,655,533

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	3,752,850	-	51,250	(971,027)	2,833,073
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	3,752,850	-	51,250	(971,027)	2,833,073
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	(51,250)	-	(51,250)
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	(300,223)	-	-	-	(300,223)
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	(300,223)	-	(51,250)	-	(351,473)
Surplus/(deficit)for the period 2024				10,526	10,526
Total recognised revenues and expenses for the period	(300,223)	-	(51,250)	10,526	(340,947)
Balance at 31 December 2024	3,452,627	-	-	(960,501)	2,492,127
Balance at 31 December 2024 brought forward	3,452,627	-	-	(960,501)	2,492,127
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	3,452,627	-	-	(960,501)	2,492,127
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025				228,039	228,039
Total recognised revenues and expenses for the period	-	-	-	228,039	228,039
Balance at 31 December 2025 carried forward	3,452,627	-	-	(732,462)	2,720,165

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	3,452,627	-	-	(732,462)	2,720,165
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	3,452,627	-	-	(732,462)	2,720,165
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2026				-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2026 carried forward	3,452,627	-	-	(732,462)	2,720,165
Balance at 31 December 2026 brought forward	3,452,627	-	-	(732,462)	2,720,165
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	3,452,627	-	-	(732,462)	2,720,165
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027				-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2027	3,452,627	-	-	(732,462)	2,720,165

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Cash on hand	-	-
-	-	Cash in transit	-	-
94,269	441,501	CI\$ Account	526,249	610,649
-	-	US\$ Account	-	-
-	-	Bank Overdraft	-	-
-	-	Payroll Current Account	-	-
-	-	Bank Accounts held at other financial institutions	-	-
2,278,263	2,044,884	Short-Term Fixed Deposits	2,044,884	2,044,884
2,372,532	2,486,385	TOTAL	2,571,133	2,655,533

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	-	Advances (salary, Official Travel, etc)	-	-
-	-	Dishonoured cheques	-	-
6,509	6,079	Interest receivable	6,079	6,079
1,000	1,000	Other	1,000	1,000
-	-	Less: provision for doubtful debts (Enter -ve number)	-	-
7,509	7,079	Total other receivables	7,079	7,079

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
7,509	7,079	Past due 1-30 days	7,079	7,079
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
		Non-Current		
-	-	Past due 1 year and above	-	-
7,509	7,079	Total	7,079	7,079

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
158,627	134,223	Inventory held for sale	97,617	61,010
158,627	134,223	INVENTORIES - Current	97,617	61,010
		Non-Current Inventories		
-	-	INVENTORIES - Non-Current	-	-
158,627	134,223	TOTAL INVENTORIES	97,617	61,010

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
207,018	175,246		127,451	79,657
-	-		-	-
207,018	175,246	Prepayments - Current	127,451	79,657
		Non-Current Prepayments		
-	-		-	-
-	-	Prepayments - Non-Current	-	-
207,018	175,246	Total Prepayments	127,451	79,657

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2024	3,596	3,596
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	3,596	3,596

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2025	3,596	3,596
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	3,596	3,596

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2026	3,596	3,596
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	3,596	3,596

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2027	3,596	3,596
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	3,596	3,596

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2024	2,459	2,459
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	411	411
Eliminate on Disposal or Derecognition 2024	-	-
Balance as at 31 December 2024	2,870	2,870

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2025	2,870	2,870
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	379	379
Eliminate on Disposal or Derecognition 2025	-	-
Balance as at 31 December 2025	3,249	3,249

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2026	3,249	3,249
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	347	347
Eliminate on Disposal or Derecognition 2026	-	-
Balance as at 31 December 2026	3,596	3,596

	<i>Furniture and Fittings</i>	<i>Total</i>
Balance as at 1 January 2027	3,596	3,596
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	-	-
Eliminate on Disposal or Derecognition 2027	-	-
Balance as at 31 December 2027	3,596	3,596

Net Book value 31 December 2024	726	726

Net Book value 31 December 2025	347	347

Net Book value 31 December 2026	-	-

Net Book value 31 December 2027	-	-

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
411	379	Property Plant Equipment	347	-
-	-	Intangible Assets	-	-
-	-	Right-of-use assets	-	-
411	379	Total depreciation expense	347	-

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
36,991	37,500	Creditors Ministries/Portfolios	37,500	37,500
36,991	37,500	Trade payables other payables and accruals - Current	37,500	37,500
		Non-Current Trade payables other payables and accruals		
217,295	45,615	Other payables	45,615	45,615
217,295	45,615	Trade payables other payables and accruals - Non-Current	45,615	45,615
254,286	83,115	Total trade payables other payables and accruals	83,115	83,115

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	330,000	Other Goods & Services Revenue	495,000	495,000
-	600,000	Sale of goods and services to Cabinet	569,263	570,116
-	930,000	Total sales of goods and services	1,064,263	1,065,116

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	330,000	42100 · Housing Sales	495,000	495,000
-	-		-	-
-	330,000	Total Other Goods & Services Revenue	495,000	495,000

		Sales of Outputs to Cabinet		
-	600,000	Sales of Outputs to Cabinet	569,263	570,116
-	-	Other Outputs	-	-
-	600,000	Total Sales of Outputs to Cabinet	569,263	570,116
		Other Interdepartmental Revenue		
-	-	Total Other Interdepartmental Revenue	-	-
-	930,000	Total Goods and Services	1,064,263	1,065,116

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
-	714,267	Supplies and Materials	1,071,400	1,071,400
-	-	- Purchase of services	-	-
-	-	- Lease of Property and Equipment	-	-
1,503	1,550	Utilities	1,550	1,550
-	-	- General Insurance	-	-
-	-	- Interdepartmental expenses	-	-
-	-	- Travel and Subsistence	-	-
-	-	- Recruitment and Training	-	-
-	-	- Other	-	-
1,503	715,817	Total Supplies & consumables	1,072,950	1,072,950

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
10,526	228,039	Surplus/(deficit) from ordinary activities	-	-
		Non-cash movements		
411	379	Depreciation & Amortisation	347	-
		Changes in current assets and liabilities:		
37,405	-	(Increase)/decrease in other current assets - Cabinet	-	-
(189,103)	32,203	(Increase)/decrease in other current assets - Other	47,794	47,794
205,786	(171,171)	(Increase)/(decrease) in current liabilities - Other	-	-

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the University College of the Cayman Islands have agreed the University College of the Cayman Islands will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the University College of the Cayman Islands is to operate during the 2026 and 2027 financial years.

GENERAL NATURE OF ACTIVITIES

The University College of the Cayman Islands operates under the University College Act (2012 revision) of which its principal activities involve developing and teaching Tertiary Level Educational Programmes and Continuing Education courses and complimentary educational services. The University College of the Cayman Islands' mission is to provide higher learning that contributes to the Cayman Islands and global societies by advancing knowledge and developing innovative graduates through its educational, cultural and social activities.

SCOPE OF ACTIVITIES

The University College of the Cayman Islands functions in accordance with the University College Act (2012 Revision), including Section (4) Functions of the College and Section (13) Powers of the Board.

Student-centered education

A UCCI education builds social and cultural capital, advances subject matter expertise and cognitive development, and nurtures agency and civic responsibility providing school leavers and adults with a lifetime of personal and professional successes.

- World-class teaching and assessment of student learning outcomes
- Curated curricular and co-curricular experiences that fortify holistic student development
- Differentiated education to maximize accessibility and relevance for diverse learners
- Clear pathways to employment within the full spectrum of Cayman's core workforce sectors
- Workforce-ready graduates actively recruited by employers who have been active partners in shaping education that includes mentorships, work-based cooperative learning (internships), and integrative career support
- Alumni as lifelong learners who acquire further education and training ensuring their relevance in a rapidly changing workforce

Suitably resourced

Through the strategic engagement of the UCCI campus community with external stakeholders, the institution has secured the resources and relationships needed to fulfill its mission and purpose.

- Diverse and expanded revenue streams including tuition, bursaries, scholarships, philanthropy, and in-kind donations

- Strategic partnerships with employers, government, tertiary and secondary institutions, faith and nonprofit organizations, and professional associations
- Infrastructure (facilities, information systems and technologies) fortifies campus-based learning and facilitates remote access to ubiquitous learning opportunities
- Engaged and philanthropic alumni network
- Generous donors who publicly express affiliation with and support for UCCI
- University culture that expects and rewards continuous learning, innovation and entrepreneurship
- and fosters experimentation and active learning
- Education policy and financial support that prioritize fulfillment of the vision for tertiary education as
- A top cabinet priority.
- Transformative support from the Ministries and other governmental bodies

Engine for economic development, innovation and social change

UCCI's teaching and scholarly activities regularly adapt to address the educational, research and innovation needs of Cayman's main economic sectors providing essential knowledge and support to the economy while undertaking activities aimed at solving societal challenges.

- At UCCI, acquisition, discovery, and application of knowledge supports new and emerging national economic and social priorities.
- Increasingly, UCCI is the primary educational partner in private public partnership agreements in various manners, such as joint projects, collaborative research, and workforce development and training.
- UCCI strategically co-locates with core industries to enhance collaboration and shared learning leading to the creation of new enterprises (incubation), retention of existing businesses (business development), evolution of economic clusters (knowledge transfer), job creation, and attraction and retention of high caliber human talent and investments.
- UCCI undertakes activities aimed at solving societal challenges with varied external stakeholders through active political, civic and community engagements.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the University College of the Cayman Islands are primarily residents and entities of the Cayman Islands and the services provided, are provided in the Cayman Islands and through online services.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the University College of the Cayman Islands for the 2026 and 2027 financial years are as follows:

- UCCI will develop and sustain an innovative and engaging programme of education characterized by high quality teaching and learning, building on the strengths of the institution and meeting the needs of the society and relevant stakeholders. In doing so, emphasis will be placed on the encouragement of diversity, staff development and quality assurance.
- UCCI will become a government-funded, student and employer needs-driven education organization, accredited by regional and international accrediting bodies and collaborating with reputable strategic partners to become an engine for capacity building and economic growth.
- UCCI will become a student-focused centre of excellence that through a holistic approach, will enrich and contribute to nation building by developing productive, socially conscious critical thinkers.
- UCCI will strengthen support and development of all staff; enhancing their effectiveness and contribution to the University goals; in addition to becoming more self-sufficient pursuing alternative revenue streams, allowing increased efficiency and a strong equity base, thus ensuring long-term financial stability and independence.
- UCCI will continue to improve its physical and intellectual facilities and use our existing resources to meet the current needs of our stakeholders while simultaneously embarking on a capital development programme to design, fund and build new resources that will be financially and environmentally sustainable; be physically and intellectually acceptable; meet the needs of growth and development in the community; and contribute to an inspiring learning environment.
- UCCI will be governed by a Board of Governors and an Administrative and Academic Committee (the Academic Senate), a shared self-governance model comprising key stakeholders that will operate with increasing autonomy, good governance, accountability and compliance with all relevant acts, ethics, policies, and the guiding mission of the University College.
- UCCI will collaborate with key stakeholders to provide courses and programmes integrating on-the-job training, motivation, and continuing education to foster socially conscious individuals that possess creativity, productivity, cultural identity and competencies, cohesion and self-esteem, as central aspects of nation building.
- UCCI will develop a multi-faceted communication strategy that clearly defines the University College as an institution that meets the needs of its internal and external clients and stakeholders. This strategy will create a lasting and positive image that will assist UCCI in increasing its student population and financial resources to sustain and grow them over time.

UCCI will engage in scholarly activities for discovery, to integrate and apply knowledge to society's needs, and to promote learning, development and economic growth.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the University College of the Cayman Islands for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	13,294	13,652	11,356
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	379	388	397
REVENUE FROM OTHERS	3,616	3,959	4,060
OPERATING EXPENSES	17,288	17,999	15,813
OPERATING SURPLUS/DEFICIT	-	-	-
NET WORTH	19,794	19,797	18,291
CASH FLOWS FROM OPERATING ACTIVITIES	291	180	(121)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,500)	-	(823)
CASH FLOWS FROM FINANCING ACTIVITIES	1,503	3	1,577
CHANGE IN CASH BALANCES	294	184	632

	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
FINANCIAL PERFORMANCE RATIO			
CURRENT ASSETS: CURRENT LIABILITIES	5.65:1	6.61:1	4.27:1
TOTAL ASSETS: TOTAL LIABILITIES	11.54:1	12.08:1	9.66:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED (Note: does not include adjunct faculty)	98	98	97
STAFF TURNOVER (%)			
MANAGERS	5%	5%	15%
PROFESSIONAL AND TECHNICAL STAFF	10%	10%	12.33%
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	9 years	9 years	8.3 years
PROFESSIONAL AND TECHNICAL STAFF	7.7 years	7.7 years	3.5 years
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	16,805	26,441	14,112
ASSET REPLACEMENTS: TOTAL ASSETS	16%	31%	4%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	73%	78%	74%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	32%	11%	133%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
CAPITAL FUNDING	3,949	10,780	824
TOTAL	3,949	10,780	824

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Past service pension liabilities of approximately \$750k are outstanding to the Public Service Pensions Board (PSPB).	Decreased risk – Equity injection has been received from the Ministry and the outstanding liability paid. UCCI's annual appropriation has been increased to cover this liability going forward.	UCCI has sought approval for an equity injection from the Cabinet to fully fund the outstanding pension obligations.	\$1,914,001 as at the December 31, 2024 actuarial report.
UCCI's ability to achieve and maintain high-quality international institutional accreditation through a U.S. regional accrediting body—as well as to uphold existing programmatic accreditation standards—is contingent upon securing sustained funding to support essential infrastructure, faculty, and staff. Insufficient or delayed funding may jeopardize accreditation efforts, limit academic quality, and affect institutional credibility and competitiveness.	Stable – accreditation requirements are consistent, and additional funding has been sought to achieve and maintain institutional accreditation through a U.S. accrediting body.	UCCI has secured funding to recruit a Director of Accreditation who will oversee all matters pertaining to achieving and maintaining this.	Failure to secure adequate and sustained funding to support accreditation efforts (institutional and programmatic) may result in loss or delay of accreditation status, negatively affecting enrolment, reputation, revenue, and future funding opportunities.
A significant portion of the University's facilities and infrastructure is aging and in need of renovation or replacement.	Increased risk – Deferred renovation backlog is growing.	A strategic Master Plan has been developed, and funding will be sought from Cabinet to improve the University's facilities and infrastructure in the coming years.	Major failure in the current infrastructure could cost \$1m-\$5m depending on the severity.

RISK MANAGEMENT (CONTD)

Recruitment and retention of skilled faculty/staff	Increased risk – Competitive job market, burnout, turnover.	UCCI will seek to ensure that pay/benefits are competitive, professional development options are available and that there are flexible work policies.	High Turnover could cost \$200-\$500k annually in recruitment and productivity loss.
Non-payment of tuition fees leading to increased accounts receivable and potential bad debt write-offs.	Increased risk - There has been a notable increase in the number of students utilizing tuition payment plans; however, the institution currently lacks dedicated personnel effectively manage and collect outstanding balances.	The University will be developing clear payment policies and flexible payment plans to accommodate students, as well as employing additional staff to be more proactive in our collection procedures.	The average provision for uncollectible debt over the past 3 years is \$941k.
Over reliance on Government funding which can fluctuate due to economic downturns, policy changes, or political decisions. Any significant budget cuts would affect the University's ability to operate.	Increased risk – Rising inflation, alongside UCCI's unchanged tuition rates, has intensified the institution's financial dependence on government funding. Roughly 75% of UCCI's funding comes from the Government.	Maintain a reserve fund to cover unexpected shortfalls or crises. UCCI will also seek to diversify its funding streams (donations, industry partnerships, etc).	UCCI operates on an income-neutral budget, meaning expenditures closely match revenues. As a result, any reduction in funding would have a direct and significant impact on operations. For example, a 10% cut in government funding would result in an operating deficit of approximately \$1.3 million.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the University College of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	17,288	17,999	15,813
OPERATING EXPENSES	17,288	17,999	15,813
NET SURPLUS/(DEFICIT)	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	21,671	21,583	20,404
LIABILITIES	1,877	1,786	2,113
NET WORTH	19,794	19,797	18,291

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	291	180	(121)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,500)	-	(823)
CASH FLOWS FROM FINANCING ACTIVITIES	1,503	3	1,576

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO University College of the Cayman Islands	3,949	10,780
CAPITAL WITHDRAWALS FROM University College of the Cayman Islands	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY University College of the Cayman Islands	-	-
GOVERNMENT LOANS TO BE MADE TO University College of the Cayman Islands	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO University College of the Cayman Islands	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁴⁷	-	-
REMUNERATION ⁴⁸ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	2,190	2,366
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	2,190	2,366

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	11	11
NUMBER OF KEY SENIOR MANAGEMENT (MD)	15	15

⁴⁷ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

⁴⁸ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the University College of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance The University College of the Cayman Islands will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Rolston Anglin, MP
Minister for Education and Training
On behalf of Cabinet



Chairman of the Board
University College of the Cayman Islands

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the University College of the Cayman Islands for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
University College of the Cayman Islands

31 December 2025

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UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

General Accounting Policies

Reporting entity

These forecast financial statements are for the University College of the Cayman Islands.

Basis of preparation

Except as noted below under Expenses – Salary increases, the forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period

The reporting period is the periods ending 31 December.

Specific Accounting Policies

Revenue

Output revenue

Output revenue, including revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue

Interest revenue is recognised in the period in which it is earned.

Expenses

General

Expenses are recognised when incurred.

Depreciation

Depreciation of non-financial physical assets is generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets

Cash and cash equivalents

Cash and cash equivalents include cash held in the University's bank accounts and on hand.

Receivables and advances

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Inventory

Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment

Property, Plant and Equipment excluding buildings, are recorded at cost. With the exception of freehold land, fixed assets are depreciated using the straight-line method estimated to write-off the cost of the assets over their expected useful lives.

Land and buildings are carried at fair value.

It is the College's valuation policy to revalue land and buildings every five years. The land and buildings are revalued on a componentized basis, with the resulting revaluation surplus being accounted for within other comprehensive income. The revaluation surplus will only be transferred to retained earnings on disposal of the underlying asset.

Other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost (or fair value if acquired prior to 2010) less accumulated depreciation.

Computer Hardware and Software

Computer hardware and software are recorded at cost and depreciated in accordance with the policy on depreciation.

Liabilities

Accounts Payable

Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Provisions

Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements

Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
2,309,114	2,941,544	Cash and cash equivalents	1	3,235,443	3,419,111
-	-	Marketable securities and deposits		-	-
2,614,163	2,671,729	Trade receivables	2	2,803,623	3,214,881
201,202	60,923	Other receivables	2	250,710	355,421
184,292	212,801	Inventories	3	175,878	148,633
-	-	Investments	4	-	-
514,035	404,413	Prepayments	5	689,340	791,717
-	-	Loans	6	-	-
5,822,806	6,291,411	Total Current Assets		7,154,993	7,929,763
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
14,385,317	14,112,349	Property, plant and equipment	7	14,516,124	13,653,624
-	-	Right-of-use assets	9	-	-
-	-	Intangible Assets	8	-	-
14,385,317	14,112,349	Total Non-Current Assets		14,516,124	13,653,624
20,208,123	20,403,759	Total Assets		21,671,117	21,583,387
		Current Liabilities			
294,673	112,417	Trade payables	11	300,393	215,276
954,160	727,731	Other payables and accruals	11	578,569	604,280
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
331,287	633,875	Unearned revenue	12	387,778	379,466
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
1,580,119	1,474,024	Total Current Liabilities		1,266,740	1,199,022
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
1,914,001	639,001	Unfunded pension liability	15	610,499	587,313
-	-	Unfunded post retirement health care	16	-	-
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
1,914,001	639,001	Total Non-Current Liabilities		610,499	587,313
3,494,120	2,113,025	Total Liabilities		1,877,239	1,786,335
16,714,003	18,290,735	Net Assets		19,793,878	19,797,052
		NET WORTH			
12,197,463	13,771,083	Contributed capital		15,271,083	15,271,083
311,185	314,297	Other Reserves		317,440	320,614
9,002,136	9,002,136	Revaluation reserve		9,002,136	9,002,136
(4,796,781)	(4,796,781)	Accumulated surpluses/(deficits)		(4,796,781)	(4,796,782)
16,714,003	18,290,735	Total Net Worth		19,793,878	19,797,052

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
12,980,703	15,308,804	Revenue			
-	-	Sale of goods and services	17	17,069,186	17,760,461
744,088	504,640	Investment revenue	18	-	-
		Donations	19	219,300	238,116
		Other revenue			
13,724,791	15,813,445	Total Revenue		17,288,486	17,998,577
		Expenses			
8,666,082	10,511,153	Personnel costs	20	11,557,391	12,287,302
4,732,908	4,080,704	Supplies and consumables	21	4,449,871	4,648,775
991,920	1,096,588	Depreciation and Amortisation	10	1,096,224	862,500
-	-	Impairment of Inventory, property, plant and equipment			
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
108,285	125,000	Other Operating expenses		185,000	200,000
14,499,194	15,813,445	Total Expenses		17,288,486	17,998,577
(774,404)	-	Surplus or (Deficit) for the period		-	-

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
594,300	1,870,429	Sale of goods and services to Cabinet		1,670,757	190,719
(7,433)	(975)	Sale of goods and services to Ministries/Portfolios		(17,799)	8,720
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
(1,025,815)	843,949	Sale of goods and services - third party		(460,354)	(32,447)
-	-	Interest received		-	-
193,725	(239,447)	Donations / Grants		(285,340)	18,816
-	-	Other receipts		-	-
		<i>Payments</i>			
(5,837)	(3,172,795)	Personnel costs		(1,280,643)	(717,096)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
926,805	478,628	Supplies and consumables - third party		(451,356)	(391,795)
-	-	Interest paid		-	-
(565,198)	99,358	Other payments		1,115,491	1,103,577
110,546	(120,854)	Net cash flows from operating activities	25	290,756	180,493
		CASH FLOWS FROM INVESTING ACTIVITIES			
(1,268,479)	(823,448)	Purchase of property, plant and equipment		(1,500,000)	(0)
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
(1,268,479)	(823,448)	Net cash flows from investing activities		(1,500,000)	(0)
		CASH FLOWS FROM FINANCING ACTIVITIES			
1,199,928	1,573,620	Equity Investment from Cabinet		1,500,000	-
3,547	3,112	Repayment of Surplus/Dividends or Capital withdrawal		3,143	3,174
		Borrowings		-	-
		Repayment of Borrowings		-	-
		Currency Issues		-	-
1,203,475	1,576,732	Net cash flows from financing activities		1,503,143	3,174
45,542	632,430	Net increase/(decrease) in cash and cash equivalents		293,899	183,668
2,263,572	2,309,114	Cash and cash equivalents at beginning of period		2,941,544	3,235,443
2,309,114	2,941,544	Cash and cash equivalents at end of period		3,235,443	3,419,111

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	10,997,535	307,638	9,387,871	(3,867,244)	16,825,800
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	(385,735)	(155,133)	(540,868)
Restated balance 31 December 2023	10,997,535	307,638	9,002,136	(4,022,377)	16,284,932
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	3,547	-	-	3,547
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	1,199,928	-	-	-	1,199,928
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,199,928	3,547	-	-	1,203,475
Surplus/(deficit)for the period 2024	-	-	-	(774,404)	(774,404)
Total recognised revenues and expenses for the period	1,199,928	3,547	-	(774,404)	429,071
Balance at 31 December 2024	12,197,463	311,185	9,002,136	(4,796,781)	16,714,003
Balance at 31 December 2024 brought forward	12,197,463	311,185	9,002,136	(4,796,781)	16,714,003
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	12,197,463	311,185	9,002,136	(4,796,781)	16,714,003
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	3,112	-	-	3,112
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	1,573,620	-	-	-	1,573,620
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,573,620	3,112	-	-	1,576,732
Surplus/(deficit)for the period 2025	-	-	-	(0)	(0)
Total recognised revenues and expenses for the period	1,573,620	3,112	-	(0)	1,576,732
Balance at 31 December 2025 carried forward	13,771,083	314,297	9,002,136	(4,796,781)	18,290,735

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	13,771,083	314,297	9,002,136	(4,796,781)	18,290,735
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	13,771,083	314,297	9,002,136	(4,796,781)	18,290,735
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	3,143	-	-	3,143
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	1,500,000	-	-	-	1,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,500,000	3,143	-	-	1,503,143
Surplus/(deficit)for the period 2026	-	-	-	(0)	(0)
Total recognised revenues and expenses for the period	1,500,000	3,143	-	(0)	1,503,143
Balance at 31 December 2026 carried forward	15,271,083	317,440	9,002,136	(4,796,781)	19,793,878
Balance at 31 December 2026 brought forward	15,271,083	317,440	9,002,136	(4,796,781)	19,793,878
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	15,271,083	317,440	9,002,136	(4,796,781)	19,793,878
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	3,174	-	-	3,174
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	3,174	-	-	3,174
Surplus/(deficit)for the period 2027	-	-	-	(0)	(0)
Total recognised revenues and expenses for the period	-	3,174	-	(0)	3,174
Balance at 31 December 2027	15,271,083	320,614	9,002,136	(4,796,782)	19,797,052

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
5,130	5,130	Cash on hand	-	-
-	-	Cash in transit	-	-
1,609,488	2,517,448	CI\$ Account	2,862,987	3,019,015
383,311	104,669	US\$ Account	55,016	79,482
-	-	Bank Overdraft	-	-
-	-	Payroll Current Account	-	-
-	-	Bank Accounts held at other financial institutions	-	-
311,185	314,297	Short-Term Fixed Deposits	317,440	320,614
2,309,114	2,941,544	TOTAL	3,235,443	3,419,111

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,606,990	1,652,158	Sale of goods and services to Cabinet	1,919,115	2,086,733
-	-	Sale of goods and services to Ministries/Portfolios	-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies	-	-
2,209,350	1,558,923	Sale of goods and services - third party	2,279,832	2,614,386
-	-	Other	-	-
(1,202,177)	(539,352)	Less: provision for doubtful debts (Enter -ve number)	(1,395,324)	(1,486,238)
2,614,163	2,671,729	Total trade receivables	2,803,623	3,214,881

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
1,476,454	1,508,967	Past due 1-30 days	1,583,459	1,815,734
203,707	208,193	Past due 31-60 days	218,471	250,518
774,138	791,185	Past due 61-90 days	830,243	952,030
159,864	163,384	Past due 90 and above	171,450	196,599
		Non-Current		
-	-	Past due 1 year and above	-	-
2,614,163	2,671,729	Total	2,803,623	3,214,881

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
21,984	55,595	Advances (salary, Official Travel, etc)	25,282	29,074
-	-	Dishonoured cheques	-	-
-	-	Interest receivable	-	-
241,735	5,328	Other	225,428	326,347
(62,518)	-	Less: provision for doubtful debts	-	-
201,202	60,923	Total other receivables	250,710	355,421

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
92,652	28,055	Past due 1-30 days	209,754	163,669
-	-	Past due 31-60 days	-	-
3,600	1,090	Past due 61-90 days	1,358	6,359
104,950	31,779	Past due 90 and above	39,598	185,393
		Non-Current		
-	-	Past due 1 year and above	-	-
201,202	60,923	Total	250,710	355,421

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(1,358,283)	(1,264,695)	Balance at beginning of period	(539,352)	(1,395,324)
(108,285)	(125,000)	Additional provisions made during the year	(855,972)	(90,914)
201,873	850,343	Receivables written off during the period	-	-
(1,264,695)	(539,352)	Balance at 31st December	(1,395,324)	(1,486,238)

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
209,231	225,284	Inventory held for use in the provision of goods and services	191,606	168,450
-	-	Inventory held for sale	-	-
-	-	Inventory Other	-	-
(24,939)	(12,482)	Impairment of Inventory	(15,728)	(19,817)
184,292	212,801	INVENTORIES - Current	175,878	148,633
-	-	- Non-Current Inventories	-	-
-	-	- Inventory held for use in the provision of goods and services	-	-
-	-	- Inventory held for sale	-	-
-	-	- Inventory Other	-	-
-	-	- Impairment of Inventory	-	-
-	-	- INVENTORIES - Non-Current	-	-
184,292	212,801	TOTAL INVENTORIES	175,878	148,633

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
514,035	404,413	Prepaid Expenses	689,340	791,717
514,035	404,413	Prepayments - Current	689,340	791,717
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
514,035	404,413	Total Prepayments	689,340	791,717

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	3,460,000	11,501,397	2,177,105	2,249,755	86,119	418,391	259,433	20,152,200
Additions	-	45,216	175,852	95,361	-	-	952,049	1,268,478
Disposals and Derecognition	-	-	(1,328,240)	(1,729,265)	-	-	-	(3,057,505)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	150,944	76,346	-	-	-	(227,290)	-
Balance as at 31 December 2024	3,460,000	11,697,557	1,101,063	615,851	86,119	418,391	984,192	18,363,173

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	3,460,000	11,697,557	1,101,063	615,851	86,119	418,391	984,192	18,363,173
Additions	-	219,000	124,620	100,000	-	-	380,000	823,620
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	650,000	220,000	-	-	-	(870,000)	-
Balance as at 31 December 2025	3,460,000	12,566,557	1,445,683	715,851	86,119	418,391	494,192	19,186,793

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	3,460,000	12,566,557	1,445,683	715,851	86,119	418,391	494,192	19,186,793
Additions	-	649,000	450,000	250,000	-	-	151,000	1,500,000
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	200,000	47,096	-	-	-	(247,096)	(0)
Balance as at 31 December 2026	3,460,000	13,415,557	1,942,779	965,851	86,119	418,391	398,096	20,686,793

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	3,460,000	13,415,557	1,942,779	965,851	86,119	418,391	398,096	20,686,793
Additions	-	-	-	-	-	-	-	-
Disposals and Derecognition	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	398,096	-	-	-	-	(398,096)	-
Balance as at 31 December 2027	3,460,000	13,813,653	1,942,779	965,851	86,119	418,391	0	20,686,793

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Land	Buildings and Leasehold	Furniture and Fittings	Computer Hardware	Motor Vehicles	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	-	1,909,357	1,756,615	1,921,040	38,354	418,076	-	6,043,442
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	725,443	67,688	182,281	16,376	132	-	991,920
Eliminate on Disposal or Derecognition 2024	-	-	(1,328,240)	(1,729,265)	-	-	-	(3,057,505)
Balance as at 31 December 2024	-	2,634,800	496,063	374,056	54,730	418,208	-	3,977,857
Balance as at 1 January 2025	-	2,634,800	496,063	374,056	54,730	418,208	-	3,977,857
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	779,335	88,874	211,879	16,500	-	-	1,096,588
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	3,414,134	584,937	585,935	71,230	418,208	-	5,074,445
Balance as at 1 January 2026	-	3,414,134	584,937	585,935	71,230	418,208	-	5,074,445
Transfers	-	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-	-
Depreciation Expense 2026	-	831,987	119,433	129,916	14,889	-	-	1,096,224
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	4,246,122	704,369	715,851	86,119	418,208	-	6,170,669
Balance as at 1 January 2027	-	4,246,122	704,369	715,851	86,119	418,208	-	6,170,669
Transfers	-	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-	-
Depreciation Expense 2027	-	700,000	80,000	82,500	-	-	-	862,500
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	4,946,122	784,369	798,351	86,119	418,208	-	7,033,169
Net Book value 31 December 2024	3,460,000	9,062,757	605,000	241,795	31,389	183	984,192	14,385,317
Net Book value 31 December 2025	3,460,000	9,152,423	860,746	129,916	14,889	183	494,192	14,112,349
Net Book value 31 December 2026	3,460,000	9,169,435	1,238,410	250,000	-	183	398,096	14,516,124
Net Book value 31 December 2027	3,460,000	8,867,531	1,158,410	167,500	-	183	-	13,653,624

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2024	367,315	367,315
Additions	-	-
Disposals and Derecognition	(317,436)	(317,436)
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	49,879	49,879

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2025	49,879	49,879
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	49,879	49,879

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2026	49,879	49,879
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	49,879	49,879

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2027	49,879	49,879
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	49,879	49,879

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2024	367,315	367,315
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	-	-
Eliminate on Disposal or Derecognition	(317,436)	(317,436)
Balance as at 31 December 2024	49,879	49,879

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2025	49,879	49,879
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	49,879	49,879

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2026	49,879	49,879
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	49,879	49,879

	<i>Other Intangible Assets</i>	<i>Total</i>
Balance as at 1 January 2027	49,879	49,879
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	49,879	49,879

Net Book value 31 December 2024	-	-
	-	-
Net Book value 31 December 2025	-	-
	-	-
Net Book value 31 December 2026	-	-
	-	-
Net Book value 31 December 2027	-	-

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
991,920	1,096,588	Property Plant Equipment	1,096,224	862,500
-	-	Intangible Assets	-	-
-	-	Right-of-use assets	-	-
991,920	1,096,588	Total depreciation expense	1,096,224	862,500

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
292,993	110,737	Creditors Third party	298,713	213,596
1,680	1,680	Creditors Ministries/Portfolios	1,680	1,680
-	-	Creditors other Statutory Agencies and Government Companies	-	-
-	-	Payroll Deductions	-	-
-	-	Operating Lease	-	-
954,160	727,731	Accrued Expenses	578,569	604,280
-	-	Other payables	-	-
-	-	Dividends/Surplus Payable	-	-
1,248,832	840,149	Trade payables other payables and accruals - Current	878,962	819,556
-	-	Non-Current Trade payables other payables and accruals	-	-
-	-	Trade payables other payables and accruals - Non-Current	-	-
1,248,832	840,149	Total trade payables other payables and accruals	878,962	819,556

NOTE 12: UNEARNED REVENUE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Details	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Unearned Revenue		
331,287	633,875	Student Scholarships & Work Readiness Programs	387,778	379,466
-	-	Unearned premiums	-	-
-	-	Unearned commission income	-	-
331,287	633,875	Total current portion	387,778	379,466
-	-	Non-Current Unearned Revenue	-	-
-	-	Total non-current portion	-	-
331,287	633,875	Total Unearned Revenue	387,778	379,466

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Value of pension fund allocated assets		
(1,914,001)	(639,001)	Past service liability (Enter -No.)	(610,499)	(587,313)
(1,914,001)	(639,001)	Fund (deficiency)/Surplus	(610,499)	(587,313)

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,551,037	3,030,145	Fees and Charges	2,784,794	3,113,570
-	-	General Sales	-	-
31,910	35,500	Rentals	40,000	50,000
559,360	490,141	Other Goods & Services Revenue	571,458	556,899
9,440,256	11,355,853	Sale of goods and services to Cabinet	13,293,567	13,651,904
398,140	397,165	Sale of goods and services to Other Ministries and Portfolios	379,367	388,087
12,980,703	15,308,804	Total sales of goods and services	17,069,186	17,760,461

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,551,037	3,030,145	Tuition Fees	2,784,794	3,113,570
2,551,037	3,030,145	Total Fees & Charges	2,784,794	3,113,570

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Rentals	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
31,910	35,500	Hall & Other Facilities Rental	40,000	50,000
31,910	35,500	Total Rentals	40,000	50,000

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
255,310	246,900	Miscellaneous & other fees	308,170	329,348
304,051	243,241	Book sales	263,288	227,551
559,360	490,141	Total Other Goods & Services Revenue	571,458	556,899

		Sales of Outputs to Cabinet		
9,440,256	11,355,853	Sales of Outputs to Cabinet	13,293,567	13,651,904
		Other Outputs		
9,440,256	11,355,853	Total Sales of Outputs to Cabinet	13,293,567	13,651,904

		<i>Other Interdepartmental Revenue</i>		
398,140	397,165	Revenue from Ministries/Portfolios	379,367	388,087
		Revenue from Statutory Authorities and Government Companies		
398,140	397,165	Total Other Interdepartmental Revenue	379,367	388,087
12,980,703	15,308,804	Total Goods and Services	17,069,186	17,760,461

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 19: DONATIONS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Source	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
588,231	181,641	Donation	156,800	175,616
155,857	323,000	Other Donations	62,500	62,500
744,088	504,640	Total donations	219,300	238,116

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
7,786,675	8,600,424	Salaries, wages and allowances	8,785,628	9,432,478
-	-	Health care CINICO	-	-
277,122	1,499,321	Health care other	2,079,198	2,101,224
295,039	243,315	Pension	480,539	508,610
(44,065)	-	Leave	-	-
351,311	168,094	Other personnel related costs	212,027	244,990
8,666,082	10,511,153	Total Personnel Costs	11,557,391	12,287,302

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,361,603	1,353,530	Supplies and Materials	1,565,526	1,649,956
2,238,229	1,644,693	Purchase of services	1,552,594	1,569,610
55,000	60,000	Lease of Property and Equipment	60,000	60,000
497,934	504,745	Utilities	576,224	641,821
239,417	255,350	General Insurance	271,335	286,425
-	-	Interdepartmental expenses	-	-
196,542	207,365	Travel and Subsistence	299,000	308,000
95,659	10,555	Recruitment and Training	60,000	60,000
48,524	44,466	Other	65,192	72,964
4,732,908	4,080,704	Total Supplies & consumables	4,449,871	4,648,775

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(774,404)	-	Surplus/(deficit) from ordinary activities	-	-
		Non-cash movements		
991,920	1,096,588	Depreciation & Amortisation	1,096,224	862,500
366,285	255,000	Other Non-cash movement	283,010	318,592
		Changes in current assets and liabilities:		
1,098,317	(170,168)	(Increase)/decrease in other current assets - Cabinet	(451,957)	(367,618)
(903,262)	208,822	(Increase)/decrease in other current assets - Other	(302,725)	(423,485)
(668,310)	(1,511,095)	(Increase)/(decrease) in current liabilities - Other	(333,795)	(209,496)
110,546	(120,854)	Net cash flows from operating activities	290,757	180,493

NOTE 28: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,576,472	2,238,669	Salaries & other short-term employee benefits	2,190,225	2,366,184
27,687	-	Termination benefits	-	-
1,604,159	2,238,669	Total	2,190,225	2,366,184

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

**UTILITY REGULATION
AND COMPETITION OFFICE**

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT

(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Utility Regulation and Competition Office have agreed the Utility Regulation and Competition Office will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Utility Regulation and Competition Office is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

Utility Regulation and Competition Office ('OfReg' or the 'Office') is the independent multisector authority established by the enactment of the Utility Regulation and Competition Act (2021 Revision) and commenced operations on January 16, 2017.

The Office's primary functions are provided in the URC Act are to:

- promote objectives set out in Policy
- promote appropriate effective and fair competition
- protect the short and long term interests of consumers in relation to utility services
- promote innovation and facilitate economic and national development

Although the Office's genesis has come about from an amalgamation of the Information and Communications Technology Authority ('ICTA'), the Electricity Regulatory Authority ('ERA') and the Petroleum Inspectorate, which hitherto had been a Department of the Government of the Cayman Islands its responsibilities have been broadened and now encompass the following sectors and activities:.

- Information and communication technology
- Energy/electricity production and distribution
- Water production and distribution
- Fuels and Dangerous Substances
- Innovation for the facilitation of economic development
- Enhanced consumer protection functions

The URC Act sets out broad duties, functions and powers while sector specific laws provide for sector specific powers and functions (which may differ from sector to sector)

The enabling acts are:

Utility Regulation and Competition (URC) Act (2021 Revision)

Dangerous Substances Act (2017 Revision)

Electricity Act (2008 Revision)

Electricity Sector Regulation (ESR) Act (2019 Revision)

Electronic Transactions Act (2003 Revision)

Fuel Market Regulation Act (2017)

Information and Communications Technology (ICT) Act (2019 Revision)

Wastewater Collection and Treatment Act (2019 Revision)

Water Authority Act (2018 Revision)

Water (Production and Supply) Act (2018 Revision)

Water Sector Regulation Act (2019 Revision)

SCOPE OF ACTIVITIES

OfReg's activities are governed by the specific responsibilities set out under the various laws mentioned above. The following activities in particular, represent the key day to day activities carried out by Ofreg in respect of all the sectors which it regulates:

- (a) To protect the short- and long-term interests of consumers in relation to utility services;
- (b) Take appropriate enforcement action, including the imposition of administrative fines;
- (c) Consider and issue licences for specified services within the Cayman Islands, or between the Cayman Islands and elsewhere;
- (d) Impose, and monitor adherence to, conditions on all licensees;
- (e) Carry out day to day supervision of all licensees to ensure full compliance with the licensees' obligations under the respective legislation;
- (f) Promote and facilitate fair competition in each sector in accordance with the legislation and any other formal agreements with the licensee where it is reasonable or necessary to do so;
- (g) Promote and facilitate innovation and safety in each sector, including in accordance with any strategic objectives of the Cayman Islands Government's and aligned with the Government's international obligations;
- (h) To investigate and resolve complaints from consumers and service providers concerning the provision of services in each sector;
- (i) To collect all fees, including licence fees, and any other charges levied under the various acts or regulations made thereunder;
- (j) To resolve disputes concerning the interconnection or sharing of infrastructure between or among ICT service providers or ICT network providers;
- (k) To promote and maintain an efficient, economic and harmonised infrastructure for each sector;
- (l) To act on any matter referred to it by the Minister; and

(m) Implement Government policy as it relates to each sector and provide policy advice to the Cabinet on matters pertaining to each sector.

(n) To provide a framework for the protection of Critical National Infrastructure(CNI)

CUSTOMERS AND LOCATION OF ACTIVITIES

The Office primarily serves the residents of the Cayman Islands and services are normally delivered within the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Utility Regulation and Competition Office for the 2026 and 2027 financial years are as follows:

Vision Statement

Fair regulation for consumers and industry.

Mission

To ensure safe, reliable, economic public utilities to businesses and the people of the Cayman Islands.

Strategic Focus 2026 - 2027

For 2026 and 2027, the Office's strategic focus will be on building a more efficient, sustainable, and consumer-focused regulatory environment across all utility sectors.

Our efforts will be pursued as part of a single, integrated regulatory approach where consumer protection, sustainability, and reliability are central to every decision. By aligning oversight across energy, communications, water, and fuels, the Office will continue to deliver a framework that supports national policy objectives while protecting the long-term interests of consumers and the wider economy.

Strategic goals and objectives

The key strategic goals and objectives for *the Utility Regulation and Competition Office* for the 2026 and 2027 financial years are as follows:

- To maintain a minimum of 90-day operating expenses reserve for the organisation.
- To advance energy efficiency and supporting the transition to cleaner, more sustainable generation.
- To enhance the resiliency, redundancy, and reliability of communications networks as the backbone of national development.
- To modernising water licensing and oversight to safeguard quality, resilience, and affordability.
- To embed stronger regulation in the fuels sector to ensure transparency, security of supply, and fair pricing.

To continue the assessment of the costs of regulating the fuel sector in comparison to the sector's related revenues and to determine appropriate action to resolve any deficiencies in

- resources with regard to the economic viability of this sector. This assessment will be completed by 31 December 2027.
- To continue reviewing corporate governance policies and procedures and update as required to enable the Utility Regulation and Competition Office to effectively carry out its functions under the various laws.
- To continue reviewing and enhancing IT governance policies and procedures as required to enable the Utility Regulation and Competition Office to effectively carry out its functions under the various laws.
- To review existing legislation and regulations and amend or make recommendations to Government to amend them as required to enable the Utility Regulation and Competition Office to enhance its' operating effectiveness.
- To continue Human Resources assessments to determine the following:
 - Identify skills gaps to cater to the evolving nature of the sectors which are under our remit,
 - Training and development opportunities for the enhancement of capabilities of staff in all sectors,

Where practical, provide cross training opportunities within the organization.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Utility Regulation and Competition Office for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	2,010	2,010	1,780
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	20	20	20
REVENUE FROM OTHERS	5,177	5,472	4,523
OPERATING EXPENSES	7,214	7,485	6,681
OPERATING SURPLUS/DEFICIT	(7)	17	(358)
NET WORTH	7,246	7,263	7,133
CASH FLOWS FROM OPERATING ACTIVITIES	(7,883)	274	5,270
CASH FLOWS FROM INVESTING ACTIVITIES	(400)	(332)	(85)
CASH FLOWS FROM FINANCING ACTIVITIES	120	-	-
CHANGE IN CASH BALANCES	(8,163)	(58)	5,185

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	62.04:1	61.21:1	2.43:1
TOTAL ASSETS: TOTAL LIABILITIES	13.01:1	13.03:1	1.6:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	29.42	30.5	26.81
STAFF TURNOVER (%)			
MANAGERS	-	-	4
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	3.62	4.62	2.92
PROFESSIONAL AND TECHNICAL STAFF	5.95	6.95	6.36
CLERICAL AND LABOURER STAFF	15.3	16.3	14.4
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	7,849	7,866	18,987
ASSET REPLACEMENTS: TOTAL ASSETS	0.04:1	0.03:1	0.004:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.42:1	0.41:1	0.34:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.40:1	0.59:1	1.13:1
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR <u>NEW</u> CAPITAL EXPENDITURE PROJECTS			
IT SYSTEM UPGRADE	55	267	85
FURNITURE AND FITTINGS	250	-	-
VEHICLE AND EQUIPMENT PURCHASES	95	65	-
TOTAL	400	332	85

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Inability to collect regulatory fees for a period of time due to unforeseen circumstances (ie. natural disaster)	Risk Unchanged	Maintenance of a general reserve fund	>\$1m
Inability to stay current with industry standards and developments	Risk Unchanged	Investment in leadership and management training Attendance at key regulatory related conferences and training courses HR assessment to identify skills gaps, training and cross training opportunities Expanding organizational structure to strengthen the organization through the addition of key roles	Cannot be estimated
Loss of key personnel	Risk Unchanged	Expanding organizational structure to strengthen the organization through the addition of key roles Cross training, succession planning and performance assessments and recognition Develop a culture that fosters employee engagement and satisfaction	Cannot be estimated
Contingent liabilities - Threat of litigation	Risk Unchanged	Effective regulatory procedures and adequate insurance coverage	Cannot be estimated
Risk of financial fraud	Risk Unchanged	Ensure adequate internal controls are in place with proper payment authorizations. Checks are secured, and minimum cash is on hand	Cannot be estimated

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
IT Security Risk – the risk of an information security incident	Risk Unchanged	Enhancement of IT Security Risk policy Addition of IT Manager IT Systems Security Testing	Cannot be estimated
Reputational Risk	Risk Unchanged	Continuance of Public Relations and Communications plan Continuous engagement with Stakeholders Ensuring efficient and effective decision making on regulatory matters	Cannot be estimated
Force Majeure	Risk Unchanged	Maintenance of a general reserve Fund Enhancement of the business continuity/disaster recovery plan	Cannot be estimated

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Utility Regulation and Competition Office is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	7,207	7,502	6,323
OPERATING EXPENSES	7,214	7,485	6,681
NET SURPLUS/(DEFICIT)	(7)	17	(358)

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	7,849	7,866	18,987
LIABILITIES	603	603	11,854
NET WORTH	7,246	7,263	7,133

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	(7,883)	274	5,270
CASH FLOWS FROM INVESTING ACTIVITIES	(400)	(332)	(85)
CASH FLOWS FROM FINANCING ACTIVITIES	120	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO UTILITY REGULATION AND COMPETITION OFFICE	120	-
CAPITAL WITHDRAWALS FROM UTILITY REGULATION AND COMPETITION OFFICE	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY UTILITY REGULATION AND COMPETITION OFFICE	-	-
GOVERNMENT LOANS TO BE MADE TO UTILITY REGULATION AND COMPETITION OFFICE	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO UTILITY REGULATION AND COMPETITION OFFICE	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁴⁹	-	-
REMUNERATION ⁵⁰ PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	276	276
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,257	1,323

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	7	7

⁴⁹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

⁵⁰ Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Utility Regulation and Competition Office undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Utility Regulation and Competition Office will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Rolston Anglin, MP

Minister for Finance and Economic Development

On behalf of Cabinet



Chairman of the Board

Utility Regulation and Competition Office

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Utility Regulation and Competition Office for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board

Utility Regulation and Competition Office

31 December 2025

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF ACCOUNTING POLICIES
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (“IPSAS”) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board (“IPSASB”). The significant accounting policies adopted by the Utility Regulation and Competition Office in these financial statements are as follows:

(a) Basis of preparation

The financial statements of the Utility Regulation and Competition Office are presented in Cayman Island dollars and are prepared on the accrual basis under the historical cost convention.

(b) Use of estimates

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of income and expenses during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(c) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statements date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of comprehensive income.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(e) Short Term Investments

Short-term Investments represent term deposits with banks or other financial institutions with original maturities of greater than three months but less than twelve months.

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(f) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collectible by the Authority according to the agreed terms a provision for bad debt is established.

(g) Property, plant and equipment/depreciation and amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization, and any impairment losses.

Depreciation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of the property, plant and equipment and leasehold improvements are amortized over the life of the lease.

The estimated useful lives of the other fixed assets are as follows:

Office equipment and furniture	3 – 5 Years
IT equipment	3 Years
Computer Software	3 - 5 Years
Motor Vehicles	7 Years
Other Equipment	3 – 10 Years
Leasehold Improvements	5 Years

Management reviews the depreciation and amortization method and useful life periodically to ensure that they are consistent with the expected economic benefits from property, plant and equipment.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Office recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Office’s activities described below.

Regulatory Fees - Regulatory Fees are the main source of revenue for the Office. Regulatory fees are collected from each sector, with revenue recognized from the administration of licensing arrangements with major licensees.

Services provided to the Government – The Office provides services to the Government which are established and defined through a Purchase Agreement. The purchase agreement details the outputs that the Government and the Office has agreed that the Office will deliver and the Cabinet will purchase in a particular fiscal year. Revenue is recognized when the performance obligations agreed in the purchase agreement are performed. Payments will be made on the basis of a quarterly invoice provided to the Government by the Office.

Licensing fees – The Office issues licences for specified services within the various sectors that it regulates. Revenue is recognized once the license has been issued or in some instances, revenue from application fees are recognized upon receipt of the application for the license.

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Permit Fees – The Office processes applications for operating permits for premises and vehicles used to store or transport dangerous substances, under the Dangerous Substances Handling and Storage Act, 2017. The Office also processes applications for permits in relation to the importation of fuel and compressed gas and revenue is recognized once the permit has been issued.

KY Domain Fees – The Office has been delegated authority from the Government, in accordance with section 9(i) of the ICTA Act (2017) for the management and administration of the .ky internet domain. A domain name registration fee is charged upon initial registration of the domain and also at the time of renewal. Fees are charged to domain owners on an annual basis. Revenue is recognized once a domain name has been granted. The management of the .ky domain is contracted to a third party, who remits payment of the registration fees on a quarterly basis.

All application and licence fees are non-refundable.

(i) Operating lease

Lease payments are recognized as an expense on a straight-line basis over the lease term.

(j) Financial Instruments

(a) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are comprised of accounts payables and accrued expenses.

(b) Recognition

The Office recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the statement of comprehensive income.

(c) Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

(d) Derecognition

A financial asset is derecognised when the Office realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(k) Provisions and Contingencies

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
9,146,478	14,331,449	Cash and cash equivalents	1	6,168,940	6,111,131
-	-	Marketable securities and deposits		-	-
3,126,854	2,497,208	Trade receivables	2	628,705	584,278
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
156,731	156,731	Prepayments	5	172,404	189,645
-	-	Loans	6	-	-
12,430,063	16,985,388	Total Current Assets		6,970,049	6,885,054
		Non-Current Assets			
-	1,693,699	Trade receivables	2	331,292	311,414
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
318,776	307,419	Property, plant and equipment	7	547,734	609,669
-	-	Right-of-use assets	9	-	-
1,844	-	Intangible Assets	8	-	60,000
320,620	2,001,118	Total Non-Current Assets		879,026	981,083
12,750,683	18,986,506	Total Assets		7,849,075	7,866,137
		Current Liabilities			
4,774,893	6,950,581	Trade payables	11	86,470	86,470
-	7,735	Other payables and accruals	11	7,353	7,477
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
18,530	18,530	Employee entitlements	13	18,530	18,530
-	-	Current Portion of Borrowings	14	-	-
4,793,423	6,976,846	Total Current Liabilities		112,353	112,477
		Non-Current Liabilities			
-	4,386,045	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
11,000	11,000	Unfunded pension liability	15	11,000	11,000
455,183	480,000	Unfunded post retirement health care	16	480,000	480,000
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
466,183	4,877,045	Total Non-Current Liabilities		491,000	491,000
5,259,606	11,853,891	Total Liabilities		603,353	603,477
7,491,077	7,132,615	Net Assets		7,245,722	7,262,660
		NET WORTH			
2,420,891	2,420,891	Contributed capital		2,540,891	2,540,891
2,600,000	2,600,000	Other Reserves		2,600,000	2,600,000
1,283,000	1,283,000	Revaluation reserve		1,283,000	1,283,000
1,187,186	828,724	Accumulated surpluses/(deficits)		821,831	838,769
7,491,077	7,132,615	Total Net Worth		7,245,722	7,262,660

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
6,466,220	6,323,188	Revenue			
-	-	Sale of goods and services	17	7,206,830	7,501,952
-	-	- Investment revenue	18	-	-
-	-	- Donations	19	-	-
-	-	- Other revenue		-	-
6,466,220	6,323,188	Total Revenue		7,206,830	7,501,952
		Expenses			
3,745,351	3,936,716	Personnel costs	20	4,667,740	5,097,226
1,590,023	2,206,505	Supplies and consumables	21	2,086,298	2,066,722
95,796	98,430	Depreciation and Amortisation	10	159,685	210,065
-	-	- Impairment of Inventory, property, plant and equipment		-	-
-	-	- Finance costs & overdraft interest (including lease interest)	22	-	-
282,208	440,000	Litigation costs	23	300,000	111,000
(29,430)	-	- Other (Gains)/losses	24	-	-
-	-	- Other Operating expenses		-	-
5,683,948	6,681,650	Total Expenses		7,213,723	7,485,013
782,272	(358,462)	Surplus or (Deficit) for the period		(6,893)	16,939

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
-	445,000	Sale of goods and services to Cabinet		5,160,217	2,010,000
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
4,531,134	4,323,120	Sale of goods and services - third party		5,161,164	5,437,456
139,915	-	Interest received		-	-
-	-	Donations / Grants		-	-
4,770,792	9,200,000	Other receipts		-	-
		<i>Payments</i>			
(3,745,351)	(3,936,716)	Personnel costs		(4,667,740)	(5,097,226)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(2,026,972)	(2,461,206)	Supplies and consumables - third party		(2,285,786)	(2,076,039)
-	-	Interest paid		-	-
-	(2,300,000)	Other payments		(11,250,364)	-
3,669,518	5,270,198	Net cash flows from operating activities	25	(7,882,509)	274,191
		CASH FLOWS FROM INVESTING ACTIVITIES			
(82,000)	(85,227)	Purchase of property, plant and equipment		(400,000)	(332,000)
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
(82,000)	(85,227)	Net cash flows from investing activities		(400,000)	(332,000)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		120,000	-
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
-	-	Net cash flows from financing activities		120,000	-
3,587,518	5,184,971	Net increase/(decrease) in cash and cash equivalents		(8,162,509)	(57,809)
5,558,960	9,146,478	Cash and cash equivalents at beginning of period		14,331,449	6,168,940
9,146,478	14,331,449	Cash and cash equivalents at end of period		6,168,940	6,111,131

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	2,420,891	2,600,000	959,000	404,914	6,384,805
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	2,420,891	2,600,000	959,000	404,914	6,384,805
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	324,000	-	324,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	324,000	-	324,000
Surplus/(deficit)for the period 2024				782,272	782,272
Total recognised revenues and expenses for the period	-	-	324,000	782,272	1,106,272
Balance at 31 December 2024	2,420,891	2,600,000	1,283,000	1,187,186	7,491,077
Balance at 31 December 2024 brought forward	2,420,891	2,600,000	1,283,000	1,187,186	7,491,077
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	2,420,891	2,600,000	1,283,000	1,187,186	7,491,077
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025				(358,462)	(358,462)
Total recognised revenues and expenses for the period	-	-	-	(358,462)	(358,462)
Balance at 31 December 2025 carried forward	2,420,891	2,600,000	1,283,000	828,724	7,132,615

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	2,420,891	2,600,000	1,283,000	828,724	7,132,615
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	2,420,891	2,600,000	1,283,000	828,724	7,132,615
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	120,000	-	-	-	120,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	120,000	-	-	-	120,000
Surplus/(deficit)for the period 2026				(6,893)	(6,893)
Total recognised revenues and expenses for the period	120,000	-	-	(6,893)	113,107
Balance at 31 December 2026 carried forward	2,540,891	2,600,000	1,283,000	821,831	7,245,722
Balance at 31 December 2026 brought forward	2,540,891	2,600,000	1,283,000	821,831	7,245,722
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	2,540,891	2,600,000	1,283,000	821,831	7,245,722
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027				16,939	16,939
Total recognised revenues and expenses for the period	-	-	-	16,939	16,939
Balance at 31 December 2027	2,540,891	2,600,000	1,283,000	838,769	7,262,660

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
460	460	Cash on hand	460	460
4,952,100	10,137,069	CI\$ Account	1,974,560	1,916,751
393,918	393,920	US\$ Account	393,920	393,920
3,800,000	3,800,000	Short-Term Fixed Deposits	3,800,000	3,800,000
9,146,478	14,331,449	TOTAL	6,168,940	6,111,131

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,458,481	3,652,717	Sale of goods and services to Cabinet	477,500	477,500
988,423	888,190	Sale of goods and services - third party	529,497	462,420
(320,050)	(350,000)	Less: provision for doubtful debts (Enter -ve number)	(47,000)	(44,228)
3,126,854	4,190,907	Total trade receivables	959,997	895,692

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
3,126,854	(102,955)	Past due 1-30 days	120,107	106,195
-	217	Past due 31-60 days	42	40
-	68,574	Past due 61-90 days	13,413	12,608
-	2,531,372	Past due 90 and above	495,143	465,435
-	-	Non-Current	-	-
-	1,693,699	Past due 1 year and above	331,292	311,414
3,126,854	4,190,907	Total	959,997	895,692

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(200,876)	(320,050)	Balance at beginning of period	(350,000)	(47,000)
(119,174)	(29,950)	Additional provisions made during the year	(39,294)	2,772
-	-	Receivables written off during the period	342,294	-
(320,050)	(350,000)	Balance at 31st December	(47,000)	(44,228)

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
156,731	156,731		172,404	189,645
156,731	156,731	Prepayments - Current	172,404	189,645
		Non-Current Prepayments		
-	-	Prepayments -Non-Current	-	-
156,731	156,731	Total Prepayments	172,404	189,645

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	197,235	13,887	211,654	103,115	214,852	740,742
Additions	-	-	55,757	26,452	-	82,209
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	197,235	13,887	267,411	129,567	214,852	822,951

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	197,235	13,887	267,411	129,567	214,852	822,952
Additions	-	-	30,227	-	55,000	85,227
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	197,235	13,887	297,638	129,567	269,852	908,179

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	197,235	13,887	297,638	129,567	269,852	908,179
Additions	13,000	-	60,000	215,000	112,000	400,000
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2026	210,235	13,887	357,638	344,567	381,852	1,308,179

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	210,235	13,887	357,638	344,567	381,852	1,308,179
Additions	-	-	144,000	-	113,000	257,000
Disposals and Derecognition	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2027	210,235	13,887	501,638	344,567	494,852	1,565,179

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2024	56,378	5,844	162,107	34,598	151,664	410,591
Transfers	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2024	26,193	2,777	30,508	15,601	18,504	93,584
Eliminate on Disposal or Derecognition 2024	-	-	-	-	-	-
Balance as at 31 December 2024	82,571	8,621	192,615	50,199	170,168	504,175

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2025	82,571	8,621	192,615	50,199	170,168	504,174
Transfers	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2025	22,410	2,777	34,718	16,917	19,764	96,586
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-
Balance as at 31 December 2025	104,981	11,398	227,333	67,116	189,932	600,760

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2026	104,981	11,398	227,333	67,116	189,932	600,760
Transfers	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-
Depreciation Expense 2026	23,604	2,488	38,142	59,841	35,610	159,685
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-
Balance as at 31 December 2026	128,585	13,886	265,475	126,957	225,541	760,445

	<i>Plant and equipment</i>	<i>Leasehold Improvements</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance as at 1 January 2027	128,585	13,886	265,475	126,957	225,541	760,445
Transfers	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-
Depreciation Expense 2027	22,537	-	71,686	59,304	41,538	195,065
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-
Balance as at 31 December 2027	151,122	13,886	337,161	186,261	267,079	955,510

Net Book value 31 December 2024	114,664	5,265	74,795	79,367	44,684	318,776

Net Book value 31 December 2025	92,254	2,489	70,305	62,451	79,920	307,419

Net Book value 31 December 2026	81,650	1	92,163	217,610	156,311	547,734

Net Book value 31 December 2027	59,113	1	164,477	158,306	227,773	609,669

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	6,638	6,638
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	6,638	6,638

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	6,638	6,638
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	6,638	6,638

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	6,638	6,638
Additions	-	-
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	6,638	6,638

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	6,638	6,638
Additions	75,000	75,000
Disposals and Derecognition	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	81,638	81,638

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2024	2,581	2,581
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	2,213	2,213
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2024	4,794	4,794

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2025	4,794	4,794
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	1,844	1,844
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2025	6,638	6,638

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2026	6,638	6,638
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	-	-
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2026	6,638	6,638

	<i>Computer Software</i>	<i>Total</i>
Balance as at 1 January 2027	6,638	6,638
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	15,000	15,000
Eliminate on Disposal or Derecognition	-	-
Balance as at 31 December 2027	21,638	21,638

Net Book value 31 December 2024	1,844	1,844

Net Book value 31 December 2025	-	-

Net Book value 31 December 2026	-	-

Net Book value 31 December 2027	60,000	60,000

UTILITY REGULATION AND COMPETITION OFFICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
93,584	96,586	Property Plant Equipment	159,685	195,065
2,213	1,844	Intangible Assets	-	15,000
-	-	Right-of-use assets	-	-
95,796	98,430	Total depreciation expense	159,685	210,065

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
388,848	86,262	Creditors Third party	86,470	86,470
4,386,045	6,864,319	Creditors Ministries/Portfolios	-	-
-	7,735	Other payables	7,353	7,477
-	-	Dividends/Surplus Payable	-	-
4,774,893	6,958,316	Trade payables other payables and accruals - Current	93,823	93,947
		Non-Current Trade payables other payables and accruals		
-	4,386,045	Creditors Ministries/Portfolios	-	-
-	4,386,045	Trade payables other payables and accruals - Non-Current	-	-
4,774,893	11,344,361	Total trade payables other payables and accruals	93,823	93,947

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
18,530	18,530	Annual Leave/Comp-time	18,530	18,530
18,530	18,530	Total current portion	18,530	18,530
		Non-current employee entitlements		
-	-	Total non-current portion	-	-
18,530	18,530	Total employee entitlements	18,530	18,530

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
590,000	590,000	Value of pension fund allocated assets	590,000	590,000
(601,000)	(601,000)	Past service liability	(601,000)	(601,000)
(11,000)	(11,000)	Fund (deficiency)/Surplus	(11,000)	(11,000)

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description Enter liability	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(455,183)	(480,000)	Defined benefit liability- post retirement healthcare	(480,000)	(480,000)
(455,183)	(480,000)	Total Unfunded Health Care Liability	(480,000)	(480,000)

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,531,134	4,443,188	Fees and Charges	5,146,830	5,441,952
-	-	- General Sales	-	-
-	-	- Rentals	-	-
256,662	100,000	Other Goods & Services Revenue	50,000	50,000
1,678,424	1,780,000	Sale of goods and services to Cabinet	2,010,000	2,010,000
-	-	- Sale of goods and services to Other Ministries and Portfolios	-	-
6,466,220	6,323,188	Total sales of goods and services	7,206,830	7,501,952

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	<i>Fees and Charges</i>	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,488,355	3,555,000	Regulatory Fees	4,015,000	4,300,000
568,262	526,938	Licensing Fees	746,705	756,827
245,051	250,000	ky domain fees	265,000	265,000
229,466	111,250	Permit Fees	120,125	120,125
4,531,134	4,443,188	Total Fees & Charges	5,146,830	5,441,952

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
256,662	100,000	Other Income	50,000	50,000
256,662	100,000	Total Other Goods & Services Revenue	50,000	50,000

		Sales of Outputs to Cabinet		
1,678,424	1,780,000	Sales of Outputs to Cabinet	2,010,000	2,010,000
		Other Outputs		
1,678,424	1,780,000	Total Sales of Outputs to Cabinet	2,010,000	2,010,000
		Other Interdepartmental Revenue		
		Revenue from Ministries/Portfolios		
-	-	- Revenue from Statutory Authorities and Government Companies	-	-
-	-	Total Other Interdepartmental Revenue	-	-
6,466,220	6,323,188	Total Goods and Services	7,206,830	7,501,952

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,799,717	2,860,625	Salaries, wages and allowances	3,368,104	3,645,304
84,564	48,000	Health care CINICO	52,800	58,080
443,811	561,448	Health care other	678,655	790,734
313,536	354,718	Pension	424,381	459,308
25,152	-	Leave	-	-
78,572	111,925	Other personnel related costs	143,800	143,800
3,745,351	3,936,716	Total Personnel Costs	4,667,740	5,097,226

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,201	23,300	Supplies and Materials	17,270	20,830
966,302	1,381,652	Purchase of services	1,245,519	1,247,672
256,206	339,136	Lease of Property and Equipment	301,089	312,310
80,469	92,820	Utilities	88,230	89,720
32,708	29,900	General Insurance	41,600	41,600
70,000	70,000	Interdepartmental expenses	70,000	70,000
37,457	78,747	Travel and Subsistence	52,590	52,590
135,680	190,950	Recruitment and Training	270,000	232,000
1,590,023	2,206,505	Total Supplies & consumables	2,086,298	2,066,722

NOTE 23: LITIGATION COST

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
282,208	440,000	Legal Fees	300,000	111,000
-	-		-	-
282,208	440,000	Total Litigation cost	300,000	111,000

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(29,430)	-	Net (gain) / loss on disposal of property, plant and equipment	-	-
(29,430)	-	Total gains/ (losses)	-	-

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
782,272	(358,462)	Surplus/(deficit) from ordinary activities	(6,893)	16,939
		Non-cash movements		
95,796	98,430	Depreciation & Amortisation	159,685	210,065
(29,430)	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
268,000	24,817	(Increase)/decrease in other current assets - Cabinet	-	-
(1,682,000)	(1,064,055)	(Increase)/decrease in other current assets - Other	3,430,239	47,187
-	-	(Increase)/(decrease) in current liabilities - Statutory Agencies and Government Companies	(4,386,045)	-
4,234,879	6,569,468	(Increase)/(decrease) in current liabilities - Other	(7,079,495)	-
3,669,518	5,270,198	Net cash flows from operating activities	(7,882,509)	274,191

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OWNERSHIP AGREEMENT

**BETWEEN THE
CAYMAN ISLANDS GOVERNMENT**

AND

WATER AUTHORITY OF THE CAYMAN ISLANDS

**FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027**

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT
(2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Water Authority of the Cayman Islands have agreed the Water Authority of the Cayman Islands will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Water Authority of the Cayman Islands is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

Water Authority – Cayman’s activities are;

- To ensure that the entire population of the Cayman Islands have access to a pure, wholesome and affordable supply of potable water.
- To protect and develop groundwater resources for the benefit of present and future populations of these islands.
- To provide for the collection, treatment and disposal of sewage within these islands in a manner that is safe, efficient and affordable.
- To operate in such a manner as to be financially self-sufficient, while contributing to the economy of these islands and achieving a reasonable and acceptable return on capital investments.

SCOPE OF ACTIVITIES

- Maintain Water Production Capacity, Distribution and Storage to ensure distribution reliability.
- Maintain Adequate Infrastructure to Operate Efficiently.
- Water Distribution Extension and Water Works Facility.
- Improve Integrity of existing Collection System and Future Expansions.

CUSTOMERS AND LOCATION OF ACTIVITIES

Water Authority of the Cayman Islands provides sewer services on Grand Cayman and potable water to both Grand Cayman and Cayman Brac. The administrative offices are located at 13G Red Gate Road (949-2837) with a satellite office on the island of Cayman Brac (947-1403).

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives (from an ownership perspective) for the Water Authority (WA) of the Cayman Islands for the 2026 and 2027 financial years have been reviewed and approved by the Board. The 10-year Capital Development and Maintenance plan identifies and prioritises the capital assets and financial resources required over the next 10-years. For the purpose of this document the Authority highlights the main projects in 2026 and 2027:

1) GCM - Maintain Water Production Capacity, Distribution and Storage to ensure distribution reliability

- 2026 – Booster and Pumping Station – Add booster station and an additional pump station for the water distribution system. Installation will improve operational flexibility.
- 2026 and 2027 – Additional RO Plants – To accommodate expected growth within the distribution system, improve operational reliability and flexibility of distribution system and maintain consistent pressure.
- 2026 and 2027 – New Locations, Site clearance – Add re-pumping facility to improve operational flexibility.

2) GCM – Maintain Adequate Infrastructure to Operate Efficiently

- Continuous – Upgrade and maintain existing water services, sample taps and miscellaneous pipeline extensions throughout the water supply system to ensure integrity of the system.
- 2026 and 2027 – Administration Office Extension, including Lab and Solar Power Canopy at parking lot – provide a purpose-built facility to accommodate a growing work force, a dedicated Laboratory area, a secure location for internal files storage, allowing accessibility and flexibility in retrieval, taking into consideration necessary precautions to protect contents from natural disasters and eliminate offsite storage fees.
- Continuous – District Meter Areas (DMA's) – DMA's will increase the number of distinct zones within the water distribution system, and allow better identification of potential problem areas, which will assist in reducing the non-revenue water.
- Continuous – Advanced Metering Infrastructure (AMI) - Pilot study scheduled to commence 3rd Quarter 2025 to ascertain the feasibility of installing an AMI in the Cayman Islands. These metering systems enable measurement of detailed time-based information and frequent collection of the data, distributed to various parties, allowing both the Customer and the WA to make strategic business decisions.
- 2026 and 2027 – Vehicle Maintenance Building – A specially constructed building to efficiently service the Authority's growing vehicle and equipment fleet in a safe and efficient environment.

3) CYB – Water Distribution Extension and Water Works Facility

- Continuous - Cayman Brac Extension Project – Extension of piped water in response to fulfilment of the Water Authority's Mission and provide convenience of “city water” to residents living on Cayman Brac.

- 2026 and 2027 - Cayman Brac Water Infrastructure – Potable Water Storage Tank / Pumping Station and Post Treatment Building / Administration Building and Pipe Storage Rack and Stores at the Authority's Bluff Water Works (BWW). New infrastructure to accommodate the installation of two additional water storage tanks, construction of pumping station to treat and distribute water from the BWW, construct administrative headquarters for CYB, storage building to safely store spare pipes and materials.

4) Wastewater – Improve Integrity of existing Collection System and Future Expansions

- 2026 and 2027 – Construction of WWTP – Phase II – to expand current treatment facility to accommodate the rapid growth within the catchment area and to be ready for any future collection system additions.
- 2026 and beyond – Sewerage System Extensions - replace existing privately-owned sewerage systems and install new extensions to connect residents and businesses to the wastewater collection system to ensure proper treatment of wastewater.

5) Little Cayman – Provide Potable Water

- 2025 and 2026 – Preliminary hydrogeological investigations to determine optimum depth of abstraction and brine disposal wells.
- 2027 and beyond – Install new RO plant and water storage facilities to provide residents of Little Cayman with trucked water through establishment of the Little Cayman Water Works Facility.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Water Authority of the Cayman Islands for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	49,915	54,141	44,230
OPERATING EXPENSES	(47,371)	(53,733)	(43,993)
OPERATING SURPLUS/DEFICIT	2,543	408	237
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	10,771	7,365	9,787
CASH FLOWS FROM INVESTING ACTIVITIES	(12,438)	(8,654)	(16,035)
CASH FLOWS FROM FINANCING ACTIVITIES	(260)	(261)	(260)
CHANGE IN CASH BALANCES	(1,927)	(1,549)	(6,509)

FINANCIAL PERFORMANCE RATIO	2026 1 Jan to 31 Dec 2026 %	2027 1 Jan to 31 Dec 2027 %	2025 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	12.48:1	3.42:1	16.29:1
TOTAL ASSETS: TOTAL LIABILITIES	2.07:1	2.04:1	2.10:1

MAINTENANCE OF CAPABILITY

	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
HUMAN CAPITAL MEASURES			
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	170	180	160
STAFF TURNOVER (%)	7	7	7
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	13 yrs	13 yrs	13 yrs
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
PHYSICAL CAPITAL MEASURES			
VALUE OF TOTAL ASSETS	155,519	157,866	148,773
ASSET REPLACEMENTS: TOTAL ASSETS	15.7%	32.5%	4.0%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	56.2%	69.1%	52.1%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	16.7%	9.5%	65%
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
MAJOR NEW CAPITAL EXPENDITURE PROJECTS			
2026 – BOOSTER AND PUMPING STATIONS	\$1,200	-	-
2026 – ADDITIONAL REVERSE OSMOSIS PLANT	-	\$13,000	-
2026 – OPERATIONS BUILDING	-	\$1,200	-
2026/2027 – RUM POINT SITE CLEARANCE / STORAGE TANK	\$400	\$600	-
2027 – ADDITIONAL RESERVOIR	\$1,500	\$1,500	\$1,500
GCM – CONTINUOUS	\$5,000	\$3,200	-
ADMINISTRATION OFFICE EXTENSION	\$1,675	\$2,075	-
GCM – CONTINUOUS – DISTRICT METER AREAS (DMA) METER VAULTS AND ADVANCED METER INFRASTRUCTURE (AMI)	\$1,500	\$1,500	-
2027 - VEHICLE MAINTENANCE BUILDING	\$1,000	\$1,000	\$1,000
CONTINUOUS – CYB – EXTENSION PROJECT	\$1,750	\$5,550	\$200
BWW- INFRASTRUCTURE POTABLE WATER STORAGE TANK PUMPING STATION AND POST TREATMENT ADMINISTRATION BUILDING	\$3,000	\$9,000	-
2026 AND 2027 – CONSTRUCTION OF WWTP – PHASE II	\$900	\$3,000	-
2027 ONGOING – SEWERAGE SYSTEM EXTENSIONS	\$50	\$400	\$200
TOTAL	\$17,975	\$42,025	\$2,900

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial Restrictions due to moratorium on borrowing and the inability of the Authority to make necessary capital investments into water and wastewater infrastructure to meet the growing needs of the Islands.	Period of no borrowing request from CIG remains in place.	Work together with the Ministry and public officials to anticipate future demands.	The financial risk is the potential of lost revenue due to the inability of the WA to meet the water demands of the public Same with collection and treatment of wastewater revenue.
Employee / Public Liability / Motor Vehicle	No identified change in risk status	Adequate insurance maintained to mitigate the risk	Undeterminable
Indemnity Insurance	No identified change in risk status	Adequate insurance maintained to mitigate the risk	Undeterminable
Section 47 and 48 of the Public Authorities Act	Section 47 came into effect on 01 June 2019 requiring public authorities to use the same salary structure as determined by the Cayman Islands Cabinet office and requires the remuneration of employees of a public authority to be adjusted to reduce any differences between the public authorities and public service pay grades.	The Cayman Island Government Portfolio of the Civil Service together with the Water Authority need to assess the impact on the business of the Authority, the ability to attract and retain qualified personnel in a competitive job market and to have a compensation package similar to that of the Civil Service.	Management of the Authority will undergo an internal evaluation of Section 47 and 48 of the PAA and present the findings to Cabinet along with recommendations to ensure that all WA employees are receiving fair and equitable compensation packages.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Water Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
OPERATING STATEMENT			
REVENUE	54,981	58,834	49,187
OPERATING EXPENSES	52,438	58,426	48,950
NET SURPLUS/(DEFICIT)	2,543	408	237

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
BALANCE SHEET			
ASSETS	155,519	157,866	148,773
LIABILITIES	75,170	77,359	70,717
NET WORTH	80,349	80,507	78,056

	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's	2025 12-Month Forecast \$000's
STATEMENT OF CASH FLOW			
CASH FLOWS FROM OPERATING ACTIVITIES	10,771	7,365	9,787
CASH FLOWS FROM INVESTING ACTIVITIES	(12,438)	(8,654)	(16,035)
CASH FLOWS FROM FINANCING ACTIVITIES	(260)	(261)	(260)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 \$000's	2027 1 Jan to 31 Dec 2027 \$000's
EQUITY INVESTMENTS INTO WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY WATER AUTHORITY OF THE CAYMAN ISLANDS	(250)	(250)
GOVERNMENT LOANS TO BE MADE TO WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL ⁵¹	-	-
REMUNERATION ⁵² PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	\$61	\$61
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	\$1,300	\$1,300

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	8	8

⁵¹ Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

⁵² Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Water Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Water Authority of the Cayman Islands will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.



Honourable Nickolas DaCosta, MP

Minister for District Administration and Home Affairs

On behalf of Cabinet



Chairman of the Board

Water Authority of the Cayman Islands

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

- a. Complete and reliable;
- b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Water Authority of the Cayman Islands for the financial years ending 31 December 2026 and 31 December 2027; and
- c. Comply with generally accepted accounting practice.

Chairman of the Board
Water Authority of the Cayman Islands

31 December 2025

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WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

General Accounting Policies

Reporting entity

These forecast financial statements are for the Water Authority of the Cayman Islands.

Basis of preparation

The forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period

The reporting period is; the period ended 31 December 2025, 2026 and 2027.

The Budget forecast is the accrual version of the original forecast for the financial year, as presented in the 2026 and 2027 Budget.

Specific Accounting Policies

Revenue

Output revenue

Output revenue, including revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue

Interest revenue is recognised in the period in which it is earned.

Expenses

General

Expenses are recognised when incurred.

Depreciation

Depreciation of non-financial physical assets is generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Assets

Cash and cash equivalents

Cash and cash equivalents include cash held in the Ministry or Portfolio's bank account and on deposit with the Portfolio of Finance and Economics (Treasury).

Receivables and advances

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory

Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment (including Infrastructure Assets)

Buildings are recorded at historical cost, other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost less accumulated depreciation.

Computer Hardware and Software

Computer hardware and software are recorded at cost, and depreciated in accordance with the policy on depreciation.

Liabilities

Accounts Payable

Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Provisions

Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements

Amounts incurred but not paid at the end of the reporting financial years are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
11,314,229	4,806,862	Cash and cash equivalents	1	2,879,828	1,330,484
52,123,735	62,897,186	Marketable securities and deposits		50,900,008	8,304,051
4,165,198	4,683,114	Trade receivables	2	4,872,885	4,949,885
2,008,442	2,008,442	Other receivables	2	2,008,442	2,008,442
193,508	388,546	Inventories	3	508,546	538,546
-	-	Investments	4	-	-
212,501	-	Prepayments	5	-	-
-	-	Loans	6	-	-
70,017,613	74,784,150	Total Current Assets		61,169,709	17,131,408
		Non-Current Assets			
-	-	Trade receivables	2	-	-
-	-	Other receivables	2	-	-
2,719,451	2,719,451	Inventories	3	2,719,451	2,719,451
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
69,860,444	71,231,504	Property, plant and equipment	7	91,601,515	137,996,317
47,164	37,794	Right-of-use assets	9	28,356	18,918
-	-	Intangible Assets	8	-	-
72,627,059	73,988,749	Total Non-Current Assets		94,349,322	140,734,686
142,644,672	148,772,899	Total Assets		155,519,031	157,866,094
		Current Liabilities			
2,713,212	2,362,698	Trade payables	11	2,586,885	2,586,885
3,176,120	2,227,227	Other payables and accruals	11	2,316,135	2,416,080
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
-	-	Current Portion of Borrowings	14	-	-
5,889,332	4,589,925	Total Current Liabilities		4,903,020	5,002,965
		Non-Current Liabilities			
-	-	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
53,775	43,994	Lease Liability	9	33,749	23,017
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
1,127,000	1,377,000	Unfunded pension liability	15	1,627,000	1,727,000
57,506,000	64,706,000	Unfunded post retirement health care	16	68,606,000	70,606,000
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
58,686,775	66,126,994	Total Non-Current Liabilities		70,266,749	72,356,017
64,576,107	70,716,919	Total Liabilities		75,169,769	77,358,982
78,068,565	78,055,980	Net Assets		80,349,262	80,507,112
		NET WORTH			
682,000	682,000	Contributed capital		682,000	682,000
68,056,754	68,056,754	Other Reserves		68,056,754	68,056,754
8,835,000	8,835,000	Revaluation reserve		8,835,000	8,835,000
494,811	482,229	Accumulated surpluses/(deficits)		2,775,508	2,933,358
78,068,565	78,055,983	Total Net Worth		80,349,262	80,507,112

WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
42,032,583	44,230,050	Sale of goods and services	17	49,914,516	54,141,160
4,538,788	4,957,239	Investment revenue	18	5,066,840	4,692,758
-	-	Donations	19	-	-
281,613	-	Other revenue		-	-
46,852,984	49,187,289	Total Revenue		54,981,356	58,833,918
		Expenses			
8,913,110	14,566,937	Personnel costs	20	17,865,724	20,247,825
21,756,984	23,964,088	Supplies and consumables	21	27,698,686	31,044,495
3,990,787	3,890,119	Depreciation and Amortisation	10	4,064,989	4,855,198
19,167	-	Impairment of Inventory, property, plant and equipment		-	-
2,998	2,554	Finance costs & overdraft interest (including lease interest)	22	2,090	1,603
-	-	Litigation costs	23	-	-
-	-	Other (Gains)/losses	24	-	-
11,425,127	6,526,173	Other Operating expenses		2,806,588	2,276,947
46,108,173	48,949,871	Total Expenses		52,438,077	58,426,068
744,811	237,418	Surplus or (Deficit) for the period		2,543,279	407,850

WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		<i>Receipts</i>			
-	-	- Sale of goods and services to Cabinet		-	-
-	-	- Sale of goods and services to Ministries/Portfolios		-	-
-	-	- Sale of goods and services to Statutory Agencies and Government Companies		-	-
42,032,583	44,230,050	Sale of goods and services - third party		49,914,516	54,141,160
4,538,788	4,957,239	Interest received		5,066,840	4,692,758
-	-	- Donations / Grants		-	-
281,613	-	- Other receipts		-	-
		<i>Payments</i>			
(8,913,110)	(14,566,937)	Personnel costs		(17,865,724)	(20,247,825)
-	-	- Supplies and consumables - Ministries/Portfolios		-	-
-	-	- Supplies and consumables - Statutory Agencies and Government Companies		-	-
(21,756,984)	(23,964,088)	Supplies and consumables - third party		(27,698,686)	(31,044,495)
-	-	- Interest paid		-	-
(4,852,324)	(869,217)	Other payments		1,354,087	(176,167)
11,330,566	9,787,047	Net cash flows from operating activities	25	10,771,033	7,365,431
		CASH FLOWS FROM INVESTING ACTIVITIES			
(13,705,518)	(5,261,182)	Purchase of property, plant and equipment		(24,435,000)	(51,250,000)
1,346,306	-	- Proceeds from sale of property, plant and equipment		-	-
352,898	(10,773,451)	Purchase of investments		11,997,178	42,595,957
2,138,426	-	- Proceeds from sale of investments		-	-
(9,867,888)	(16,034,633)	Net cash flows from investing activities		(12,437,822)	(8,654,043)
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	- Equity Investment from Cabinet		-	-
(250,000)	(250,000)	Repayment of Surplus/Dividends or Capital withdrawal		(250,000)	(250,000)
-	-	- Borrowings		-	-
(9,337)	(9,781)	Repayment of Borrowings		(10,245)	(10,732)
-	-	- Currency Issues		-	-
(259,337)	(259,781)	Net cash flows from financing activities		(260,245)	(260,732)
1,203,341	(6,507,367)	Net increase/(decrease) in cash and cash equivalents		(1,927,034)	(1,549,344)
10,110,888	11,314,229	Cash and cash equivalents at beginning of period		4,806,862	2,879,828
11,314,229	4,806,862	Cash and cash equivalents at end of period		2,879,828	1,330,484

WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	682,000	68,056,754	-	-	68,738,754
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	682,000	68,056,754	-	-	68,738,754
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	8,835,000	-	8,835,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	8,835,000	(250,000)	8,585,000
Surplus/(deficit)for the period 2024	-	-	-	744,811	744,811
Total recognised revenues and expenses for the period	-	-	8,835,000	494,811	9,329,811
Balance at 31 December 2024	682,000	68,056,754	8,835,000	494,811	78,068,565
Balance at 31 December 2024 brought forward	682,000	68,056,754	8,835,000	494,811	78,068,565
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	682,000	68,056,754	8,835,000	494,811	78,068,565
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(250,000)	(250,000)
Surplus/(deficit)for the period 2025	-	-	-	237,418	237,418
Total recognised revenues and expenses for the period	-	-	-	(12,582)	(12,582)
Balance at 31 December 2025 carried forward	682,000	68,056,754	8,835,000	482,229	78,055,983

WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	682,000	68,056,754	8,835,000	482,229	78,055,983
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	682,000	68,056,754	8,835,000	482,229	78,055,983
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(250,000)	(250,000)
Surplus/(deficit)for the period 2026	-	-	-	2,543,279	2,543,279
Total recognised revenues and expenses for the period	-	-	-	2,293,279	2,293,279
Balance at 31 December 2026 carried forward	682,000	68,056,754	8,835,000	2,775,508	80,349,262
Balance at 31 December 2026 brought forward	682,000	68,056,754	8,835,000	2,775,508	80,349,262
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	682,000	68,056,754	8,835,000	2,775,508	80,349,262
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(250,000)	(250,000)
Surplus/(deficit)for the period 2027	-	-	-	407,850	407,850
Total recognised revenues and expenses for the period	-	-	-	157,850	157,850
Balance at 31 December 2027	682,000	68,056,754	8,835,000	2,933,358	80,507,112

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,314,229	4,806,862	Bank Accounts held at other financial institutions	2,879,828	1,330,484
11,314,229	4,806,862	TOTAL	2,879,828	1,330,484

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,165,198	4,683,114	Sale of goods and services - third party	4,872,885	4,949,885
-	-	Less: provision for doubtful debts	-	-
4,165,198	4,683,114	Total trade receivables	4,872,885	4,949,885

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
-	4,683,114	Past due 1-30 days	4,872,885	4,949,885
-	-	Past due 31-60 days	-	-
4,165,198	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
		Non-Current		
-	-	Past due 1 year and above	-	-
4,165,198	4,683,114	Total	4,872,885	4,949,885

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,008,442	2,008,442	Other	2,008,442	2,008,442
-	-	Less: provision for doubtful debts	-	-
2,008,442	2,008,442	Total other receivables	2,008,442	2,008,442

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
2,008,442	2,008,442	Past due 1-30 days	2,008,442	2,008,442
-	-	Past due 31-60 days	-	-
-	-	Past due 61-90 days	-	-
-	-	Past due 90 and above	-	-
		Non-Current		
-	-	Past due 1 year and above	-	-
2,008,442	2,008,442	Total	2,008,442	2,008,442

NOTE 3: INVENTORIES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Inventories	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Inventories		
193,508	388,546	Inventory held for use in the provision of goods and services	508,546	538,546
193,508	388,546	INVENTORIES - Current	508,546	538,546
		Non-Current Inventories		
2,719,451	2,719,451	Inventory held for use in the provision of goods and services	2,719,451	2,719,451
2,719,451	2,719,451	INVENTORIES - Non-Current	2,719,451	2,719,451
2,912,959	3,107,997	TOTAL INVENTORIES	3,227,997	3,257,997

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
212,501	-		-	-
212,501	-	Prepayments - Current	-	-
		Non-Current Prepayments		
-	-	Prepayments - Non-Current	-	-
212,501	-	Total Prepayments	-	-

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	4,001,599	5,650,711	86,736,115	32,067,522	9,981,725	1,130,054	139,567,726
Additions	-	-	8,861,954	-	406,747	2,542,862	11,811,563
Disposals and Derecognition	-	-	(59,896)	-	-	-	(59,896)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	2,939,026	-	-	(2,939,026)	-
Balance as at 31 December 2024	4,001,599	5,650,711	98,477,199	32,067,522	10,388,472	733,890	151,319,393

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	4,001,599	5,650,711	98,477,199	32,067,522	10,388,473	733,890	151,319,394
Additions	-	-	4,840,050	155,020	999,998	(733,890)	5,261,178
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2025	4,001,599	5,650,711	103,317,249	32,222,542	11,388,471	-	156,580,572

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	4,001,599	5,650,711	103,317,249	32,222,542	11,388,471	-	156,580,572
Additions	-	7,400,000	8,950,000	4,360,000	3,725,000	-	24,435,000
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2026	4,001,599	13,050,711	112,267,249	36,582,542	15,113,471	-	181,015,572

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	4,001,599	13,050,711	112,267,249	36,582,542	15,113,471	-	181,015,572
Additions	3,500,000	8,400,000	24,125,000	13,800,000	1,425,000	-	51,250,000
Disposals and Derecognition	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2027	7,501,599	21,450,711	136,392,249	50,382,542	16,538,471	-	232,265,572

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2024	-	2,169,198	47,165,938	19,413,607	8,760,148	-	77,508,891
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2024	-	113,324	2,999,115	548,569	329,779	-	3,990,787
Eliminate on Disposal or Derecognition 2024	-	-	(40,729)	-	-	-	(40,729)
Balance as at 31 December 2024	-	2,282,522	50,124,324	19,962,176	9,089,927	-	81,458,949

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2025	-	2,282,522	50,124,324	19,962,176	9,089,927	-	81,458,949
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2025	-	112,209	2,911,694	522,264	343,952	-	3,890,119
Eliminate on Disposal or Derecognition 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	2,394,731	53,036,018	20,484,440	9,433,879	-	85,349,068

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2026	-	2,394,731	53,036,018	20,484,440	9,433,879	-	85,349,068
Transfers	-	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-	-
Depreciation Expense 2026	-	125,348	2,823,090	539,930	576,621	-	4,064,989
Eliminate on Disposal or Derecognition 2026	-	-	-	-	-	-	-
Balance as at 31 December 2026	-	2,520,079	55,859,108	21,024,370	10,010,500	-	89,414,057

	Land	Buildings and Leasehold	Water Reticulation	Infrastructure	Other assets	Assets under construction or development	Total
Balance as at 1 January 2027	-	2,520,079	55,859,108	21,024,370	10,010,500	-	89,414,057
Transfers	-	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-	-
Depreciation Expense 2027	-	272,754	2,909,632	642,862	1,029,950	-	4,855,198
Eliminate on Disposal or Derecognition 2027	-	-	-	-	-	-	-
Balance as at 31 December 2027	-	2,792,833	58,768,740	21,667,232	11,040,450	-	94,269,255

Net Book value 31 December 2024	4,001,599	3,368,189	48,352,875	12,105,346	1,298,545	733,890	69,860,444
Net Book value 31 December 2025	4,001,599	3,255,980	50,281,231	11,738,102	1,954,592	-	71,231,504
Net Book value 31 December 2026	4,001,599	10,530,632	56,408,141	15,558,172	5,102,971	-	91,601,515
Net Book value 31 December 2027	7,501,599	18,657,878	77,623,509	28,715,310	5,498,021	-	137,996,317

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 9: LEASES - RIGHT-OF-USE

Right-of-use Assets

Cost

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
103,818	103,818	Balance at the start of the year	103,818	103,818
103,818	103,818	Balance at the end of the year	103,818	103,818

Accumulated Depreciation

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
47,190	56,654	Balance at the start of the year	66,024	75,462
9,464	9,370	Lease terminations in the year	9,438	9,438
56,654	66,024	Balance at the end of the year	75,462	84,900

Net Book Value

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
47,164	37,794	Net Book Value	28,356	18,918

Lease Liability

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	NON-CURRENT	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
53,775	53,775	Balance at the start of the year (SAGCs)	43,994	33,749
53,775	53,775		43,994	33,749
-	(7,227)	Repayments in the year - Principal (SAGCs)	(8,156)	(9,129)
-	(2,554)	Repayments in the year - Interest (SAGCs)	(2,089)	(1,603)
53,775	43,994	Balance at the end of the year (SAGCs)	33,749	23,017
53,775	43,994	TOTAL NON-CURRENT	33,749	23,017
53,775	43,994	TOTAL LEASE LIABILITY	33,749	23,017

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Financial risk management
As at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability				-	43,994

As at 31 December 2026

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	8,510	25,239		33,749	33,749

As at 31 December 2027

Contractual maturities of financial liabilities	Less than 1 year KYD '000'	1 - 5 years KYD '000'	Over 5 years KYD '000'	Total KYD '000'	Carrying amount KYD '000'
Lease liability	8,510	14,507		23,017	23,017

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,990,787	3,890,119	Property Plant Equipment	4,064,989	4,855,198
3,990,787	3,890,119	Total depreciation expense	4,064,989	4,855,198

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
2,713,212	2,362,698	Creditors Third party	2,586,885	2,586,885
3,176,120	2,227,227	Other payables	2,316,135	2,416,080
		Dividends/Surplus Payable		
5,889,332	4,589,925	Trade payables other payables and accruals - Current	4,903,020	5,002,965
		Non-Current Trade payables other payables and accruals		
-	-	Trade payables other payables and accruals - Non-Current	-	-
5,889,332	4,589,925	Total trade payables other payables and accruals	4,903,020	5,002,965

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 15: UNFUNDED PENSION LIABILITY

Pensions Plan Actuarial Valuation				
12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
1,077,000	1,100,000	Value of pension fund allocated assets	1,200,000	1,200,000
(2,204,000)	(2,477,000)	Past service liability	(2,827,000)	(2,927,000)
(1,127,000)	(1,377,000)	Fund (deficiency)/Surplus	(1,627,000)	(1,727,000)

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(5,639,000)	(6,839,000)	Defined benefit liability- post retirement healthcare - CINICO	(7,739,000)	(8,239,000)
(51,867,000)	(57,867,000)	Defined benefit liability- post retirement healthcare - AETNA	(60,867,000)	(62,367,000)
(57,506,000)	(64,706,000)	Total Unfunded Health Care Liability	(68,606,000)	(70,606,000)

Note 17a: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
42,032,583	44,230,050	General Sales	49,914,516	54,141,160
42,032,583	44,230,050	Total sales of goods and services	49,914,516	54,141,160

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	General Sales	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
35,345,721	37,623,293	Water Sales	42,779,218	46,577,745
6,066,870	6,192,708	Sewerage Fees	6,688,125	7,089,412
197,533	73,564	Agency Work	79,449	84,216
404,379	310,941	Septage Disposal	335,816	355,965
18,080	29,544	Connection and Other Fees	31,908	33,822
42,032,583	44,230,050	Total General Sales	49,914,516	54,141,160

		<i>Other Interdepartmental Revenue</i>		
-	-	Total Other Interdepartmental Revenue	-	-
42,032,583	44,230,050	Total Goods and Services	49,914,516	54,141,160

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

Note 18: Investment revenue

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,509,798	2,547,667	Interest on deposits	1,936,177	1,486,982
2,028,990	2,312,413	Royalties	3,019,792	3,092,688
-	97,159	Other	110,871	113,088
4,538,788	4,957,239	Total Investment revenue	5,066,840	4,692,758

Note 20: Personnel costs

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
8,913,110	10,371,564	Salaries, wages and allowances	12,948,438	14,145,210
-	2,890,005	Health care other	3,468,006	4,508,407
-	1,305,368	Pension	1,449,280	1,594,208
8,913,110	14,566,937	Total Personnel Costs	17,865,724	20,247,825

Note 21: Supplies and consumables

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
18,936,253	10,834,837	Supplies and Materials	13,279,080	15,452,710
	9,705,255	Purchase of services	10,664,178	11,623,954
1,590,426	2,072,772	Utilities	2,269,082	2,407,168
1,230,305	1,351,224	General Insurance	1,486,346	1,560,663
21,756,984	23,964,088	Total Supplies & consumables	27,698,686	31,044,495

Note 22: Finance costs

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,998	2,554	Other borrowing costs	2,090	1,603
2,998	2,554	Total Finance cost	2,090	1,603

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
744,811	237,418	Surplus/(deficit) from ordinary activities	2,543,279	407,850
		Non-cash movements		
3,990,787	3,890,119	Depreciation & Amortisation	4,064,989	4,855,198
19,167	-	Impairment	-	-
		Changes in current assets and liabilities:		
-	(500,453)	(Increase)/decrease in other current assets - Other	(309,771)	(107,000)
6,575,801	6,159,963	(Increase)/(decrease) in current liabilities - Other	4,472,536	2,209,383
11,330,566	9,787,047	Net cash flows from operating activities	10,771,033	7,365,431

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CAYMAN ISLANDS GOVERNMENT
OWNERSHIP AGREEMENTS

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