

Ministry of Finance and Economic Development



Cayman
Islands
Government



Annual Report 2025



This page has been left blank intentionally



Table of Contents



Purpose	3
Message from the Honourable Premier and Minister for Finance & Economic Development	4
Message from the Financial Secretary & Chief Officer	6
Organisational Chart	8
Details on Our Staff	9
Our Mission, Vision and Values	10
Key Stakeholders	11
Delivery Model	12
Achievement of the Objectives of the Ministry of Finance and Economic Development's 2021 to 2025 Strategic Plan	15
What We Do, Key Events & Achievements	30
Ministry Photos	45
Statement of Executive Financial Transactions	49
Overview of 2025's Financial Results	55
Appendix A – Audited Financial Statements	59

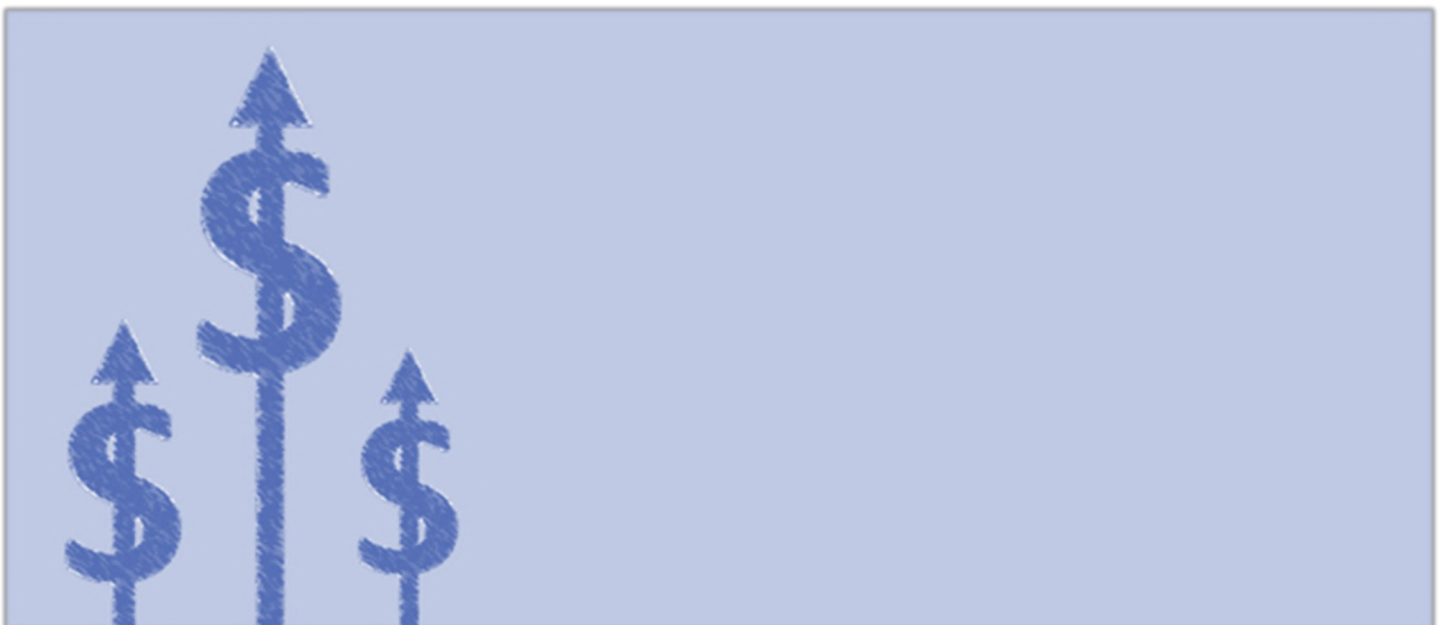
This page has been left blank intentionally

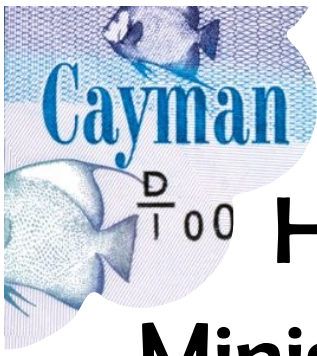
Purpose



The Public Management and Finance Act requires an entity (Ministry, Portfolio or Office) to prepare and Table an Annual Report in the Parliament. Annual Reports should include details of an entity's activities during the year; a statement reporting all executive financial transactions that the entity administered on behalf of Cabinet; and financial statements that compare the entity's actual performance with the performance specified in budget documents.

This Annual Report, which is prepared by the Ministry of Finance & Economic Development (the "Ministry"), seeks to provide a clear, understandable, and comprehensive review of the Ministry's activities, achievements, and performance during the 12-month period from 1 January 2025 to 31 December 2025. The financial statements, which are included in this Annual Report, and which comply with International Public Sector Accounting Standards, detail the performance of the Ministry during the financial period noted above and provide explanations for variances between actual and budgeted performance.





Message from the Honourable Premier and Minister for Finance & Economic Development

It is my pleasure to present the 2025 Annual Report of the Ministry of Finance and Economic Development, which outlines the Ministry's performance, achievements, and stewardship of public finances during the reporting period.

The Ministry plays a central role in supporting a strong and resilient Cayman Islands economy through sound fiscal management, responsible budgeting, and evidence-based economic policy. In 2025, Government continued to operate within a dynamic global environment marked by economic uncertainty, inflationary pressures, and evolving international expectations. Against this backdrop, the Ministry remained focused on maintaining fiscal discipline, strengthening governance, and ensuring that public resources were managed transparently and responsibly.

During the year, significant progress was made in advancing Government's medium-term financial framework. The preparation of the Pre-Election Economic and Financial Update, the development of the 2026–2028 Strategic Policy Statement, and the tabling of the 2026–2027 Budget provided clear fiscal direction while reinforcing compliance with the Framework for Fiscal Responsibility.

These milestones reflect Government's commitment to balancing investment in national priorities with long-term fiscal sustainability.

The Ministry also continued to lead important modernisation initiatives, including progress toward outcome-based budgeting and reporting. This reform will strengthen the link between public expenditure and measurable results, improve transparency, and enhance accountability to Parliament and the public.

Equally important was the Ministry's ongoing work to strengthen procurement governance, improve risk management, and enhance the quality of economic and statistical data available to decision-makers. These efforts ensure that policies and investments are informed by reliable evidence and aligned with the broader goal of sustainable economic development.

I wish to acknowledge the dedication and professionalism of the Financial Secretary, senior leadership team, and all staff within the Ministry and its associated entities. Their expertise and commitment continue to underpin the effective management of the country's finances and support the delivery of services that benefit our people.

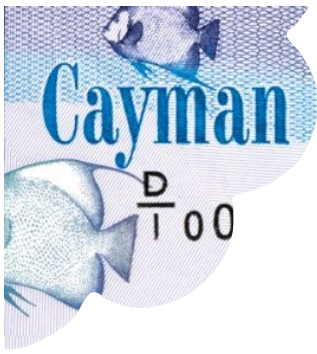
As we look ahead, the Government remains committed to prudent fiscal management, economic resilience, and the continued modernisation of public financial systems. The work undertaken in 2025 positions the Cayman Islands well to meet future challenges while pursuing opportunities that support sustainable growth and improved quality of life for all Caymanians.



Hon. Rolston M. Anglin, JP
Minister for Finance and Economic Development

27 February 2026





Message from the Financial Secretary & Chief Officer

I am pleased to present the 2025 Annual Report of the Ministry of Finance and Economic Development, highlighting the Ministry's operational achievements, financial stewardship, and progress in delivering its strategic objectives over the reporting period.

The Ministry's work during 2025 was guided by its mission to foster sustainable economic growth and ensure the effective and accountable management of public finances. Throughout the year, the Ministry supported Cabinet, Parliament, and public sector entities through the provision of fiscal policy advice, financial reporting and economic analysis.

A major focus during the year was strengthening the Government's budgeting and financial management framework. The Treasury Department delivered key outputs including quarterly financial reporting, preparation of strategic fiscal documents, and continued progress toward the implementation of an outcome-based budgeting and reporting framework. This reform agenda is designed to improve performance measurement, enhance decision-making, and better to align resources with Government priorities.

The Ministry also advanced initiatives to improve forecasting, modernise budget processes through automation, and strengthen financial reporting in accordance with International Public Sector Accounting Standards. These efforts support improved accuracy, transparency, and efficiency in financial management across the public sector.

The Economics and Statistics Office continued to provide high-quality economic and statistical outputs, supporting evidence-based policymaking through the publication of key economic indicators, survey results, and analytical reports. At the same time, the Central Procurement Office and Risk Management functions strengthened governance frameworks and promoted best practice across Government operations.

Internally, the Ministry remained committed to building a high-performing organisation. Investments in staff development, leadership capacity, and workplace culture contributed to improved collaboration and strengthened institutional capability.

These achievements reflect the dedication and professionalism of the Ministry's staff, whose expertise and commitment enable the Ministry to meet its responsibilities in a complex and evolving environment. I extend my sincere appreciation to all team members and stakeholders who contributed to the Ministry's success during the year.

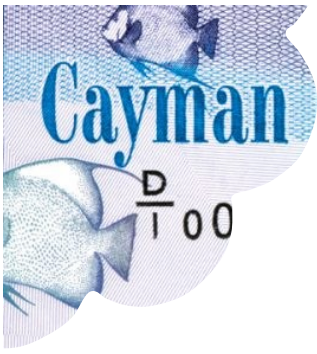
Looking forward, the Ministry will continue to focus on modernising public financial management, strengthening fiscal resilience, and supporting the Government's broader economic and social objectives through sound analysis, disciplined execution, and accountable leadership.



Kenneth Jefferson, JP
Financial Secretary & Chief Officer

27 February 2026





Organisational Chart

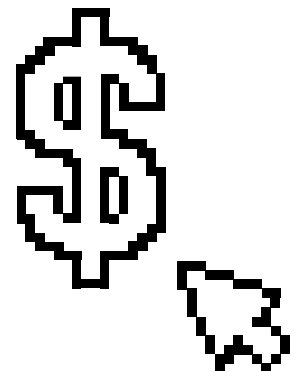
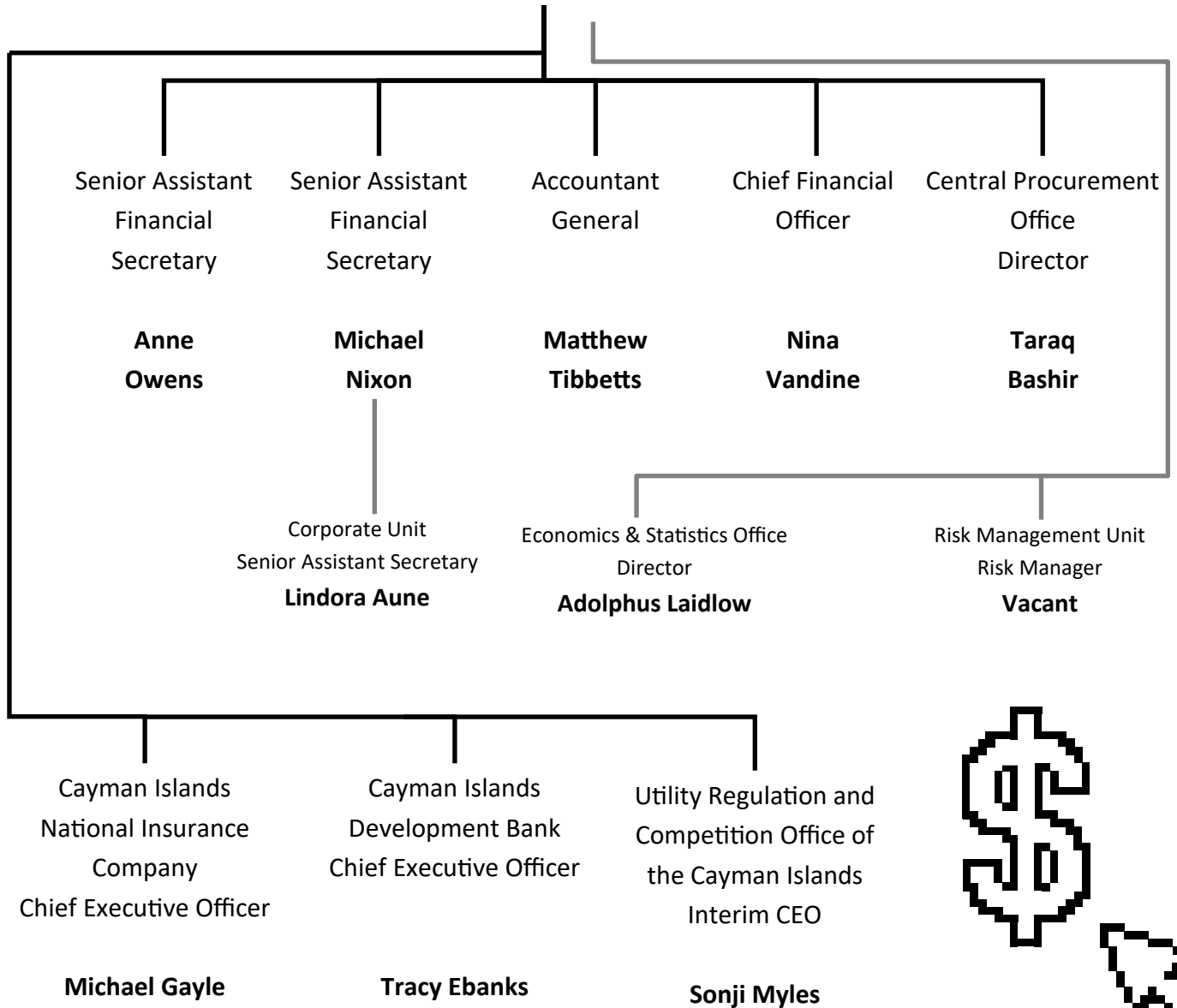
Minister for Finance

and Economic Development

Honourable Rolston M. Anglin

Financial Secretary & Chief Officer

Kenneth Jefferson, JP

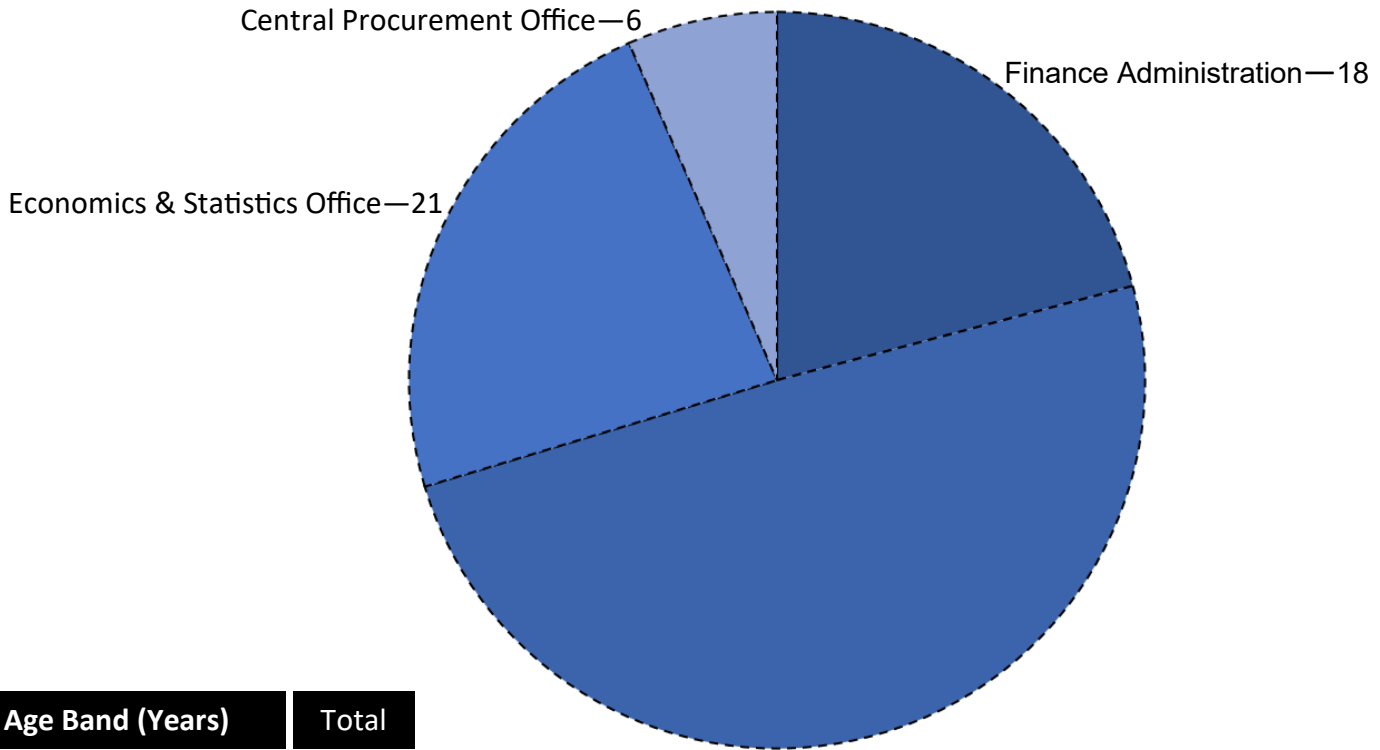


Details on Our Staff

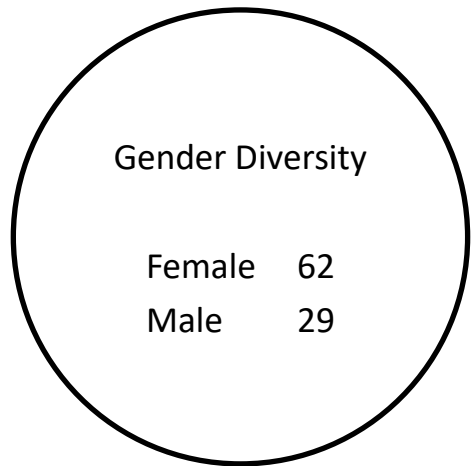
as at 31 December 2025

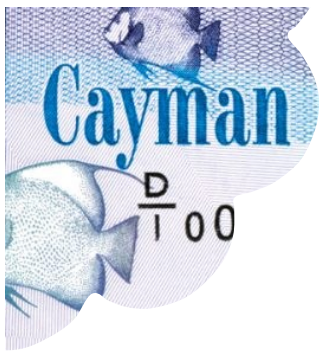


Nationality	Total
Caymanian	78
British	1
Canadian	2
Jamaican	8
Saint Vincentian	1
Zimbabwean	1



Age Band (Years)	Total
21–25	4
26–30	5
31–35	11
36–40	4
41–45	13
46–50	13
51–55	18
56 and over	23





Our Mission, Vision and Values

OUR VISION

“An innovative Ministry that drives excellence through timely, informed and accountable decision making.”

OUR MISSION

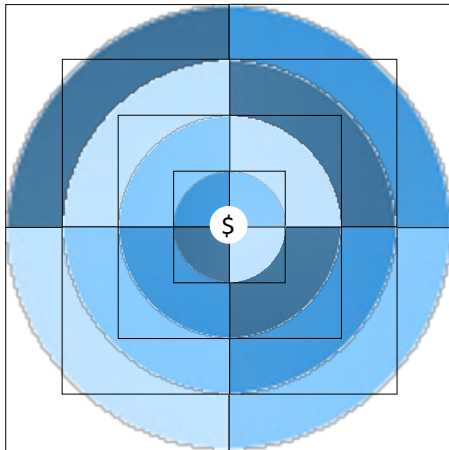
“To foster sustainable economic growth and international competitiveness through effective and accountable use of public finances that enhance quality of life in the Cayman Islands.”

OUR VALUES

Transparency and accountability: We take responsibility for our actions and are transparent and accountable when dealing with others;
Integrity: We conduct our work ethically and truthfully, in a manner that creates confidence and trust in those we work with and report to;
Teamwork and collaboration: We achieve common goals through successful working relationships with those who may have diverse ideas, strengths and cultural backgrounds; and
Respect: We treat everyone with respect, fairness and dignity and value the ideas and opinions of those with whom we work.

Our revised mission statement and four values statements represent what we consider as the essential attitudes and approaches we must bring to our daily delivery of that mission, and the individual and collective contributions we will be making towards our shared vision for the future.

Key Stakeholders



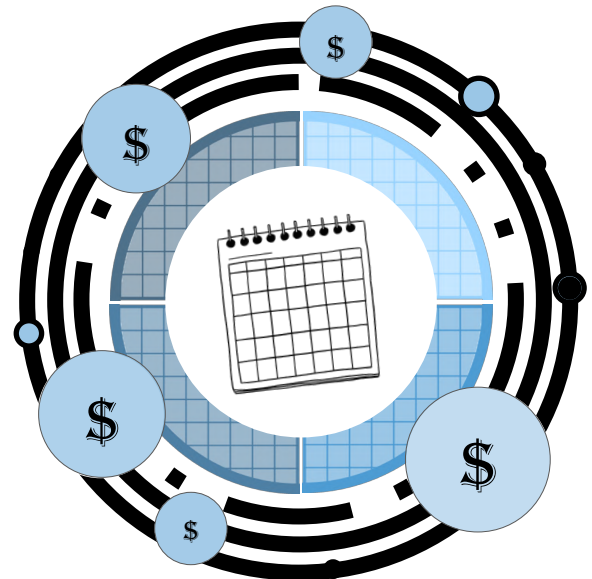
THE LOCAL COMMUNITY

Businesses, including banks, philatelists and those who are vendors/suppliers to the Government; Non-government organisations, such as the Cayman Islands Seafarers Association; the general public; respondents, advocates and providers of feedback/recommendations on the Ministry's enabled products and services; and public-private sector committees whose specific data and information needs are addressed through Ministry programming.



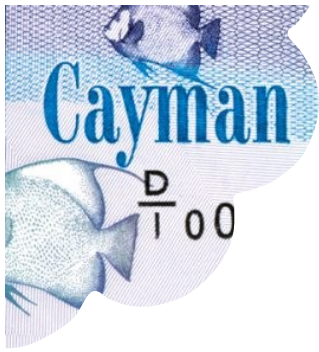
OTHER GOVERNMENT ENTITIES

The Cabinet, the Parliament, Ministries, Portfolios and Offices ("MPO"s), Statutory Authorities and Government Companies ("SAGC"s) that are users of the Ministry's outputs or producers of information that utilise information by the Ministry; SAGCs reporting through the Ministry: Cayman Islands National Insurance Company ("CINICO") and the Cayman Islands Development Bank ("CIDB"); and producers of statistical information in the public sector including members of the National Statistical Coordination Committee.



INTERNATIONAL ENTITIES

International and regional organisations as providers of technical assistance especially related to the implementation of international or regional standards and as users of the Ministry's enabled statistics and reports especially in the areas of global and regional financial and economic surveillance.



Delivery Model

The “delivery model” represents the activities and outputs that we deliver to fulfill our mandate and mission, the inputs that we use to produce these outputs and the impacts that we make with these outputs. These delivery model components are defined as follows:

Activities

- Activities describe collections of actions and services that we deliver under our mandate.

Inputs

- Inputs represent the resources and outputs from other parties that are consumed by our activities.

Outputs

- Outputs are the products or services generated by our activities.

Outcomes

- **DIRECT OUTCOMES** are the first level of outcomes or impacts that we influence – those over which we have the most direct influence with our inputs.
- **INTERMEDIATE OUTCOMES** comprise the second level of outcomes – those over which the Ministry has less influence with our inputs and where the influence may be shared with our stakeholders.
- **ULTIMATE OUTCOMES** are the highest-level outcomes to which we contribute with our outputs and are subject to many influences beyond those of the Ministry.



Delivery Model – Outcomes



Government's Broad Strategic Outcomes

- A strong economy to help families and businesses
- Stable, effective and accountable Government
- Stronger communities and support for the most vulnerable

Direct Outcomes

- Public sector officials are provided with analysis, information and advice on the fiscal and economic implications associated with sectoral and economic policy
- Public sector officials are provided with evidence-based analysis, research and advice on matters that impact the Caymanian economy
- Public sector officials are provided with information, knowledge and tools to put in place sound management practices
- The public sector, the private sector and persons living in the Cayman Islands have communications, logistics and materials to enable them to conduct their individual, business and governmental affairs

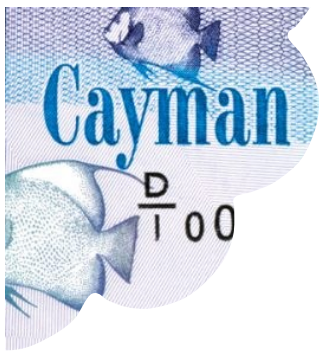
Intermediate Outcomes

- Public sector officials make informed decisions on the fiscal and economic implications associated with sectoral and economic policy
- Public sector officials make informed decisions on matters that impact the Government's economic and fiscal agenda
- Government organizations implement sound financial and non-financial management practices
- The public sector and Cayman Islands residents are able to contribute to the quality of life in their communities and to business and governmental results

Ultimate Outcomes

- A strong economic, social, fiscal, and financial policy framework
- The public finances of the Cayman Islands are sound, sustainable and inclusive
- Well-managed and efficient government/public sector operations
- A transparent, accountable, and responsible public sector
- A strong local supply base for works, goods, and services





Delivery Model – Functions & Outputs

Finance Administration

INPUT

- Information
- Data (various sources)
- Human resources

OUTPUT

- Information and advice
- Fiscal policies, guidance and direction
- Abatements, waivers, company exemptions, concessions
- Risk management framework
- MPO financial statements
- Advice to Cabinet

Treasury Department

INPUT

- Financial resources
- Infrastructure
- Specialized business software
- Stakeholder input, MPO
- SAGC financial statements

OUTPUT

- Deposits of revenue for government
- Support of the Integrated Resource Information System
- Cash management reports
- Revenue forecasts and financial reports
- Government budget
- Government accounting policy
- Payroll/payments
- Loans to individuals and employees
- Trust accounts

Central Procurement Office (CPO)

INPUT

- Requests for information and advice

OUTPUT

- Education and training opportunities
- Procurement legislation, regulations, policies, procedures, guidance
- Procurement standards, tools and templates
- Procurement decisions
- Government-wide contracts

Economics & Statistics Office (ESO)

INPUT

- IT support
- Policies, legislation and regulations
- International treaties
- International statistical standards and methodologies

OUTPUT

- Survey instruments, statistical principles, classifications and methodologies
- Economic forecasts and reports
- Economic research studies
- Statistical reports, publications and support
- Statistics and data
- Policies and technical advice on economic and statistical matters, data collection and dissemination, survey design and methodologies

Achievement of the Objectives of the Ministry of Finance and Economic Development's 2021 to 2025 Strategic Plan

There is a diverse set of Stakeholders that rely on information that is produced by the Ministry. The Cabinet, Members of the Parliament, local and international businesses and the general public rely on budgets, financial reports, economic forecasts, statistical reports, and other fiscal policies and guidance that are delivered by the Ministry.

This vital information is used to make key and informed fiscal and economic decisions – which are all geared towards building a stronger economy and community that supports families, businesses and the most vulnerable.

The Ministry's 2021 to 2025 Strategic Plan provides stakeholders with the assurance that the Ministry aims to align its resources with the priorities of stakeholders in order to pursue shared goals and attain meaningful results.

The following provides a status update on the progress of the Plan's objectives and initiatives.

STRATEGIC OBJECTIVE 1: TAKE ON LEADERSHIP FOR THE CRAFTING OF A GOVERNMENT-WIDE ECONOMIC DEVELOPMENT STRATEGY

Initiative 1.1: Re-examine, define and re-design the Ministry's economic development role

Redefining the Ministry's economic development role is essential to ensuring that the Cayman Islands continues to pursue sustainable and inclusive growth. Given the Islands' limited natural resources and small size, a targeted and well-structured economic development strategy is critical. A comprehensive economic development plan will guide policymakers in designing robust initiatives that support long-term resilience and deliver benefits for all Caymanians.

In support of this initiative, the Economics and Statistics Office (ESO) explored approaches to redesigning and producing an updated economic development plan. Based on this initial work, the ESO commenced drafting terms of reference to engage an external consultant to lead the development of the plan, with technical guidance and oversight provided by the ESO. The formulation of an economic development plan was incorporated into the Economic Unit's 2023 work plan, with the first milestone being the preparation of draft terms of reference for procurement.

To support this work, the ESO engaged with the Caribbean Development Bank (CDB) in April 2023 to explore technical assistance in developing the terms of reference and the broader economic development plan. The CDB confirmed that such assistance falls within its mandate and shared relevant regional examples of recently completed development and medium-term economic plans. The ESO also reviewed Jamaica's economic development plan and held follow-up discussions with the CDB regarding the potential availability of grant funding to support the exercise.

Subsequently, Cabinet indicated a preference to prioritise the development of a Future Trends Report and requested the ESO's involvement in the consultant selection process. Given the potential overlap between a Future Trends Report and a comprehensive Economic Development Plan, the ESO submitted the relevant information to the Ministry and is awaiting further guidance on the sequencing and scope of the work, including whether support from the CDB will be pursued. This initiative was achieved on 31 December 2024.

STRATEGIC OBJECTIVE 1: TAKE ON LEADERSHIP FOR THE CRAFTING OF A GOVERNMENT-WIDE ECONOMIC DEVELOPMENT STRATEGY

Initiative 1.2: Work with our public and private sector stakeholders and Cabinet to craft an integrated strategy for the development of the economy of the Cayman Islands

Effective economic development requires strong partnerships across the public and private sectors. The private sector plays a critical role in national income generation, employment, capital flows, and investment decisions, making stakeholder collaboration essential to the development of a coherent and integrated economic strategy. Structured consultation with stakeholders supports informed decision-making, helps leverage opportunities, and mitigates potential risks and unintended consequences.

In support of this initiative, the Director of the ESO, or his designate, actively participates on key boards and committees that shape the Cayman Islands' economic direction. These include the Energy Policy Council, the Minimum Wage Advisory Committee, the Board of Directors of the Cayman Islands Development Bank, and the Inter-Ministerial Committee on Housing. Participation in these forums enables the ESO to provide data-driven analysis and technical advice to inform policy development and support Cabinet decision-making.

The ESO will continue to contribute statistical analysis and economic expertise to guide new development initiatives across both the public and private sectors. Key outcomes to date include the submission of the final report of the Minimum Wage Advisory Committee to Cabinet, the presentation of findings from the Inter-Ministerial Committee on Housing, and ongoing engagement with the Energy Policy Council and the Cayman Islands Development Bank. This initiative is ongoing.

STRATEGIC OBJECTIVE 1: TAKE ON LEADERSHIP FOR THE CRAFTING OF A GOVERNMENT-WIDE ECONOMIC DEVELOPMENT STRATEGY

Initiative 1.3: Develop a more strategic and structured approach to Government procurement as well as reviewing and improving procurement processes

As part of the Government's framework for fiscal responsibility, the Ministry established the Central Procurement Office (CPO) to ensure that procurement processes are open, transparent, competitive, and deliver value for money. The responsibilities of the CPO, as set out in the Procurement Act, are ongoing in nature and require continuous review and refinement to meet the evolving needs of the Cayman Islands Government.

To strengthen procurement governance and improve efficiency, the CPO has continued to monitor, enhance, and update procurement processes across Government. This included progressing amendments to the Procurement Act and Procurement Regulations to modernise and clarify key aspects of the procurement framework. Recent legislative updates strengthened requirements for business cases, clarified approval and appraisal processes for projects, refined direct award and competitive procurement procedures, enhanced transparency around bid openings and contract awards, established clear timeframes for bidder debriefings and complaints, and formalised requirements for industry consultation and local impact assessments.

In addition, the CPO continued to develop and maintain its centralised website to provide accessible procurement guidance and information, and published Government Procurement Plans to improve market visibility and allow potential bidders to better prepare for upcoming opportunities. Capacity across public entities was strengthened through the introduction of "Navigating the Process" training sessions, which provide practical guidance on procurement principles, ethics, tender development, the use of the Bonfire e-procurement system, and the preparation of robust business cases.

Further measures included the issuance of a Contract Variation Policy to support effective contract management, oversight of Entity Procurement Committees to reinforce procurement governance within public entities, and ongoing guidance and support to the Public Procurement Committee to ensure fairness, impartiality, and compliance with procurement legislation. An Emergency Procurement Procedure was also established to allow flexibility in urgent situations while maintaining accountability, transparency, and value for money. These initiatives were achieved on 31 December 2022.

STRATEGIC OBJECTIVE 1: TAKE ON LEADERSHIP FOR THE CRAFTING OF A GOVERNMENT-WIDE ECONOMIC DEVELOPMENT STRATEGY

Initiative 1.4: Help build capacity across the public sector to support a collaborative and impactful economic development strategy

Public sector institutions play a central role in responding to economic and social challenges, making it essential to maintain a capable, proactive, and innovative public service. Strengthening capacity across the public sector supports improved strategic planning and policy development, more effective resource mobilisation and management, enhanced delivery of public goods and services, and stronger enforcement of laws and regulations.

In support of this initiative, the ESO provides data and technical guidance to finance officers across Government in the preparation of revenue forecasts. The ESO has also provided analytical support and advice on business cases for major development initiatives, including the submarine cable project and data-driven investment initiatives for Invest Cayman. Increasing demand for technical and quantitative analysis has enabled the ESO to share its expertise more widely, thereby strengthening capacity within the civil service.

The ESO continues to enhance its internal capabilities through participation in regional and international training programmes. This ongoing investment in skills and expertise ensures the availability of high-quality statistical analysis to inform new economic development initiatives led by both the public and private sectors. This initiative was achieved on 31 December 2025.

STRATEGIC OBJECTIVE 2: IMPROVE PUBLIC AND PRIVATE SECTOR DECISION-MAKING. COLLABORATION AND RESILIENCE

Initiative 2.1: Develop statistical information that is tailored to the unique needs of various stakeholder groups

This initiative underscores the critical role of statistics in supporting evidence-based decision-making by establishing benchmarks, monitoring progress, and evaluating the effectiveness of policies and programmes. High-quality, targeted statistical information enables decision-makers to assess whether objectives are being achieved and to identify areas requiring adjustment or improvement.

A key achievement under this initiative was the development and launch of Ecosystem Accounts, which provide a quantifiable monetary measure of the contribution of the Cayman Islands' environmental assets to the economy. The first Ecosystem Accounts for 2020 were developed by Economics for the Environment (EFTEC) and the Joint Nature Conservation Committee (JNCC), in collaboration with the Department of Environment, and funded by the United Kingdom Government through the Darwin Initiative. Building on this foundation, the Economics and Statistics Office (ESO) completed the 2021 Ecosystem Accounts and has continued to embed this work within its core statistical programme.

The completion of the 2021 Population and Housing Census and the publication of results in 2022 further strengthened the statistical base available to policymakers and supported the development of additional data-driven initiatives aimed at improving the delivery of goods and services across both the public and private sectors. In parallel, research is ongoing to develop Gross National Happiness indicators and a Human Development Index to provide broader measures of social and economic well-being.

The Ecosystem Accounts initiative will continue through regular updates, with the 2021 accounts updated and the 2022 accounts compiled during the fourth quarter of 2023 to the first quarter of 2024, followed by updates to the 2022 accounts and compilation of the 2023 accounts during the fourth quarter of 2024 to the first quarter of 2025.

The National Capital Accounts (NCA) form a core component of this work and currently cover key natural assets, including fisheries, agriculture, carbon sequestration, coastal protection, tourism, and the amenity value of mangroves. These accounts are updated annually by the ESO, with final tables provided to the Department of Environment to inform the national asset register. Data are currently available for the period 2020 to 2022, with initial estimates developed by EFTEC and subsequent updates compiled by the ESO in collaboration with the Department of Environment. Knowledge transfer and training provided by EFTEC have enabled the ESO to independently maintain and update the accounts on an ongoing basis.

The National Capital Accounts provide significant benefits by enabling the monitoring of environmental conditions, quantifying the reliance of economic sectors on natural assets, supporting investment and environmental impact assessments, informing physical planning decisions, and helping to assess the overall costs and benefits of actions that affect the environment. This initiative was achieved on 31 December 2025

STRATEGIC OBJECTIVE 2: IMPROVE PUBLIC AND PRIVATE SECTOR DECISION-MAKING. COLLABORATION AND RESILIENCE

Initiative 2.2: Strengthen statistical capacity and data literacy in public and private sector organizations and within the Caymanian population

The Ministry continues to strengthen statistical capacity and data literacy by undertaking an ongoing review of its statistical compilation programmes to ensure alignment with international best practices. This work is focused on improving the quality, consistency, and reliability of official statistics to better support evidence-based decision-making across the public and private sectors.

Key actions include implementing the most current international recommendations for statistical compilation based on available data, participating in technical assistance missions facilitated by multilateral agencies responsible for international statistical standards, and reviewing statistical compilation practices with international experts to incorporate their recommendations.

In addition, the Ministry participated in a technical assistance mission on the System of National Accounts (SNA) delivered by the Caribbean Regional Technical Assistance Centre (CARTAC), the regional technical assistance arm of the International Monetary Fund, between 20 February and 3 March 2023. These actions are being progressed on an ongoing basis.

STRATEGIC OBJECTIVE 2: IMPROVE PUBLIC AND PRIVATE SECTOR DECISION-MAKING. COLLABORATION AND RESILIENCE

Initiative 2.3: Develop a framework and work with stakeholders to improve data collection and data integrity and promote a data-driven culture

The Ministry is developing a structured data governance framework to improve data collection, strengthen data integrity, and promote a data-driven culture across the public and private sectors. The framework is intended to improve stakeholders' understanding of why data is collected, how it is used, and how resulting datasets can support policy development and decision-making. It also seeks to clearly articulate data confidentiality and protection standards, strengthen stakeholder confidence, and improve participation and response rates for business and household surveys.

A key component of this initiative has been the introduction of specialised software to modernise the processing and dissemination of trade statistics, which are critical inputs into major economic indicators such as the Balance of Payments and Gross Domestic Product. The implementation of the Eurotrace Trade Database has significantly strengthened trade data management and institutional capacity within the Economics and Statistics Office (ESO) and, potentially, across wider Government. The software incorporates validation rules and automated error checks, improving data quality and reducing revisions caused by human error. As a result, processing times for trade data have improved from approximately three weeks to four days, enabling more timely reporting and economic analysis.

Progress to date includes ongoing engagement with stakeholders to reinforce the importance and value of data collection; streamlining survey processes to improve efficiency; and expanding the use of electronic business surveys, which now account for approximately 75 percent of all business surveys issued. The ESO has also developed new datasets in response to stakeholder needs, provided targeted datasets with guidance on their practical use, and held ad hoc meetings with private-sector entities to explain survey requirements and data applications. Internal capacity has been strengthened through staff training in trade data dissemination tools, the development of procedural manuals, and comprehensive training on the use and maintenance of the Eurotrace and Comext applications. Eurotrace was successfully installed in May 2023, and ESO staff are now fully trained to customise outputs and respond to stakeholder data requests efficiently.

Work will continue to finalise and implement the overarching data framework, expand the production of import and export price indices, and strengthen collaboration with Customs and Border Control to improve quantity measures for traded goods. These actions will further enhance data quality, support more robust economic analysis, and reinforce evidence-based decision-making across Government and the wider economy.

STRATEGIC OBJECTIVE 2: IMPROVE PUBLIC AND PRIVATE SECTOR DECISION-MAKING. COLLABORATION AND RESILIENCE

Initiative 2.4: Review and enhance the government-wide risk management framework and plan

The Ministry implemented a strengthened government-wide risk management framework that improved the identification, assessment, and management of risks across the public sector. This included the development of a formal Risk Management Framework document and a centralised Risk Register Tool, supported by training sessions, instructional videos, user manuals, and reference guides to ensure consistent application across Government.

The Risk Register Tool serves as a core management resource, enabling Chief Officers and senior management to systematically record identified risks, assess their severity, and track mitigation actions and progress over time. This has strengthened oversight, accountability, and the Government's ability to proactively manage emerging and ongoing risks.

Risk management resources and access to the Risk Register Tool are available to all civil servants through a central location on the Government Hub. In addition, ongoing one-on-one support and hands-on training sessions are provided to Risk Units and managers to assist with the establishment, maintenance, and effective use of individual risk registers (implemented 31 December 2022).

STRATEGIC OBJECTIVE 3: STRENGTHEN GOVERNMENT'S MANAGING FOR RESULTS ENVIRONMENT AND CULTURE

Initiative 3.1: Develop a managing for results policy together with the supporting implementation guidance

Initiative 3.2: Modernize the business practices, decision-making processes and tools used to support results-based management and accountability

Initiative 3.3: Implement a strategy for building capacity and evolving the Government managing for results culture

Initiative 3.4: Develop and implement a government-wide results-based management and accountability framework for assessing financial and non-financial performance

Initiative 3.5: Review and enhance the reporting processes and tools for budgeting, revenue forecasting, stress testing and planning

In 2022, the Ministry commenced a multi-year project to modernise the Government's budgeting and reporting framework. The primary objective of the project is to transition the Government to a modern, outcome-based budgeting and reporting framework that more clearly links public expenditure to strategic priorities and measurable outcomes. The project also aims to simplify budget documents, improve the quality and usefulness of performance information, strengthen alignment between policy, planning and budgeting, and leverage technology to streamline budget preparation, consolidation and reporting.

To date, significant progress has been achieved since the project commenced. In Phase 1, the Ministry successfully procured external consultancy support to assess gaps in the existing framework and develop a detailed business case for reform. This work included extensive stakeholder engagement across Ministries, Portfolios, Offices, Statutory Authorities and Government Companies, as well as consultations with the Office of the Auditor General and other central agencies. The resulting business case recommended the strategic implementation of an outcome-based budgeting framework supported by redesigned budget documents, a fit-for-purpose budget system, and targeted legislative amendments.

In February 2023, Cabinet approved the Outline Business Case and endorsed the recommended reform option. Phase 2 of the project commenced following Parliamentary approval of funding in the 2024–2025 Budget and the completion of a competitive procurement process for implementation support.

In 2024 and 2025, the Ministry advanced several foundational components of the reform. These included the development and validation of a draft outcome-based budgeting framework, the redesign of key budget documents to improve clarity and reduce duplication, and the commencement of legislative analysis to support future amendments to the Public Management and Finance Act and Financial Regulations. In

parallel, extensive change-management and capacity-building activities were undertaken, including the delivery of workshops across the public service to support the development of service inventories and key performance indicators, which are critical building blocks of outcome-based budgeting.

The Ministry also implemented robotic processing automation (RPA) which supports the budget preparation process by automating repetitive, rules-based tasks involved in compiling and reconciling Excel templates and Word documents. By automatically extracting, validating, and consolidating data across multiple files, RPA reduces manual handling, improves accuracy, and shortens budget preparation timelines. The use of RPA allows staff to spend less time on administrative processing and more time on analysis, quality assurance, and strategic decision-making. As part of the Ministry's broader modernisation agenda, RPA provides an interim, practical solution to improve efficiency and consistency while longer-term system enhancements are progressed.

In 2026, work will continue on finalising the framework, progressing legislative amendments, strengthening performance measurement, and preparing on for the future implementation of a supporting budget system. The Ministry will also strengthen the Government's financial forecasting framework to deliver more credible budgets and more reliable in-year projections. Forecasting across Government will be improved through a coordinated approach that integrates revenue forecasts from the Revenue Unit, inputs from Chief Officers and Chief Financial Officers, and macroeconomic analysis from the Economics and Statistics Office. This will ensure that revenue projections are firmly anchored in economic conditions and are updated regularly to reflect emerging trends and developments.

The Government will also implement a structured quarterly forecasting cycle using predictive analytics that draws on macroeconomic indicators, historical trends, seasonality, and the impacts of policy decisions. Ministries, Portfolios and Offices will be required to submit updated revenue and expenditure forecasts supported by explanations of material variances, with consolidated analysis presented to Caucus and Cabinet. These measures will improve confidence in forward estimates, enable earlier identification of fiscal risks, and support more timely and informed financial decision-making.

The Ministry intends to present the first outcome-based budget for the 2028/2029 financial period, which will improve strategic decision-making, enhance transparency and accountability, and ensure that public resources are more clearly directed toward achieving the Government's desired outcomes.

STRATEGIC OBJECTIVE 4: BECOME A WORKPLACE OF CHOICE FOR CIVIL SERVANTS WITH THE GOVERNMENT

Initiative 4.1: Champion new approaches, tools and materials that will foster a workplace culture of mutual trust, respect and dignity for everyone

The Ministry is committed to fostering a positive and inclusive workplace culture grounded in mutual trust, respect, and dignity for all employees. A strong workplace culture supports employee motivation, teamwork, and collaboration, while also improving morale, productivity, efficiency, and overall job satisfaction. These factors contribute directly to improved organisational performance and staff engagement.

To support this objective, the Ministry introduced an online, anonymous employee feedback survey to enable staff to provide regular and candid input. Feedback is compiled by Human Resources and presented to the Leadership Team on a quarterly basis to inform review and, where appropriate, implementation of improvements (implemented 31 July 2023).

Employee engagement and recognition were further strengthened through increased staff social activities, including office potlucks, interactive games, and festive events with prizes, as well as the introduction of monthly birthday celebrations and formal recognition of Professional Administrative Day. Managers were also encouraged to nominate employees each month for consideration under the Chief Officer's Choice – Employee of the Month initiative (implemented 30 April 2023).

In addition, the Ministry implemented a staff recognition and praise system to allow employees to publicly acknowledge the achievements of their colleagues and formally recognised employee service milestones, including 10- and 20-year anniversaries (implemented 31 August 2023).

The Ministry also reinforced its commitment to fairness and inclusion by ensuring equal opportunity in hiring practices in line with Human Resources best practices and procedures. An inclusive workplace that values diverse experiences, perspectives, and identities supports greater trust in leadership and strengthens organisational cohesion (implemented 18 November 2025).

Finally, employees were educated on the Government's Anti-Bullying, Harassment, and Discrimination policies, and compliance with the mandatory government-wide training programme was ensured. These actions reinforce the Ministry's zero-tolerance approach to unacceptable conduct and its commitment to maintaining a safe and respectful workplace (implemented 15 November 2024).

STRATEGIC OBJECTIVE 4: BECOME A WORKPLACE OF CHOICE FOR CIVIL SERVANTS WITH THE GOVERNMENT

Initiative 4.2: Embed a culture of constant improvement, innovation, and proactivity within the Ministry

The Ministry is committed to embedding a culture of continuous improvement, innovation, and proactivity that empowers employees to think creatively, adapt to change, and contribute meaningfully to organisational success. This culture supports employee satisfaction, team productivity, diversity of thought, and long-term organisational growth, while reinforcing the Ministry's commitment to lifelong learning and increased career mobility for its workforce.

To advance this initiative, the Ministry established new policies and updated existing ones to ensure alignment with current trends and best practices. A Flexible Working Policy was implemented to clearly define approved working arrangements and set expectations for employees participating in flexible work (implemented 31 January 2023). In support of continuous learning, a Professional Learning and Development Policy was also introduced to formalise the Ministry's commitment to employee development and skills enhancement (implemented 31 May 2023).

Further strengthening this framework, the Ministry implemented a comprehensive Employee Handbook consolidating all relevant policies, procedures, office rules, and performance management guidelines into a single, accessible resource (implemented 11 November 2025). In addition, monthly staff meetings were introduced to improve communication, encourage forward planning, and provide a regular forum for discussing key initiatives and priorities (implemented 31 July 2023).

STRATEGIC OBJECTIVE 4: BECOME A WORKPLACE OF CHOICE FOR CIVIL SERVANTS WITH THE GOVERNMENT

Initiative 4.3: Develop a coordinated learning and development plan for the Ministry to build capacity and guide career development and advancement

The Ministry recognises that a structured and coordinated learning and development approach is essential to improving workplace productivity, efficiency, and employee engagement. Employees value clear support from managers in achieving professional goals and meeting performance expectations, and ongoing development conversations throughout the year - rather than only during annual reviews - are critical to sustaining motivation and growth. This approach is particularly important for employees seeking to enhance their skills and progress their careers, and it demonstrates the Ministry's commitment to continuous development and internal mobility.

To support this initiative, the Ministry developed a Personal Development Plan to guide structured development discussions between managers and employees. The Plan promotes a balanced approach that does not rely solely on classroom training and includes a wide range of development opportunities, such as secondments, coaching, mentoring, job-shadowing, online and self-directed learning, alongside the full suite of training programmes offered through the Cayman Islands Civil Service College (CSC) (implemented 31 July 2023).

The Ministry also strengthened access to learning opportunities by actively promoting available resources. Information on key courses, seminars, workshops, events, webinars, and online e-learning programmes was circulated to increase employee awareness and engagement, including sharing the Chamber of Commerce training calendar to broaden professional development options. In addition, employees were supported in setting up accounts on both the CSC portal and LinkedIn Learning, and a CSC-hosted information session was promoted to demonstrate the benefits of LinkedIn Learning and provide guidance on navigating the CSC Online platform.

To further embed a learning culture across the organisation, the Ministry appointed a Learning Champion to promote key learning initiatives and coordinate engagement with the CSC (implemented 30 June 2025).

STRATEGIC OBJECTIVE 4: BECOME A WORKPLACE OF CHOICE FOR CIVIL SERVANTS WITH THE GOVERNMENT

Initiative 4.4: Strengthen leadership, decision-making and communication skills in the management levels of the Ministry

The Ministry recognises that strong leadership, effective decision-making, and clear communication are critical to employee engagement and organisational performance. Regular communication through monthly staff meetings has improved inclusiveness and transparency, helping employees feel informed, valued, and connected to the Ministry's direction. Complementing this approach, the Ministry has focused on ensuring that managers are equipped with the skills and training required to lead effectively.

To support this initiative, the Ministry implemented a Succession Planning Policy to strengthen leadership continuity and reduce the risk of critical roles remaining vacant. The policy provides a structured framework for identifying key managerial and technical roles, assessing employee skills and potential, and developing a succession pipeline through defined governance arrangements, including Succession Panels and a Steering Committee. This approach promotes proactive workforce planning, transparency, and targeted employee development, ensuring that leadership capability is sustained over time (implemented 14 July 2025).

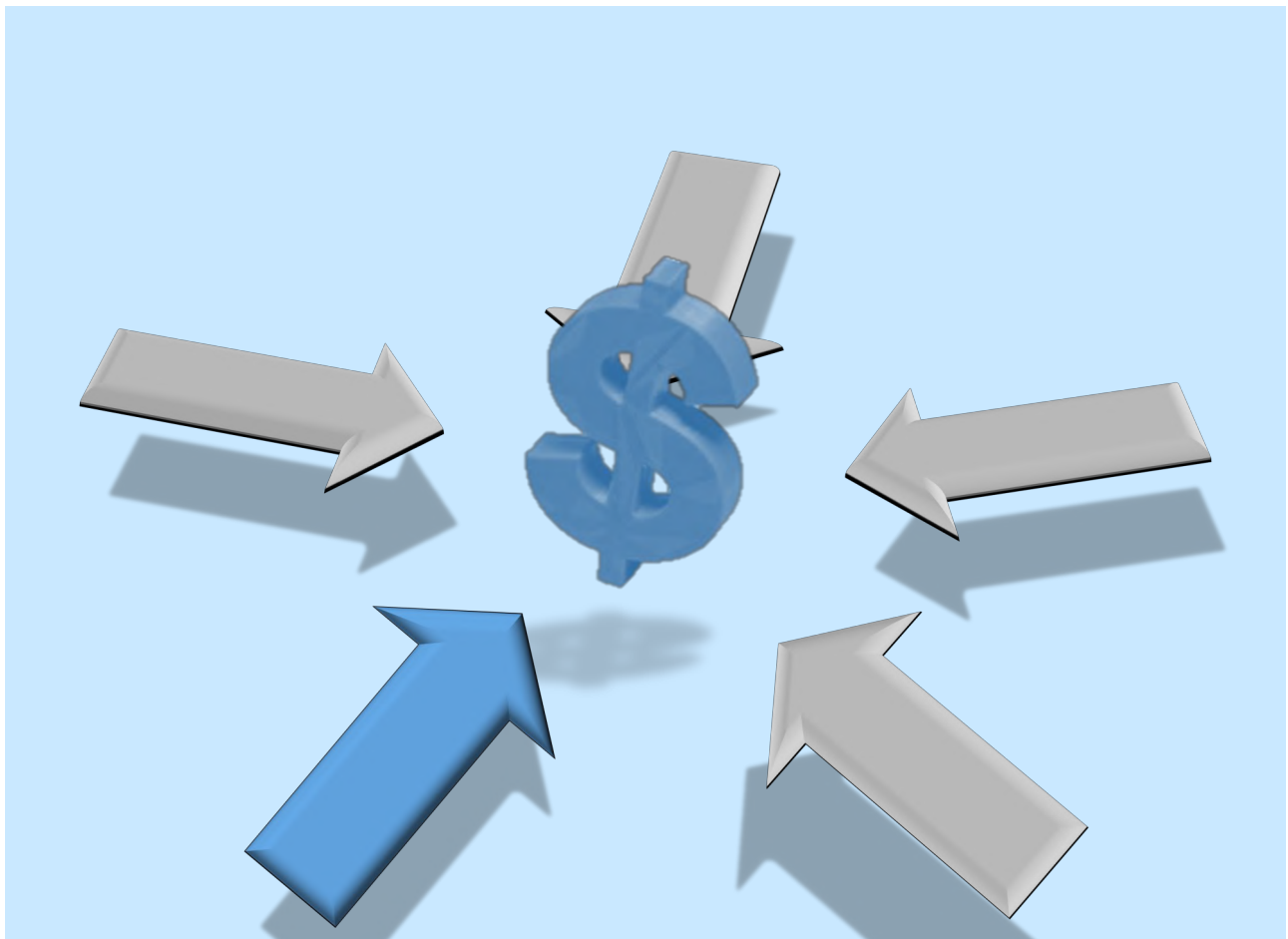
In addition, the Ministry actively promoted leadership and management training to enhance managerial competence and decision-making capability (implemented 24 October 2024). Externally delivered leadership and management programmes tailored to first-time managers and senior management leaders were also identified and sourced to strengthen leadership capacity at all levels (implemented 14 June 2024).



What We Do, Key Events & Achievements

Overall, the Ministry is required to comply with the following governing Legislations:

- Public Management and Finance Act (2020 Revision);
- Financial Regulations (2018 Revision);
- Statistics Act (2016 Revision);
- The Freedom of Information Act (2021 Revision);
- The Development Bank Act (2018 Revision);
- The Proceeds of Crime Act (2025 Revision)
- The Procurement Act (2023 Revision);
- The Procurement Regulations (2022 Revision);
- The Development and Planning Act (2021 Revision);
- The Companies Act (2022 Revision);
- The Stamp Duty Act (2019 Revision);
- The Land Holding Companies Share Transfer Tax Act (2022 Revision); and
- The Customs and Border Control Act (2022 Revision).



Attended Meetings of Committees and Boards

Staff from the Ministry are Ex-Officio members of the following Boards of SAGCs and Committees:

PUBLIC ENTITY	NAME & TITLE
Auditors Oversight Authority	Kenneth Jefferson Financial Secretary & Chief Officer
Cayman Airways Limited	Kenneth Jefferson Financial Secretary & Chief Officer
Cayman Islands Monetary Authority – Currency Board duties only	Randy Myles Funds and Cash Flow Manager Evelyn McTaggart Deputy Funds and Cash Flow Manager
Cayman Islands National Insurance Company Ltd	Anne Owens Senior Assistant Financial Secretary
Cayman Islands Stock Exchange	Kenneth Jefferson Financial Secretary & Chief Officer
Cayman Turtle Conservation and Education Centre Limited	Michael Nixon Senior Assistant Financial Secretary
National Drug Council	Kristin Ebanks Senior EPS Reporting Accountant
National Housing Development Trust	Nathania Pearson Assistant Financial Secretary for Asset Management & Regulatory, Treasury Department
Port Authority of the Cayman Islands	Michael Nixon Senior Assistant Financial Secretary
Public Service Pensions Board	Kenneth Jefferson Financial Secretary & Chief Officer
Public Transport Appeals Tribunal	Lee Ramoon Director of Revenue Unit
The Water Authority of the Cayman Islands	Anne Owens Senior Assistant Financial Secretary

The Finance Administration (FIN) section of the Ministry is responsible for:

- Providing policy advice, governance and administrative services on all financial, budgeting and reporting matters of the Government;
- Processing applications for fees and customs duty waivers, stamp duty abatements and assessments;
- Providing administrative support to and monitoring the performance of Offices/Departments under the Ministry;
- Monitoring the Risk Management Unit which develops, implements and coordinates comprehensive property and liability insurance programmes along with safety and loss control activities to minimize the negative financial impact of natural hazards, accidents and other unexpected events to the Government; and
- Providing oversight of the Cayman Islands National Insurance Company (CINICO), and the Cayman Islands Development Bank (CIDB).

In 2025 Finance Administration has achieved:

- The Financial Secretary (FS) engaged in a discussion with the Foreign, Commonwealth and Development Office (FCDO), UK Government on likely results for the Cayman Islands Government's Financial Year 2024 and whether there was likely compliance with the Framework for Fiscal Responsibility (FFR);
- The FS and Accountant General attended a Public Accounts Committee (PAC) meeting on the Auditor General's report, The Government's Approach to Sustainable Economic Development, published in November 2024;
- The FS participated in monthly electronic meeting (via MS Teams) with FCDO officials to discuss the financial results and financial position of the Government;
- The FS and Senior Assistant Financial Secretary Michael Nixon participated in a Caribbean Catastrophe Risk Insurance Facility (CCRIF) meeting to finalise the Cayman Islands' parametric insurance coverage for the policy-year starting 1 June 2025;
- In May the Ministry welcomed the newly appointed Minister for Finance and Economic Development, Mr. Rolston Anglin, JP (the Minister);
- The Finance Committee of Parliament convened to approve requests for Appropriation Changes via Section 12 of the Public Management and Finance Act (2020 Revision) for the Financial Year Ended 31 December 2025. A total amount of \$43.2 million was approved for healthcare and social programs;

- The Minister of Finance, the Attorney General and the FS signed a Loan Agreement (for CI\$150 million), in respect of Government’s 2024-2025 Financial Year, to enable the draw-down of such funds in 2025;
- The FS and Accountant General attended the PAC hearing on Improving Financial Accountability: Long-term Financial Sustainability;
- The Finance Committee of Parliament convened to approve requests for Appropriation Changes via Section 12 of the Public Management and Finance Act (2020 Revision) for the Financial Year Ended 31 December 2025. A total amount of \$108.1 million was approved over a number of expenditure categories including Public Communications and Governance, Education, Financial Services and Regulatory Compliance, Social Development and Welfare, Infrastructure, Tourism, Health, and Security and Law Enforcement;
- The Minister and FS attended a meeting of the UK Government’s Joint Ministerial Conference, in London, with its Overseas Territories;
- The FS issued a request for bids for an exercise to value a fair price of Government’s shares held in Cayman First Insurance Company Limited – to assess the fairness of an offer by a private sector entity to purchase those shares from the Government;
- The Corporate Unit processed 776 approvals for waivers and refunds of stamp duty, import duty and planning fees resulting in approximately CI\$14.7 million in revenue foregone by the Cayman Islands Government in the 2025 Financial Year. Further details are shown in the table below:

CATEGORY	# OF WAIVERS / REFUNDS	REVENUE FORGONE CI\$
Stamp Duty Waivers for First/Second Time Caymanian Property Buyers	424	9,195,536
Cayman Brac Raw Land - Stamp Duty Waivers	52	246,266
<u>Waiver</u> of Stamp Duty under the Discretion of the Minister for Finance and Economic Development in the capacity as the Commissioner of Stamp Duty	68	3,991,460
<u>Refund</u> of Stamp Duty under the Discretion of the Minister for Finance and Economic Development in the capacity as the	12	102,078
Waiver/Refund of Import Duty	218	1,154,596
Waiver of Planning Fees	2	5,351
TOTAL	776	14,695,286

- Human Resources has made significant strides in enhancing our operational effectiveness and aligning our practices with the evolving needs of the Ministry. A key highlight of this period has been the successful update of the Human Resources Job Description's. We undertook a comprehensive review and updated the Job Description's to reflect the increased scope and strategic demands of the current Human Resources functions. These updates ensure alignment with the Ministry's evolving needs and support a proactive Human Resources services approach in line with Civil Service best practices. This alignment enhances clarity in roles and responsibilities, ultimately improving service delivery;
- Human Resources hosted monthly staff birthday celebrations during the last week of the month, recognizing employees with birthdays through light refreshments, team acknowledgment, and a brief message from leadership. This initiative supports a positive, inclusive workplace culture and strengthens morale and interdepartmental connections in line with our goal of being an employer of choice;
- **Asset Recovery:** During the 2025 reporting period, the Ministry continued to advance its mandate to identify, restrain, confiscate, and recover the proceeds of crime. Asset recovery remains a critical tool in disrupting criminal activity, deterring financial crime, and reinforcing the integrity of the justice and financial systems;
- In line with international best practice, including Financial Action Task Force (FATF) effectiveness focused standards, the Ministry's approach emphasised outcomes achieved, proportionality, inter-agency cooperation, and the sustainable management of recovered assets;
- **Legal and Institutional Framework:** Asset recovery activities were undertaken within the framework of Proceeds of Crime Act [2025 Revision] (PoCA) governing restraint, seizure, forfeiture, confiscation, and recovery of criminal proceeds. PoCA provides the legal basis for both conviction-based and non-conviction-based recovery measures, where applicable;
The Ministry operated as part of a coordinated national asset recovery framework, working in collaboration with law enforcement agencies (LEA), the Office of the Director of Public Prosecutions ("ODPP"), financial intelligence bodies, and judicial institutions. This government wide approach reflects international standards that require competent authorities to work jointly to achieve effective recovery outcomes;
- **Strategic Objectives and Risk-Based Approach:** Consistent with FATF Recommendations, asset recovery efforts in 2025 were guided by a risk-based approach, prioritising cases with the highest impact on public interest and financial system integrity;
Key strategic objectives included:
 - Depriving criminals of illicitly obtained assets, and
 - Enhancing the enforcement of confiscation and forfeiture orders.
- **Operational Activities:** Throughout the reporting period, the Ministry supported and undertook asset recovery actions across the full recovery lifecycle, including, enforcement of domestic recovery orders;

- **Effectiveness and Key Outcomes:** In accordance with FATF’s emphasis on effectiveness, performance was assessed not only by activity levels but by tangible outcomes achieved.
 - During 2025:
 - Criminal assets were restrained, confiscated, and recovered through judicial processes.
 - Significant progress was made in high-value and complex cases.
 - Asset recovery measures reduced opportunities for reinvestment of illicit proceeds.
 - These outcomes demonstrate the Ministry’s ongoing commitment to ensuring that crime does not pay;
- **Financial Overview of Recovered Assets:** The Ministry recorded the restraint, confiscation, and recovery of assets across multiple categories, including:
 - cash and monetary instruments
 - real property; and
 - other movable assets, including cryptocurrencies.Recovered assets were managed, disposed of in accordance with PoCA and the Ministry’s Asset Management policy requirements, ensuring transparency, accountability, and proper stewardship of public resources; and
- **Capacity Building and Continuous Improvement:** Recognising the increasing complexity of financial crime, the Ministry invested in capacity building initiatives during 2025. These included:
 - Targeted training in asset tracing, financial investigation, and order enforcement
 - Attendance and participation at Asset Recovery Inter-Agency Network, Caribbean chapter (ARIN-Carib) and the Caribbean Financial Action Task Force (CFATF) Plenary both held in Barbados 2025.
 - CFATF Workshops on the upcoming Mutual Evaluation Process focusing on achieving effectiveness in FATF Recommendation 4 and Immediate Outcome 8 on asset recovery, held in Grand Cayman.
 - Strengthening of internal procedures and operational guidance.
 - Enhanced cooperation with domestic and international partners.These initiatives support long term effectiveness and resilience within the asset recovery framework.



The Treasury Department (TSY) is responsible for:

- Preparing and consolidating forecast and annual financial statements for Central Government and the Entire Public Sector as required by the Public Management and Finance Act (2020 Revision), using International Public Sector Accounting Standards (IPSAS);
- Designing and providing quality assurance and management of the budget and reporting processes for the Entire Public Sector (EPS) – this includes coordinating and preparing the biennial budget timeline, strategic policy statement, plan and estimates, budget statements, ownership and purchase agreements and revenue forecasts. Providing financial management services to Ministries, Portfolios, Offices and the Cabinet;
- Overseeing the management and forecasting of Central Government cash flows; and
- Managing, negotiating, and evaluating Central Government borrowings.

In 2025 the Treasury Department has achieved:

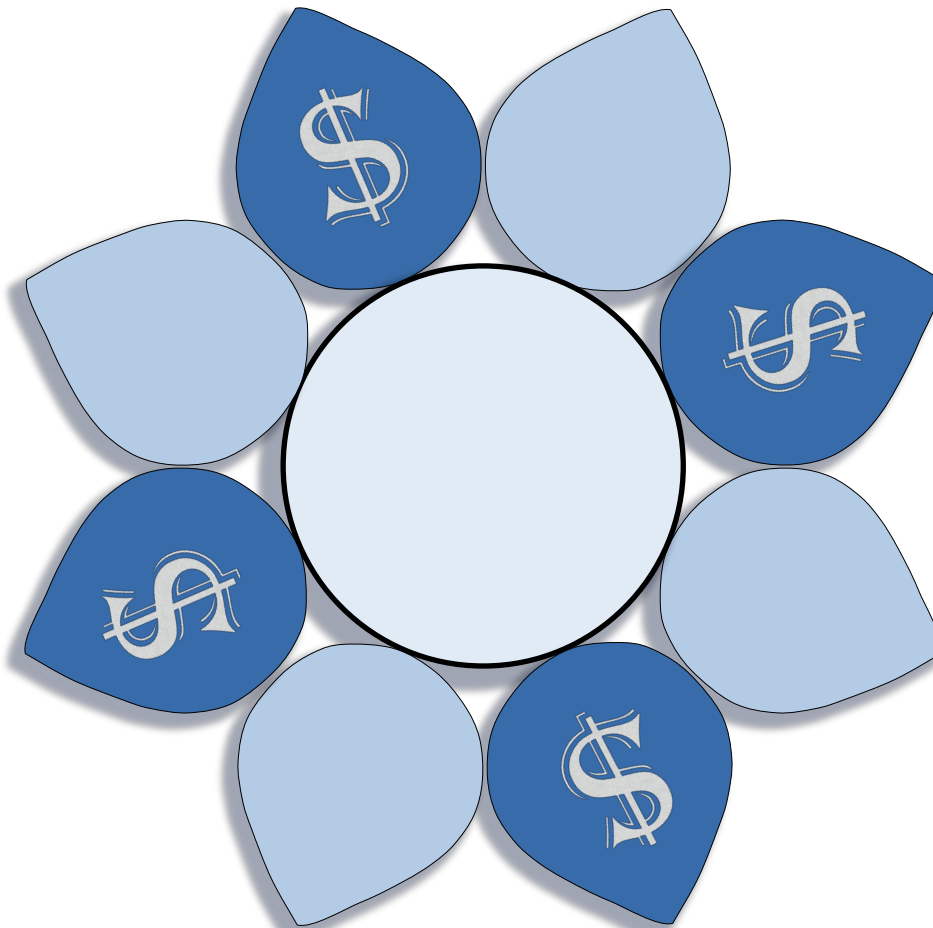
- In accordance with sections 26 and 18 of the Public Management and Finance Act (2020 Revision), the Ministry of Finance and Economic Development issued the 2025 Pre-Election Economic and Financial Update (PREFU) in April 2025 and subsequently presented the 2026–2028 Strategic Policy Statement (SPS) to Parliament in October 2025. The PREFU forecast real GDP growth of 2.6% for 2025 while projecting a Core Government operating deficit of \$26.2 million, reflecting the non-implementation of planned revenue measures. As an important transparency mechanism, it ensured that the electorate and incoming administration were fully apprised of the country’s fiscal position. The SPS established the new administration’s medium-term fiscal framework and national priorities under the theme of building a “stronger, fairer Cayman Islands.” These priorities were operationalised through the 2026–2027 Budget, approved in November 2025, which provides for approximately \$1.25 billion in annual expenditure, targeting infrastructure development, education, and cost-of-living support while maintaining compliance with the Framework for Fiscal Responsibility;
- The Budget Modernisation Project progressed significantly during 2025, advancing the transition to an Outcome-Based Budgeting (OBB) framework designed to better align public resources with measurable results. Key achievements included development of the OBB framework and supporting budget processes, completion of a legislative review of the Public Finance Management Act with draft amendments prepared, and delivery of over 100 workshops across government

entities to embed OBB principles. A redesigned, outcome-focused Budget Report template was also developed for the 2026–2027 cycle. In addition, Robotic Process Automation solutions were introduced and tested in parallel to enhance efficiency in the budget process. Together, these initiatives strengthen fiscal transparency, accountability, and performance management across Government;

- In 2025, the unit delivered a series of significant financial reporting and capacity-building milestones, including the timely gazettal of the First, Second, and Third Quarter Core Government Financial Reports in May, August, and November, respectively. The year also featured a major knowledge-sharing achievement with the joint Treasury Department and Cayman Islands Institute of Professional Accountants (CIIPA) International Public Sector Accounting Standards (IPSAS) 2025 Update in September, engaging over 100 participants from Core Government and SAGCs. Rounding out the year, the unit successfully finalised the Audited 2021 Entire Public Sector Annual Report in December, reinforcing its commitment to transparency, accountability, and strengthened public sector financial management;
- Treasury Team Members attended 2025 Terrorism and Proliferation Sanctions Implementation Training which covered topics such as identifying, assessing, and mitigating proliferation risks;
- The Treasury Department issued the Pre-Election Economic and Financial Update (PREFU) which can be found at: <https://www.gov.ky/publication-detail/2025-pre-election-economic-and-financial-update.-ex25,-s1>. The PREFU provide updated information on the economic and financial outlook for the financial year ending 31 December 2025 and the next year (i.e. financial year ending 31 December 2026), inclusive of forecast financial statements for the Core Government and the Entire Public Sector (EPS). The EPS consist of Core Government (made up of 18 Ministries, Portfolios and Offices) and 25 Statutory Authorities and Government Companies (SAGCs or Public Authorities). The information in the report considers, to the fullest extent possible, all Government decisions made before the 2025 General Election and all other circumstances that may have a material effect on the Islands economic and financial outlook;
- Treasury Gazetted the First Quarter (Q1-2025) Financial Report on 12 May 2025 which can be found at: <https://www.gov.ky/publication-detail/unaudited-quarterly-financial-report---three-month-period-ended-31-march-2025.-ex34,-s1>;
- Treasury submitted the 2024 EPS Consolidated Financial Statements and 2024 Annual Report to the Office of the Auditor General ahead of the statutory deadline;
- Treasury staff attended the 2025 CIIPA Business Environment Update which included the topics of Cayman Islands Economic Update; AI Demystified: practical Insights for Today’s Decision Makers; US Economic & Investment Outlook; Blockchain & Web3 Update and Fundamental Models for Effective Leadership;
- The FS attended a Strategic Policy Statement (SPS) Retreat – to discuss preparation of the SPS in respect of Government’s 2026-2028 Financial Years;

- Senior management of the Ministry met to review changes which would be required to the PMFA in order effect, in Government’s 2028-2029 Financial Years, Outcome Budgeting and Reporting;
- The Government presented the Public Management and Finance (Amendment) Bill, 2025 to Parliament. The Bill seeks to change the date of the presentation of the Strategic Policy Statement (SPS) - in the year of a General Election only - from three months to six months after the General Election date. The Bill strengthens the Government’s ability to deliver responsible financial management and transparent budgeting - principles that are at the core of good governance and public trust. The Bill can be found at: <https://www.gov.ky/publication-detail/legislation-gazette-26-2025> or [https://www.gov.ky/publication-detail/public-management-and-finance-\(amendment\)-bill,-2025,-\(lg26,-s1\);](https://www.gov.ky/publication-detail/public-management-and-finance-(amendment)-bill,-2025,-(lg26,-s1);)
- The Ministry finalised and issued the Budget Circular – a document that sets out details and parameters of Government’s 2026-2027 Budget;
- Treasury and the Ministry executed CI\$150 million Loan Agreement with CIBC Caribbean Bank (Cayman) Limited on 31 July 2025;
- The Ministry piloted Electronic Funds Transfers automation in the Integrated Resource Information System (IRIS) and expects to go live for core government by June 2026;
- A high level meeting between Her Excellency the Governor, Hon Deputy Governor and FS was held to discuss possible financial results for Government’s 2025 Financial Year;
- Treasury Gazetted the Second Quarter (Q2-2025) Financial Report on 8 August 2025 which can be found at: <https://gov.ky/documents/35692/0/Q2+2025+-+Unaudited+Quarterly+Financial+Report%2C.pdf/337a9c25-4f4a-e94b-558a-50f5609c781e?t=1761431373267;>
- Treasury drew down the 1st tranche consisting of CI\$20.5 million from the \$150.0 loan facility with CIBC Caribbean Bank (Cayman) Limited on 1 August 2025;
- Treasury coordinated and sponsored 2025 CIIPA IPSAS/International Financial Reporting Standards (IFRS) Technical Update for Public Service;
- The 2026 - 2028 Strategic Policy Statement (SPS) was Tabled and approved in Parliament. The SPS, which provides an outlook of three financial years, outlines the Government’s policy priorities and establishes the foundation for the development of the 2026 and 2027 Budgets, is located at: [https://www.gov.ky/cigpriorities/;](https://www.gov.ky/cigpriorities/)
- Parliament approved a Government Motion that the parameters in the 2026-2028 SPS document, be the parameters on which the Government’s 2026-2027 Budget is established;
- Ministry officials organised the Gazettal of the Government’s 1 January – 30 September 2025 (3rd Quarter) financial results and position of the Government;

- Treasury drew down the 2nd and final tranche of CI\$129.5 million from the \$150.0 loan facility with CIBC Caribbean Bank (Cayman) Limited on 1 October 2025;
- The Honourable Minister for Finance Tabled the 2026 - 2027 Budget in Parliament and delivered the Budget Address entitled “A Responsible Path to a Stronger Tomorrow: A Pragmatic Approach to Addressing the Public’s Needs”. The Budget Address, along with the 2026 - 2027 Budget Documents (Plan and Estimates, Budget Statements, Ownership Agreements and Purchase Agreements) which can be found at: <https://www.gov.ky/news/press-release-details/government-tables-2026-2027-budget-in-parliament>;
- Treasury Gazetted the Third Quarter (Q3-2025) Financial Report on 12 November 2025 which can be found at: [https://www.gov.ky/publication-detail/unaudited-quarterly-financial-report---nine-month-period-ended-30-september-2025.-\(ex88,-s1\)](https://www.gov.ky/publication-detail/unaudited-quarterly-financial-report---nine-month-period-ended-30-september-2025.-(ex88,-s1));
- For the financial year ended 31 December 2025 the Ministry generated approximately CI\$21.6 million in incremental revenue from investments; and
- Managed Government’s net debt of \$508.2 million consisting of new borrowing of \$153.2 million (after revaluation), and principal repayments of \$50.0 million.



The Economics and Statistics Office (ESO) is responsible for:

- Monitoring the local economy and providing macroeconomic forecasts, conducting economic policy research and economic impact studies, and advises the Government on a range of macroeconomic issues to sustain economic growth in the Islands;
- Conducting and analyzing social and economic surveys and compiling and publishing comprehensive statistical data on the Cayman Islands; and
- Providing other Government agencies with technical advice on data collection and disseminating, and surveying design and methodology.

In 2025 the Economics and Statistics Office published the following reports which can be found at the listing after each report.

- Cayman Islands' Balance of Payments (BOP) and International Investment Position (IIP) Report 2023 https://www.eso.ky/storage/page_docs/uploadFilePdf/824/The%20Cayman%20Islands'%20BOP%20and%20IIP%20Report%202023.pdf;
- The Cayman Islands' Quarterly Trade Statistics Bulletin: July to September 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/825/The%20Cayman%20Islands'%20Quarterly%20Trade%20Statistics%20Bulletin%20-%20July-September%202024.pdf;
- Cayman Islands' Consumer Price Index Report: July to September 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/826/The%20Cayman%20Islands'%20Consumer%20Price%20Index%20Report%20Q3%202024%20Final.pdf;
- The Cayman Islands' Semi-Annual Economic Report 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/827/The%20Cayman%20Islands'%20Semi-Annual%20Economic%20Report%202024%20Final.pdf;
- The Cayman Islands' Gross Domestic Product (GDP) Report 2023 [https://www.eso.ky/storage/page_docs/uploadFilePdf/828/The%20Cayman%20Islands'%20Gross%20Domestic%20Product%20\(GDP\)%20Report%202023%20Final.pdf](https://www.eso.ky/storage/page_docs/uploadFilePdf/828/The%20Cayman%20Islands'%20Gross%20Domestic%20Product%20(GDP)%20Report%202023%20Final.pdf);
- Cayman Islands' Consumer Price Index Report: October to December 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/829/The%20Cayman%20Islands'%20Consumer%20Price%20Index%20Report%20Q4%202024.pdf;
- The Cayman Islands' Annual Foreign Trade Statistics Report 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/922/The%20Cayman%20Islands'%20Annual%20Foreign%20Trade%20Statistics%20Report%202024.pdf;
- The Cayman Islands' Quality of Life Survey Report Fall 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/923/The%20Cayman%20Islands'%20Quality%20of%20Life%20Report%20Fall%202024.pdf;

- o The Cayman Islands' Labour Force Survey Fall 2024 Report https://www.eso.ky/storage/page_docs/uploadFilePdf/924/The%20Cayman%20Islands%20Labour%20Force%20Survey%20Report%20Fall%202024.pdf;
- o The Cayman Islands' Third Quarter Economic Report 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/921/Cayman%20Islands%20Third%20Quarter%20Economic%20Report%202024.pdf;
- o Cayman Islands' Consumer Price Index Report: January to March 2025 [https://www.eso.ky/storage/page_docs/uploadFilePdf/925/The%20Cayman%20Islands'%20Consumer%20Price%20Index%20Report%20\(January%20-%20March%20%202025\).pdf](https://www.eso.ky/storage/page_docs/uploadFilePdf/925/The%20Cayman%20Islands'%20Consumer%20Price%20Index%20Report%20(January%20-%20March%20%202025).pdf);
- o Cayman Islands' Household Budget Survey 2023 Report https://www.eso.ky/storage/page_docs/uploadFilePdf/927/The%20Cayman%20Islands'%20Household%20Budget%20Survey%202023%20Report%20Final.pdf;
- o Cayman Islands' 2025 Consumer Price Index Basket Report https://www.eso.ky/storage/page_docs/uploadFilePdf/928/The%20Cayman%20Islands'%202025%20CPI%20Basket%20Report%20Final.pdf;
- o Cayman Islands' Consumer Price Index Report: April to June 2025 https://www.eso.ky/storage/page_docs/uploadFilePdf/929/The%20Cayman%20Islands'%20Consumer%20Price%20Index%20Report%20Q2%202025.pdf;
- o The Cayman Islands' Annual Economic Report 2024 https://www.eso.ky/storage/page_docs/uploadFilePdf/930/The%20Cayman%20Islands%20Annual%20Economic%20Report%202024%20Final.pdf;
- o The Cayman Islands' First Quarter Economic Report 2025 https://www.eso.ky/storage/page_docs/uploadFilePdf/931/First%20Quarter%20Economic%20Report%202025%20Final.pdf;
- o The Cayman Islands' Quarterly Trade Statistics Bulletin: January to March 2025 https://www.eso.ky/storage/page_docs/uploadFilePdf/933/The%20Cayman%20Islands'%20Quarterly%20Trade%20Statistics%20Bulletin%20-%20January-March%202025.pdf;
- o The Cayman Islands' Quarterly Trade Statistics Bulletin: April to June 2025 https://www.eso.ky/storage/page_docs/uploadFilePdf/934/The%20Cayman%20Islands'%20Quarterly%20Trade%20Statistics%20Bulletin%20-%20April-June%202025.pdf;
- o Cayman Islands' Consumer Price Index Report: July to September 2025 https://www.eso.ky/storage/page_docs/uploadFilePdf/935/The%20Cayman%20Islands'%20Consumer%20Price%20Index%20Report%20Q3%202025%20Final.pdf; and
- o The Cayman Islands' Compendium of Statistics 2024 https://www.eso.ky/storage/right_page_docs/uploadFilePdf/441/The%20Cayman%20Islands%20Compendium%20of%20Statistics%202024%20Final.pdf.



Central
Procurement
Office
2025

The Central Procurement Office (CPO) is responsible for:

- Developing, implementing and carrying out periodic reviews and recommendations for adjustment of policies and procedures for procurement to be used by all entities including requirements for business case preparation. Ensures that the Procurement Act, Regulations, policies and procedures are promoted, publicised and easily accessible to public servants, suppliers and the general public;
- Establishing and maintaining a common, accessible, electronic platform, called Bonfire, for use by all entities for the purpose of advertising and reporting results of all public procurement opportunities required;
- Providing Government agencies with procurement expertise, training and guidance;
- Enhancing procurement capacity and capability with standards, tools and templates in order to achieve value for money across the government;
- Advising and supporting the Public Procurement Committee (PPC) on all procurements with spends of over \$250,000;
- Overseeing the procurement spend across the Government by supporting entities, their Procurement Committees, Chief Officers and Chief Executive Officers as well as their teams engaged in the procurement process; and
- Providing procurement leadership to Public Servants registered on Bonfire.

In 2025 the Central Procurement Office has achieved:

- In partnership with the Ministry of Financial Services and Commerce, the Ministry of Finance and Economic Development supported the successful nomination of Mr. Victor Crumbley from the Central Procurement Office for the April 2025 Chief Officer's Choice Award. The award recognised him for exemplifying Civil Service values, including excellence in governance under the Deputy Governor's Award Programme. The Ministry of Finance and Economic Development Human Resources team coordinated the award presentation, reinforcing efforts to celebrate excellence and foster a high-performance culture in the Civil Service. Mr. Crumbley's recognition highlights the value of strong governance in public procurement. His guidance ensured compliance with the Procurement Act and supported integrity, transparency, and fairness. His contributions strengthened the Ministry's capacity to manage complex procurements and reinforced public trust and accountability in line with civil service reform goals;

- Recruitment for the Procurement Manager and Deputy Procurement Manager posts were successfully completed during 2025, strengthening the procurement function and supporting continuity of leadership. The appointed Procurement Manager commenced in March 2025, while the Deputy Procurement Manager joined in July 2025, further enhancing capacity and operational resilience within the team. Together, these appointments have ensured effective management of procurement activities and supported the delivery of organizational objectives;
- The Central Procurement Office attended 16 Public Procurement Committee Meetings during 2025 to provide support & advice on procurement process, procedures and compliance on the public sector purchases of goods, services & works. Meetings are held once a month, with special meetings held as demand requires. In 2025, there were special meetings in February, November and December;
- CPO facilitated forty-five (45) training sessions that are a combination of planned trainings that are available to all entities and requested, entity-specific sessions. There were twenty-four (24) Department-Specific workshops with 346 participants and twenty-one (21) planned sessions conducted for all Government entities, Statutory Authorities & Government Companies, of which 321 people attended. Bespoke training sessions for government entities include, but are not limited to, the Procurement Act & Regulations, use of the Bonfire e-procurement platform, tender document development, and procurement advice. Set training sessions include:
 - Navigating the Process – General overview of the steps involved within Cayman’s public procurement process, the routes involving thresholds, advertising, and other best practices.
 - Principles and Ethics – Breaking down the 12 Principles of Public Procurement, what our public officials must consider to safeguard in line with public policy.
 - Bonfire Basics – An exploratory look into our Bonfire guidance document for the creation of new projects, taking practitioners from start to finish of a procurement project.
 - Act & Regulations – An in-depth walk-through of the Procurement Act, Regulations, and Policies which govern procurement in the Cayman Islands.
 - Tender Document Development – Session focuses on the building of tender documents from start to finish, such as business cases and requests for proposals/quotes on CPO-approved templates.
 - Procurement IQ – Introductory session of market research tools and practices, to provide greater insights and data for CIG entities to use in decision-making for public procurement projects.
 - CPO Policy Document Review – Provides a review of CPO Procurement Policy to give greater clarity and detail on how to conduct and manage Public Procurement;

- The Cayman Islands Government’s Procurement Annual Report for 2024 was published and can be found at <https://www.procure.gov.ky/cpo>;
- Central Procurement Office Director, Tariq Bashir and Procurement Manager, Victor Crumbley represented the Cayman Islands at the XIX Annual Inter-American Network of Government Procurement Conference. The theme of the 2025 meeting, ‘Effective Public Procurement: The Key to Connecting Policies with Impact’, set the tone for the sessions, which focused on how to transform public procurement into a strategic tool for connecting government policies with tangible and measurable results in the lives of citizens;
- Central Procurement Office Deputy Director, Robert Tatum participated in a panel discussion hosted by the Ministry of District Administration, Housing & Agriculture. The workshop focus was on how effective Cayman Islands Government Governance can be utilized as a key tool to manage key risks with presentations from key CIG entities. Central Procurement Offices’ presentation emphasis was on Procurement policy and importance of adherence to the Procurement Act & Regulations; and
- The following government wide contracts were established:

Type of Contract	Status	Est. Value CI\$
Office Supplies	Completed – Mar 2025	\$2M
Bulk Paper	Completed – Mar 2025	\$1M+
CrowdStrike Cybersecurity Framework	Completed – May 2025	\$1M+
Computer Equipment & Accessories	Completed – Oct 2025	\$6M
Mobile Services	Ongoing	\$5M+



Ministry Photos



1. Ministry visit to CINICO
2. Director, Taraq Bashir and Procurement Manager, Victor Crumbley attend the XIX Annual Inter American Network for Government Procurement
3. Central Procurement Office Welcome Deputy Procurement Manager, Shameka Clarke
4. Meeting with the UK Government's Office for Budget Responsibility—meeting London, November 2025
5. FS presents at the Senior Leadership Team's Retreat



- 6. Victor Crumbley—Chief Officer’s Choice in June 2025
- 7. Minister Signing the Loan Agreement for the 2024/2025 Budget Period.
- 8. Ministry visit to CIDB
- 9. Procurement Manager, Christina Smith facilitating a training session at the Cayman Islands Centre for Business Development.

Louella Thompson's Retirement Celebration

Ms Thompson, Administrative Officer & FOI Manager, retired after serving 23 years with the Treasury Department, the culmination of her longer career with the Cayman Islands Government.



Birthday Celebrations



Statement of Executive Financial Transactions



Statement of Executive Financial Transactions for the year ended December 31, 2025					Variance %	Note for Variances 5% and Over
Executive Revenue	Actual \$'000	Budget \$'000	Revised Budget \$'000	Actual vs. Budget Variance \$'000		
Cruise Ship Departure Tax	6,488	8,373	8,373	(1,885)	-23%	1
Environment Protection Fund Fees	5,313	5,177	5,177	136	3%	
Caribbean Utilities Company, Ltd - Licence	1,200	1,200	1,200	-	0%	
Royalty Fees from ICTA Licences	2,274	4,500	4,500	(2,226)	-49%	2
Debit Transaction Fees	5,547	4,938	4,938	609	12%	3
Land Holding Companies Share Transfer Charge	944	1,500	1,500	(556)	-37%	4
Other Stamp Duty	1,003	800	800	203	25%	5
Insurance Stamp Duty	3,564	2,452	2,452	1,112	45%	6
Proceeds of Liquidated Entities	8,614	8,432	8,432	182	2%	
Miscellaneous Receipt	0	-	-	-	0%	
Total Executive Revenue	\$34,947	\$37,372	\$37,372	\$(2,425)		

Executive Expenses	Actual \$'000	Budget \$'000	Revised Budget \$'000	Actual vs. Budget Variance \$'000	Variance %	Note for Variances 5% and Over
FED 1 - Policy Advice and Ministerial Services	3,391	4,229	5,201	(838)	-20%	18
FED 4 - Preparation and Publication of Statistical Reports	2,174	2,685	3,092	(511)	-19%	19
FED 5 - Financial Reporting and Management Services	6,916	9,080	11,850	(2,165)	-24%	20
CIN 1- Health Insurance for Seamen and Veterans for Primary and Secondary Health Care	15,973	16,752	17,191	(779)	-5%	7
DVB 4 - Administration of Lending Activities	605	605	605	0	0%	
OE 9- Caribbean Economic Community (CARICOM) Fees	230	170	237	60	35%	8
OE 10- Caribbean Regional Technical Assistance Centre (CARTAC) Contribution	(45)	85	86	(130)	-153%	9
OE 27- Past Service Pension Liability Payment	17,708	18,187	17,790	(479)	-3%	10
OE 54 - Caribbean Catastrophe Risk Insurance Facility - Annual Premium	1,087	1,000	1,088	87	9%	11
OE 57 - Executive Bank Charges	2	25	49	(23)	-93%	12
OE 110 - General Insurance	11,130	13,135	13,470	(2,005)	-15%	13
OE 121 - Additional Normal Costs for Pension Plans	4,074	4,126	4,074	(52)	-1%	
URC 1 -Drafting Instructions for the Development of Legislation and Policy Advice	30	45	45	(14)	-32%	14
URC 7 -National Cyber Security Initiatives	15	100	100	(84)	-85%	15
URC 10 -Monitoring and Controlling the Storage, Handling, Quality and Mensuration of Fuel Products	508	508	508	0	0%	
URC 11 - Economic Regulations; Monitoring and Directing the Fuel Sector and Relevant Market	313	313	313	(0)	0%	
URC 12 -Management of the Cayman Islands Internet Domain and Verification of ICT Licensee Fees	9	67	67	(57)	-86%	16
EI 4 - Cayman Islands Development Bank	1,000	1,000	1,000	-	0%	
EI 70 - Ministry of Finance and Economic Development	-	1,050	1,103	(1,050)	-100%	17
EI 95 - Utility Regulation and Competition Office	1,200	-	1,200	1,200	0%	
Total Executive Expenses	\$65,121	\$73,162	\$77,868	\$(8,041)		

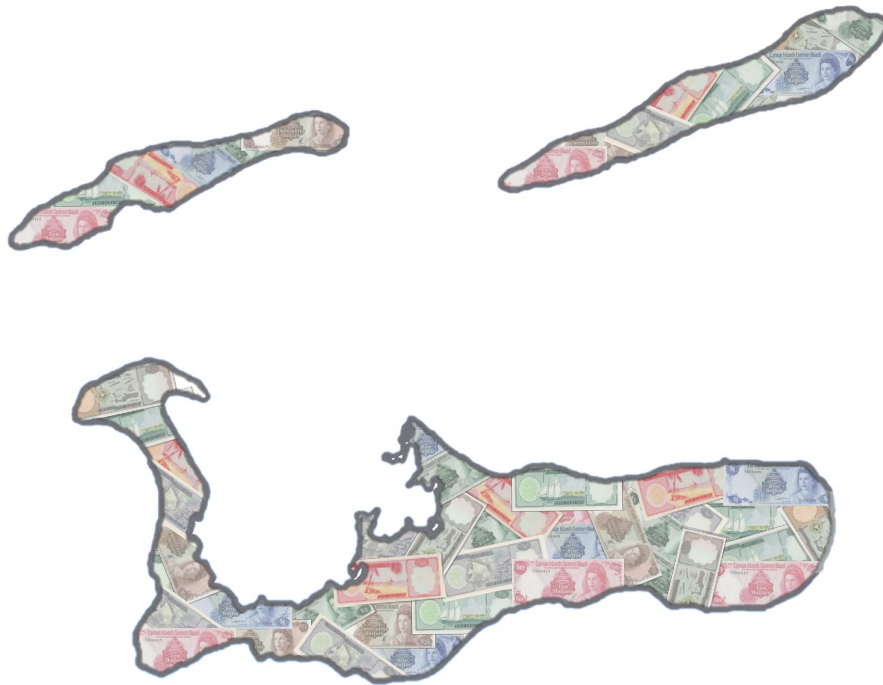
Output Delivered	Actual YTD	Budget YTD	Annual Budget	Actual vs. Budget Variance	Variance %	Note for Variances 5% and Over
FED1 - Policy Advice and Ministerial Support Services	\$3,391	\$4,229	\$4,229	\$(839)	-20%	
Pieces of policy advice	232	229		3	1%	
Number of committee and board meetings attended	87	132		(45)	-34%	21
Number of applications assessed and processed	663	1,000		(337)	-34%	22
Number of Economic updates and forecasts	21	10		11	110%	23
Number of insurance policies managed	20	20		-	0%	
Number of Hours spent providing central procurement services	7,616	10,080		(2,464)	-24%	24
FED 4 - Preparation and Publication of Statistical and Economic Reports	\$2,174	\$ 2,685	\$2,685	\$(511)	-19%	
Number of reports, updates and requests for information	118	114		4	4%	
Number of reports economic monitoring tables/ reports for regional and international agencies	22	11		11	100%	25
FED 5 - Financial Reporting and Management Services	\$6,916	\$9,080	\$9,080	\$(2,165)	-24%	
Number of public debts, Loans-Made, referred debts, investments, reserve funds, trust assets and bank accounts managed	889	1,243		(354)	-28%	26
Number of Financial statements, forecasts, strategic policy statements, budgets and government financial reports reviewed and/or produced	28	26		2	8%	27
Provision of Oracle e-business licenses, management and support of accounting system	431	431		-	0%	
Number of transactions processed inclusive of receipts, payment runs and payroll runs	3,686	4,225		(539)	-13%	28
Number of bank reconciliations, cash and revenue forecasts	1,477	1,620		(143)	-9%	29

Note	Explanations for Variances 5% and Over
1	Cruise Ship Departure Tax was under budget by \$1.9 million due to a decline in cruise ship arrivals. Several weather events likely played a significant role in this decline.
2	Royalty Fees from ICTA Licences was less than budget due an ongoing judicial review related a dispute concerning the payment of statutory and regulatory fees.
3	Debit Transaction Fees was over budget by \$609 thousand due to an increase in bank activity.
4	Land Holding Companies Share Transfer Charge was under budget by \$556 thousand, this revenue stream is tied to the transfer of equity shares for companies owning land in the Cayman Islands. Predicting this revenue stream is challenging, as share transfer activity can vary significantly from year to year.
5	Other Stamp Duty was \$203 thousand more than budget due to an increase in activity.
6	Property Insurance Stamp Duty was over budget by \$1.1 million thousand due to an active real estate market.
7	CIN 1- Health Insurance for Seamen and Veterans for Primary and Secondary Health Care was \$779 thousand less than budget due to a reduction in members.
8	OE 9 - Caribbean Economic Community (CARICOM) Fees is \$60 thousand more than budget due to an increase in the premium contribution requested from member countries that was not known or provided for during the budgeting period.
9	OE 10- Caribbean Regional Technical Assistance Centre (CARTAC) Contribution was under budget by \$130 thousand due to cost-sharing arrangements with the Cayman Islands Monetary Authority and the reversal of prior-year accruals utilised to fund 2025 expenditure.
10	OE 27- Past Service Pension Liability Payment was under budget by \$479 thousand due to a reduction in contribution rates gazetted in 2025.
11	OE 54 - Caribbean Catastrophe Risk Insurance Facility - Annual Premium is \$87 thousand more than budget due to an increase in insurance premium following recent volatile hurricane seasons.
12	OE 57 - Executive Bank Charges was under budget by \$23 thousand as there were fewer transactions than anticipated.
13	OE 110 – General Insurance – was under budget by \$2 million, while an increase has been noted in the premiums it has not been as high as anticipated during the budgeting process.
14	URC 1 -Drafting Instructions for the Development of Legislation and Policy Advice was under budget by \$14 thousand due to capacity constraints and the prioritisation of ongoing and new legal matters during the period.
15	URC 7 -National Cyber Security Initiatives was under budget by \$84 thousand due to a strategic decision to defer the design and implementation of planned initiatives to 2026.
16	URC 12 -Management of the Cayman Islands Internet Domain and Verification of ICT Licensee Fees was under budget by \$57 thousand due to the reclassification of legal fee costs.
17	EI 70 – Ministry of Finance and Economic Development - was under budget by \$1,050 million due to the decision to defer the purchase of a new budget software and small non-capital items.
18	FED 1 - Policy Advice and Ministerial Services - was under budget by \$838 thousand mainly due to a professional fees related to the purchase of budget software which was deferred to 2025.
19	FED 4 – Preparation and Publication of Statistical Reports – was under budget by \$511 thousand due to the vacancies not filled.

Note	Explanations for Variances 5% and Over
20	FED 5 - Financial Reporting and Management Services - was under budget by \$2.1 million primarily due the deferral of the purchase of a new budget system, as well as some vacancies that were left unfilled.
21	The number of meetings/committees was less than budget. Comprehensive tracking of data was not done during the year.
22	The number of applications assessed and processed was below budget.
23	The number of economic updates and forecasts were more than budgeted due to an increase in economic update requests from Ministries and Ministers of the Government.
24	The number of hours spent providing central procurement services was below budget to a less requests for services, as well as various staff movements during the year.
25	The number of reports economic monitoring tables/reports for regional and international agencies were more than budgeted due to more requests for information.
26	The number of public debts, Loans-Made, referred debts, investments, reserve funds, trust assets and bank accounts managed were less than budget. The transition of payroll to My-Vista resulted in the use of one centralized payroll account and thus all individual Ministries' payroll accounts were closed. The management of settlement loans was reassigned to the respective Ministries and Portfolios in 2024 and these had been included during the
27	The number of Financial statements, forecasts, strategic policy statements, budgets and government financial reports reviewed and/or produced were more than budget due to
28	The number of transactions processed inclusive of receipts, payment runs and payroll runs were less than budget as a result of batch processing of payments via electronic transfers which has resulted in less cheques being issued. Additionally the transition of payroll to the Portfolio of Civil Service contributed to the decline in payroll runs.
29	The number of bank reconciliations, cash and revenue forecasts were less than budget due payroll accounts that were closed.

This page has been left blank intentionally

Overview of 2025's Financial Results



For the year ended 31 December 2025, the Ministry of Finance & Economic Development recorded a break-even operating result, with total revenue of \$12.7 million fully offset by total expenses of \$12.7 million. The Ministry continued to operate within its approved budget framework, consistent with its mandate as a policy and service Ministry funded primarily through Outputs to Cabinet. The financial results reflect prudent expenditure management, timing-related variances, and the continued application of a cost-recovery billing model.

Revenue Performance

Total revenue for 2025 amounted to \$12.7 million, compared to an original budget of \$16.1 million and a final budget of \$20.2 million, resulting in a variance of \$3.4 million against the original budget. As in prior years, this variance is primarily attributable to lower-than-anticipated expenditures across Government, which directly reduced billings for Outputs to Cabinet. Under the Ministry's cost-recovery model, revenue is recognised only as underlying expenditures are incurred.

Investment revenue of \$0.2 million was earned during the year from deposits held with the Treasury. While not originally budgeted, this reflects prevailing interest rate conditions and continues the trend observed in 2024.

Expenditure Performance

Total expenses for the year were \$12.7 million, below the original budget of \$16.1 million. Personnel costs amounted to \$10.4 million, reflecting a favourable variance of \$0.9 million, largely due to vacancies and the timing of recruitment and staffing decisions during the year.

Supplies and consumables expenditure totalled \$2.3 million, compared to an original budget of \$4.7 million. The underspend reflects the deferral of planned initiatives, including expenditure related to the implementation of new budget software and elements of the Ministry's strategic programme.

Depreciation and amortisation expenses remained modest. In 2025, the Ministry implemented IPSAS 43 – Leases, resulting in the recognition of right-of-use assets and a related depreciation charge of \$0.04 million, representing a new category of expense not present in prior years. Depreciation on owned property, plant and equipment remained minimal due to limited capital acquisitions.

Financial Position

As at 31 December 2025, the Ministry's total assets stood at \$15.8 million, an increase of \$0.2 million over the prior year. Current assets comprised \$15.8 million, including cash and cash equivalents of \$14.1 million, which exceeded the budgeted level by \$0.1 million, reflecting improved timing of Cabinet receipts.

Non-current assets increased to \$0.04 million, reflecting modest additions to property, plant and equipment and the recognition of right-of-use assets under IPSAS 43. Intangible assets budgeted for in 2025 were deferred, resulting in lower-than-budgeted balances at year end.

Total liabilities amounted to \$1.5 million, remaining at manageable levels and consistent with the Ministry's operating profile. Net assets at year-end were \$14.3 million.

Net Worth and Capital Movements

The Ministry's net worth remained stable at \$14.3 million at 31 December 2025. During the year, Cabinet approved an equity investment of \$1.05 million, primarily intended to support planned capital initiatives. However, as these projects were deferred, the investment was not fully drawn, contributing to the positive variance against budgeted net worth.

Accumulated deficits remained modest and broadly unchanged, reflecting the Ministry's break-even operating position.

Cash Flow Performance

Net cash flows from operating activities resulted in a cash inflow of \$1.5 million, exceeding the original budget expectation. This outcome reflects the timely collection of Cabinet receivables and continued control over operating expenditures.

Cash flows from investing activities were minimal, as capital projects budgeted for 2025 were deferred. Financing activities reflect the approved equity investment from Cabinet, offset by lease repayments recognised under IPSAS 43. Overall, cash and cash equivalents increased during the year, strengthening the Ministry's liquidity position.

Overall Assessment

The Ministry maintained strong financial discipline throughout 2025, operating within its approved appropriations and sustaining a break-even operating position. Variances against budget were primarily timing-related and linked to deferred projects rather than underlying cost pressures. The implementation of IPSAS 43 was completed without material financial impact, and the Ministry ended the year with a solid liquidity position, supporting its ongoing role in Government-wide fiscal management, budgeting, and economic policy oversight.

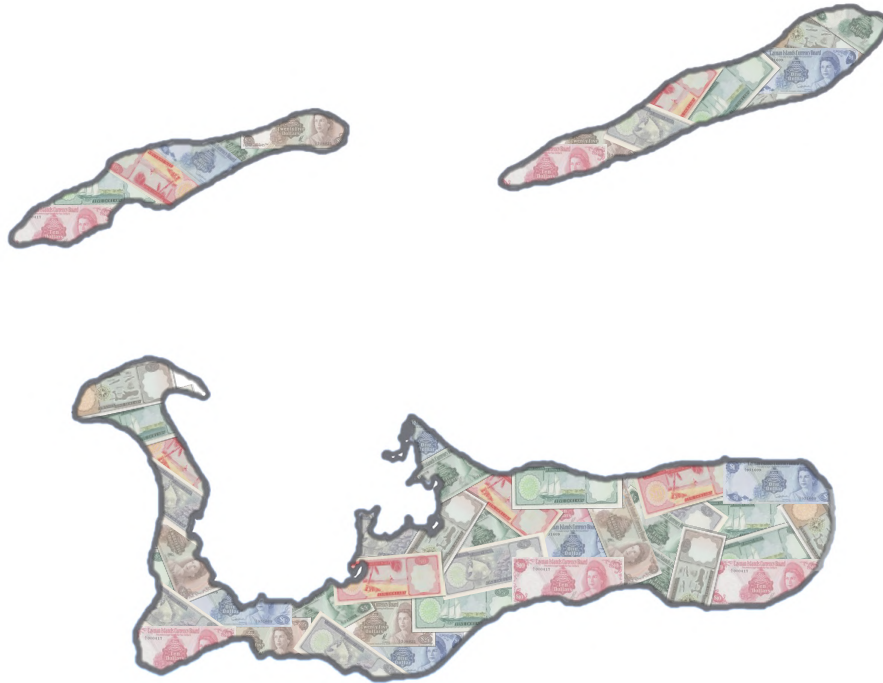
Financial Performance Measures (\$000's)	2025 Budget	2025 Actual
Revenue from Cabinet	15,995	12,481
Revenue from Ministries, Portfolios, Revenue from Ministries, Portfolios, Statutory Authorities, Government Companies	84	44
Revenue from Others	15	18
Investment Revenue	0	162
Total Revenue	16,094	12,705
Total Expenses	16,094	12,705
Operating Surplus/ (Deficit)	0	0
Net-Worth (\$000's)	15,101	14,337
Cash Performance (\$000's)		
Cash Flows from Operating Activities	160	1,539
Cash Flows from Investing Activities	(1,050)	(13)
Cash Flows from Financing Activities	1,050	(43)
Change in Cash Balances	160	1,483
Financial Performance Ratios		
Current Assets: Current Liabilities	8.4	10.7
Total Assets: Total Liabilities	8.9	10.6
Human Capital Measures		
Total full-Time Equivalent Staff Employed	103	91
Physical Capital Measures		
Value of Total Assets	17,010	15,846
Asset replacements: Total Assets	6%	0.1%
Book value of Assets: Cost of those assets	73%	73%
Depreciation: Cash Flow on Asset Purchases	8%	8.8%
Changes to Asset Management Policies	None	None

APPENDIX A

Audited

Financial Statements

For the year ended
31 December 2025



This page has been left blank intentionally



**CAYMAN ISLANDS
GOVERNMENT**

***Ministry of Finance & Economic
Development***

Audited Financial Statements

For the year ended 31 December 2025

Contents

Statement of Responsibility for Financial Statements _____ **3**

Auditor General’s Report _____ **4**

Statement of Financial Position _____ **6**

Statement of Financial Performance _____ **7**

Statement of Changes in Net Worth _____ **8**

Cash Flow Statement _____ **9**

Notes to the Financial Statements _____ **10**

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

31 DECEMBER 2025

These financial statements are prepared by the Ministry of Finance & Economic Development (the “Ministry”) in accordance with the provisions of the Public Management and Finance Act (2020 Revision), (the “Act”).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Act (2020 Revision).

As Financial Secretary & Chief Officer, I am responsible for establishing, and have established and maintained, a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly record the financial transactions of the Ministry.

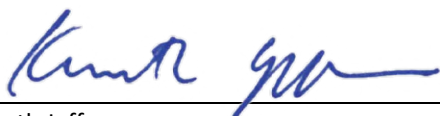
As Financial Secretary & Chief Officer, and Chief Financial Officer, we are responsible for the preparation of the financial statements, representations and judgements made in these statements.

The financial statements fairly present the financial position, financial performance, changes in net worth and cash flows of the Ministry for the financial year ended 31 December 2025.

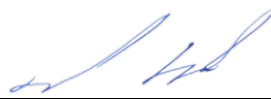
To the best of our knowledge, these financial statements:

- a) completely and reliably reflect the financial transactions of the Ministry of Finance and Economic Development for the year ended 31 December 2025;
- b) fairly reflect the financial position as at 31 December 2025 and financial performance for the financial year ended 31 December 2025; and
- c) comply with International Public Sector Accounting Standards (“IPSAS”) as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available under IPSAS, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Board or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



Kenneth Jefferson
Financial Secretary & Chief Officer
Ministry of Finance & Economic Development



Nina Vandine
Chief Financial Officer
Ministry of Finance & Economic Development

10 March 2026

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Financial Secretary and Chief Officer of the Ministry of Finance and Economic Development

Opinion

I have audited the financial statements of the Ministry of Finance and Economic Development (the "Ministry"), which comprise the statement of financial position as at 31 December 2025, and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 33.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Ministry in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Patrick O. Smith, CPA, CFE
Auditor General

10 March 2026
Cayman Islands

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2025

Prior Year Actual December 31, 2024 \$'000s		Note	Current Year Actual \$'000s	Original Budget \$'000s	Final Budget \$'000s	Variance (Orig vs Actual) \$'000s
Current Assets						
12,616	Cash and cash equivalents	2	14,099	13,952	13,952	(147)
2,654	Trade receivables	3	1,511	1,347	1,347	(164)
211	Other receivables	3	29	555	555	526
124	Prepayments	4	169	124	124	(45)
15,605	Total Current Assets		15,808	15,978	15,978	170
Non-Current Assets						
40	Property, plant and equipment	5	30	82	82	52
-	Right-of-use assets	6	8	-	-	(8)
-	Intangible assets	7	-	950	950	950
40	Total Non-Current Assets		38	1,032	1,032	994
15,645	Total Assets		15,846	17,010	17,010	1,164
Current Liabilities						
-	Lease Liabilities	6	9	-	-	(9)
2	Trade payables	8	-	327	327	327
919	Other payables and accruals	8	1,129	1,206	1,206	77
384	Employee entitlements	9	371	376	376	5
1,305	Total Current Liabilities		1,509	1,909	1,909	400
1,305	Total Liabilities		1,509	1,909	1,909	400
14,340	Net Assets		14,337	15,101	15,101	764
NET WORTH						
12,435	Contributed capital		12,435	15,481	15,481	3,046
2,325	Revaluation reserve		2,325	-	-	(2,325)
(420)	Accumulated surpluses/(deficits)		(423)	(380)	(380)	43
14,340	Total Net Worth		14,337	15,101	15,101	764

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

**MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2025**

Prior Year Actual December 31, 2024 \$'000s			Current Year Actual \$'000s	Original Budget \$'000s	Final Budget \$'000s	Variance (Orig vs Actual) \$'000s
	Revenue					
12,344	Sale of goods and services	10	12,543	16,093	20,242	3,550
203	Investment revenue	11	162	-	-	(162)
12,547	Total Revenue		12,705	16,093	20,242	3,388
	Expenses					
9,935	Personnel costs	12	10,386	11,300	12,529	914
2,591	Supplies and consumables	13	2,255	4,714	7,634	2,459
26	Depreciation	5	23	29	29	6
-	Depreciation charge of right of use asset	6	41	-	-	(41)
-	Amortization of intangible assets	7	-	50	50	50
-	Interest Expense - leases		1	-	-	(1)
(5)	Gains on foreign exchange transactions	14	(1)	-	-	1
12,547	Total Expenses		12,705	16,093	20,242	3,388
-	Surplus for the year		-	-	-	-

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2025

	Contributed Capital \$'000s	Revaluation Reserve \$'000s	Accumulated Surplus/(deficits) \$'000s	Total Net worth \$'000s	Original Budget \$'000s	Final Budget \$'000s	Variance (Orig vs Actual) \$'000s
Balance as at December 31 2023	17,782	2,325	(421)	19,686	19,734	19,734	48
Prior year adjustments	-	-	1	1	-	-	(1)
Restated balance	17,782	2,325	(420)	19,687	19,734	19,734	47
Changes in Net Worth for 2024							
Equity investment from Cabinet	-	-	-	-	53	-	53
Capital withdrawals by Cabinet	(5,347)	-	-	(5,347)	(5,736)	(5,736)	(389)
Net revenue / expenses recognised directly in net worth	(5,347)	-	-	(5,347)	(5,683)	(5,736)	(336)
Surplus/(deficit) for the year 2024	-	-	-	-	-	-	-
	(5,347)	-	-	(5,347)	(5,683)	(5,736)	(336)
Balance at 31 December 2024 carried forward	12,435	2,325	(420)	14,340	14,051	13,998	(289)
Balance at 31 December 2024 brought forward							
	12,435	2,325	(420)	14,340	14,051	13,998	(289)
Changes in Net Worth for 2025							
Prior year adjustments	-	-	(3)	(3)	-	-	3
Restated balance	12,435	2,325	(423)	14,337	14,051	13,998	(286)
Changes in net worth for 2025							
Equity investment from Cabinet	-	-	-	-	1,050	1,103	1,050
Net revenue / expenses recognised directly in net worth	-	-	-	-	1,050	1,103	1,050
Surplus/(deficit) for the year 2025	-	-	-	-	-	-	-
	-	-	-	-	1,050	1,103	1,050
Balance at 31 December 2025	12,435	2,325	(423)	14,337	15,101	15,101	764

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 December 2025

Prior Year Actual December 31, 2024 \$'000s		Current Year Actual \$'000s	Original Budget \$'000s	Final Budget \$'000s	Variance (Orig vs Actual) \$'000s
	CASH FLOWS FROM OPERATING ACTIVITIES				
	<i>Receipts</i>				
11,612	Outputs to Cabinet	13,629	16,095	16,095	2,466
520	Sale of goods and services	232	82	82	(150)
208	Interest received	174	(1)	(1)	(175)
-	Other receipts	-	15	15	15
	<i>Payments</i>				
(9,938)	Personnel costs	(10,404)	(11,318)	(11,318)	(914)
(2,799)	Supplies and consumables	(2,092)	(4,714)	(4,714)	(2,622)
-	Interest paid	(1)	-	-	1
(14)	Other payments	1	-	-	(1)
(411)	Net cash flows from operating activities	1,539	159	159	(1,380)
	CASH FLOWS FROM INVESTING ACTIVITIES				
(16)	Purchase of property, plant and equipment	(13)	(1,050)	(1,050)	(1,037)
(16)	Net cash flows from investing activities	(13)	(1,050)	(1,050)	(1,037)
	CASH FLOWS FROM FINANCING ACTIVITIES				
-	Equity Investment from Cabinet	-	1,050	1,050	1,050
-	Lease Payments	(43)	-	-	43
-	Net cash flows from financing activities	(43)	1,050	1,050	1,093
(427)	Net increase/(decrease) in cash and cash equivalents	1,483	159	159	(1,324)
13,043	Cash and cash equivalents at beginning of year	12,616	13,793	13,793	1,177
12,616	Cash and cash equivalents at end of year	14,099	13,952	13,952	(147)

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Description and Principal Activities

The Ministry of Finance & Economic Development (the “Ministry”) is a Government entity as defined by section 2 of the Public Management and Finance Act (2020 Revision) (the “Act”).

Its principal activities and operations include all activities carried out in terms of the Outputs purchased by the Minister of Finance & Economic Development as defined in the Plan and Estimates for the Government of the Cayman Islands (the “Government”) for the year ended 31 December 2025. The purpose of the Ministry is to develop, implement and maintain macro-economic and budgetary policies, maintain measures to manage the finances of the Government and exercise supervision and control in all matters relating to the financial affairs of the Government. The Ministry consists of several departments, including Economics and Statistics Office, Finance Administration, Risk Management, the Treasury Department and the Central Procurement Office.

Note 1: Significant Accounting Policies

These financial statements are 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.

Basis of Preparation

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 thousand. Any discrepancies between totals and sums of components are due to rounding and has no material impact on the fair presentation of the financial statements. The measurement base applied to these financial statements is the historical cost basis, unless otherwise stated.

New and revised accounting standards issued and applicable

The Ministry adopted IPSAS 43, Leases as of the transition date of 1 January 2025, replacing IPSAS 13, Leases.

IPSAS 43 primarily affects the accounting by lessees and will result in the recognition of almost all leases on the Statement of Financial Position. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, which will generally result in a higher charge being recorded in the Statement of Financial Performance compared to IAS 17. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

In accordance with the transitional provisions in IPSAS 43, the Ministry has adopted the modified retrospective approach under which the cumulative effect of initial application is recognised in opening equity at 1 January 2025. Accordingly comparative information for the 31 December 2024 period has not been restated. Upon adoption of the Ministry applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The Ministry applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments for short-term leases are recognised as an expense on a straight-line basis over the lease term.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 1: Significant Accounting Policies (Continued)

In applying the modified retrospective approach available under IPSAS 43, the Ministry has used the following practical expedients:

- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- Leases with a remaining term of twelve months or less from the date of application have been accounted for as short-term leases (i.e., not recognised on balance sheet) even though the initial term of the leases from lease commencement date may have been more than twelve months.
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application
- used hindsight when determining the lease term where the contract contains options to extend the lease.

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations (effective for periods beginning on or after January 1, 2025,) specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. During the financial year it was assessed that IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations doesn't have any significant impact on the Ministry's financial statements.

IPSAS 46, Measurement (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. During the financial year it was assessed that IPSAS 46, Measurement doesn't have any significant impact on the Ministry's financial statements.

IPSAS 45, Property, Plant and Equipment (effective for periods beginning on or after January 1, 2025), provides comprehensive guidance on the accounting treatment for property, plant, and equipment (PPE), including specific guidance for heritage assets and infrastructure assets held by public sector entities. The standard replaces IPSAS 17, Property, Plant and Equipment, During the financial year, the Ministry adopted IPSAS 45, and its implementation did not have a significant impact on the Ministry's financial statements.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2025 and not early adopted.

IPSAS 47, Revenue (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 and 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. It is anticipated that IPSAS 47 will not have an impact on the Ministry's financial statements.

IPSAS 48, Transfer Expenses (effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses, and presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 48 will not have an impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans (issued in November 2023 and effective for periods beginning on or after January 1, 2026) provides a principle-based approach to accounting for retirement benefit plans offering a completed view of their financial activities, assets, and obligations and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans. It is anticipated that IPSAS 49 will not have an impact on the Ministry's financial statements.

IPSAS 50, Exploration for and Evaluation of Mineral Resources, provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources, as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. Amendments to IPSAS 12, Stripping Costs in the Production Phase of a Surface Mine, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. IPSAS 50 and Amendments to IPSAS 12 were issued in November 2024 and effective for periods beginning on or after January 1, 2027. It is anticipated that IPSAS 50 and IPSAS 12 amendments will not have an impact on the Ministry's financial statements.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 1: Significant Accounting Policies (Continued)

Changes in Accounting Policies

When presentation or classifications of items in the financial statements are amended or accounting policies are changed, corresponding figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Budget Amounts

The original budget amounts for the year ended 31 December 2025 is as presented in the 2024 and 2025 Budget Statement and the amounts are rolled up into the Plan and Estimates document which was approved by the Parliament, in December 2023. Any additional changes to the original budget are reflected in the final budget. As required by the Act, budgets are presented on the same basis as the annual financial statements.

Judgments and Estimates

The preparation of financial statements in conformity with IPSAS requires judgments, estimates, and assumptions to effect 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 recognised in the reporting period and in any future periods that are affected by those revisions.

Changes in Accounting Estimates

During the reporting period, the only significant changes in judgments and accounting estimates related to the application of IPSAS 43, Leases. IPSAS 43 requires disclosure of any changes in accounting estimates and the nature, amount and financial effect on present, past and/or future periods. These changes primarily concern the determination of lease terms and discount rate. The nature and financial effect of these changes are detailed on Note 6.

Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue).

The Ministry derives its revenue through the provision of services to Cabinet. This revenue is recognised to the extent of cost incurred for services delivered. The Ministry also derives revenue through the provision of services to other agencies in Government and third parties. This revenue is recognised at fair value of services provided.

Expenses

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

Operating Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases with a duration of less than 12 months.

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 Cayman Islands Government's incremental borrowing rate on commencement of the lease is used or at reporting year-end.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 1: Significant Accounting Policies (Continued)

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 agency if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

The lease liability is measured at amortised cost, using the effective interest rate method. The liability is reduced over time by the lease payments, with a portion recognised as interest expense.

Right-of-use assets are also 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 agency is contractually required to dismantle, remove or restore the leased asset.

Right-of-Use Asset is 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.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand, cash in-transit, cash at bank, deposits on call and short term highly liquid investments with maturity of no more than three months from the date of acquisition, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Cash and Cash Equivalents at 31 December 2025 are subject to any expected credit loss requirements of IPSAS 41.

Prepayments

The portion of recognised expenditure paid in advance of receiving goods and services is recognised as a prepayment.

Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost upon initial recognition less accumulated depreciation. 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.

Buildings and Structures reported in the Statement of Financial Position as of the year 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 for those that would be determined using fair values at the end of each reporting year.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 1: Significant Accounting Policies (Continued)

Any revaluation increase arising on the revaluation of such assets is recognized in the Statement of Changes in Net Worth (equity), except to the extent that it reverses a revaluation decrease for the same class of asset previously in surplus or deficit in the Statement of Financial Performance, in which case, the increase is credited to the surplus or deficit to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such assets is recognized in surplus or deficit to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to previous revaluation of that class of asset.

Assets under Construction

Assets under construction or development are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets (on the same basis as the asset category) commences when the assets are ready for their intended use.

Furniture and Equipment

Furniture and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

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 and assets under construction); 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 lives of the improvements, whichever is shorter.

<u>Asset Type</u>	<u>Estimated Useful life (in Years)</u>
Buildings and structures	40 - 60
Leasehold improvement	Unexpired period of lease or useful life
Furniture, fittings and office equipment	3 - 20
Computer hardware	3 - 10
Computer software	3 - 10
Other plant and equipment	5 - 25
Motor vehicles	4 - 12

Intangible Assets

Acquired computer software licenses lasting over a year are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

The carrying value of an intangible asset with a finite life is amortized on a straight line basis over its estimated useful life. Amortization begins when the asset is available for use and ceases at the date that the asset is derecognized. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately (if any) are carried at cost less accumulated impairment losses. Amortization charge for each year is recognized in the Statement of Financial Performance.

Derecognition of Assets

An item of property, plant and equipment and intangible asset is derecognized upon disposal or when no future economic benefits are expected to rise from the continued use of the asset.

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.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 1: Significant Accounting Policies (Continued)

Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised 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 Ministry are paid to the Public Service Pension Fund (the "Fund") and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the Fund by the Ministry.

Prior to 1 January 2000, the Board only operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and introduced a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by employees. Obligations for defined benefit retirement plans are reported in the Consolidated Financial Statements for the Entire Public Sector of the Government.

Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, trade and other receivables and trade payables and other payables and accruals, all of which are recognised in the Statement of Financial Position.

When there is objective evidence that a financial asset or group of financial assets is impaired, the losses are recognised as an expense in the Statement of Financial Performance.

Classification

A financial asset is 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 trade 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 comprise of trade payable and other payables and accruals.

Recognition

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.

Measurement

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be 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. The Ministry assessed the business model for holding financial assets at the date of initial application. It determined that all of these 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, trade receivables and payables are recorded at amortized cost using the effective interest method less any impairment.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 1: Significant Accounting Policies (Continued)

De-recognition

A financial asset is de-recognised when the Ministry realises the rights to the benefits specified in the contract have expired 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.

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.

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 settlement of such transactions are recognised in the Statement of Financial Performance.

At the end of the reporting year the following exchange rates are to be used to translate foreign currency balances:

- a) Foreign currency monetary items are to be reported in Cayman Islands Dollars using the closing rate;
- b) 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
- c) 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.

Surplus Repayable

Pursuant to Section 39 (3) (f) of the Act any net surplus is transferred to surplus repayable, and, ultimately, repaid to the Cabinet.

Revenue from non-exchange transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodations in the central government building, computer repairs and software maintenance by the Computer Services Department, maintenance and project management by the Public Works Department, vehicle maintenance from the Department of Vehicles, Equipment and Supplies, exemption of duties and charges from Customs and human resource management from the Portfolio of the Civil Service.

The Ministry has designated these non-exchange transactions as services in kind as defined under IPSAS 23 – Revenue from Non-Exchange Transactions. When fair values of such services can be readily 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. Where services in kind offered are directly related to construction of fixed assets, such service in kind is recognised in the cost of the asset.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 2: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank accounts in the name of the Ministry and are maintained at Royal Bank of Canada (RBC), and short term on call deposits invested with the Government's Treasury. The deposits are readily convertible to cash on demand without any penalties and are subject to an insignificant risk in changes in value. Cash and cash equivalents at 31 December 2025 are subject to the expected credit loss requirements of IPSAS 41 but no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks. As at 31 December 2024 and 31 December 2025, the Ministry's unrestricted cash balances were, as presented below. No restricted cash balances were held at 31 December 2025.

Prior Year Actual December 31, 2024	Description	Foreign Currency	Exchange Rate	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	- Cash on hand			-	19	19	19
	4 Cash in transit			3	31	31	28
	8,204 CI\$ Operational Current Account			9,714	9,964	9,964	250
	209 US\$ Operational Current Account	9	0.84	8	115	115	107
	- Payroll Current Account			-	(86)	(86)	(86)
	- Bank Accounts held at other financial institutions			-	32	32	32
	4,199 Treasury Internal Deposits			4,374	3,877	3,877	(497)
12,616	TOTAL			14,099	13,952	13,952	(147)

Note 3: Trade Receivables and Other Receivables

Trade receivables are amounts due from customers for items sold or services performed in the ordinary course of business. Trade receivables and other receivables comprise of balances due from other Government entities, including Output Receivables and balances due from third parties.

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 equal to lifetime expected credit losses.

Prior Year Actual December 31, 2024	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	Trade Receivables				
	84 Sale of goods and services	96	69	69	(27)
	2,570 Outputs to Cabinet	1,415	1,278	1,278	(137)
2,654	Total trade receivables	1,511	1,347	1,347	(164)
	- Less: expected credit losses	-	-	-	-
2,654	Total trade receivables	1,511	1,347	1,347	(164)

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 3: Trade Receivables and Other Receivables (Continued)

Actual Prior Year	Other Receivables	Actual Current Year	Original Budget	Final Budget	Variance (Org vs Actual)
-	Advances (salary, Official Travel, etc)	5	-	-	(5)
1	Dishonoured cheques	1	-	-	(1)
29	Interest receivable	16	13	13	(3)
229	Other receivable	7	570	570	563
259	Total other receivables	29	583	583	554
(48)	Less: expected credit losses	-	(28)	(28)	(28)
211	Total other receivables	29	555	555	526

Actual Prior Year	Receivables	Trade Receivable	Other Receivable	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
2,662	Past due 1-30 days	1,511	29	1,540	1,839	1,839	299
30	Past due 31-60 days	-	-	-	-	-	-
-	Past due 61-90 days	-	-	-	-	-	-
-	Past due 90 and above	-	-	-	36	36	36
	Non-Current						
173	Past due 1 year and above	-	-	-	27	27	27
2,865	Total	1,511	29	1,540	1,902	1,902	362

The Ministry performed an individually specific Expected Credit Loss (ECL) assessment on any related party debtors with qualitative or quantitative factors indicating doubts around collectability. Given the low risk of default on the remaining related party receivables held by the Ministry, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating, absence of historical losses on amounts due. The Ministry believes that the amounts outstanding on related party receivables are recoverable.

In measuring ECLs for third-party receivables, the estimated loss allowance for individually significant or other specific trade and other receivable balances were determined on an individual basis. Thereafter, the remaining third-party other trade receivables have been assessed on a collective basis as they possess a shared credit risk characteristic. The expected credit Loss rate(s) for third-party receivables are based on the Ministry's historical credit loss over the prior four years. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Ministry's customers. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

During the year, the Ministry conducted an assessment of receivables arising from terminal dues owed by Postal Services. Following a review of recovery activity, it was determined that collection of the remaining balances was improbable. As a result, the outstanding amount was written off in accordance with established financial reporting practices.

The movement in the allowance for credit losses is as follows:

The movement in the allowance for the credit losses is as follows:

	2024	2025
Allowance for credit losses as at 1 January	48	48
Revision in loss allowance made during the year	-	79
Receivables written off during the year	-	(127)
Balance as at 31 December	48	-

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (Amounts Expressed in CI \$000s)

Note 4: Prepayments

Prior Year Actual December 31, 2024	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	Current				
124	Accrued Prepayments	169	124	124	(45)
124	Total Prepayments	169	124	124	(45)

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 5: Property, Plant and Equipment

Cost or Opening Valuation	<i>Plant and equipment</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Office Equipment</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2024	252	5,988	373	327	326	20	7,286	7,330	7,330	44
Additions	-	-	8	8	-	-	16	53	-	37
Disposals	-	-	-	(10)	-	-	(10)	-	-	10
Transfers	(252)	(5,988)	(311)	(174)	(326)	(20)	(7,071)	(7,118)	(7,118)	(47)
Balance as at 31 December 2024	-	-	70	151	-	-	221	265	212	44
	<i>Plant and equipment</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Office Equipment</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2025	-	-	70	151	-	-	221	265	212	44
Additions	-	-	-	13	-	-	13	50	103	37
Disposals	-	-	-	(30)	-	-	(30)	-	-	30
Balance at 31 December 2025	-	-	70	134	-	-	204	315	315	111
Accumulated Depreciation and Impairment Losses	<i>Plant and equipment</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Office Equipment</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2024	199	891	351	262	241	-	1,944	2,009	2,009	65
Transfers	(199)	(891)	(304)	(144)	(241)	-	(1,779)	(1,834)	(1,834)	(55)
Depreciation Expense	-	-	4	22	-	-	26	30	30	4
Eliminate on Disposal	-	-	-	(10)	-	-	(10)	-	-	10
Balance as at 31 December 2024	-	-	51	130	-	-	181	205	205	24
	<i>Plant and equipment</i>	<i>Buildings and Leasehold</i>	<i>Furniture and Office Equipment</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2025	-	-	52	129	-	-	181	204	204	23
Depreciation Expense	-	-	5	18	-	-	23	29	29	6
Eliminate on Disposal/Revaluation	-	-	-	(30)	-	-	(30)	-	-	30
Balance at 31 December 2025	-	-	57	117	-	-	174	233	233	59
Net Book value 31 December 2024	-	-	19	21	-	-	40	61	8	21
Net Book value 31 December 2025	-	-	13	17	-	-	30	82	82	52

During the financial year, computer hardware with no salvage value was derecognised due to being obsolete, the assets had a net book value of zero and thus no loss was incurred from the derecognition.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 6: Right-of-Use Assets

On transition to IPSAS 43, the Ministry recognised \$49 thousand in right-of-use assets and \$52 thousand of lease liabilities, recognising the difference in accumulated surpluses/(deficits). The net book value and lease obligation are shown below.

Right-of-use assets

Description	Cost	Accumulated Depreciation	Net Book Value
Mini Warehouse 2, Unit 16	9	9	-
Highgrove Business Park - Unit (B2)E	40	32	8
	49	41	8

Lease liability

Description	Beginning Balance	Principal Payment	Ending Balance
Mini Warehouse 2, Unit 16	9	9	-
Highgrove Business Park - Unit (B2)E	43	34	9
	52	43	9

Right-of-use asset is depreciated on a straight-line basis over the term of the lease. The Ministry applies IPSAS 26 - Impairment of cash-generating assets on the right-of-use asset the same way as in property, plant and equipment.

Lease Liability Reconciliation

Operating lease commitment as at 31 December 2024 as disclosed in the financial statements	52
Less Commitments relating to short-term leases and leases of low value assets (if exempted)	-
Remaining lease discounted using the incremental borrowing rate at 1 January 2025	52
Add: Lease payments relating to extension options exercised	-
Lease liabilities recognised at 1 January 2025	52

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 6: Right-of-Use Assets (Continued)

Lease liability	Actual Current Year
Balance at start of the year	51
Interest expense	<u>1</u>
	52
Repayments in the year	<u>(43)</u>
Balance at end of the year	<u>9</u>

Maturity Analysis as at 31 December 2025

Contractual maturities of financial liabilities	Less than 1 year	1 - 5 years	Over 5 years	Total
Lease liability	9	-	-	9

The lease liability represents the present value of expected future lease payments by the Ministry to the Lessors. The discounting rate applied by the Ministry is 5.84% per annum which is assumed to be a representative of Cayman Islands Government's incremental borrowing rate. The leased assets assessed under this section are assumed to be a similar class and hence application of a standard incremental borrowing rate.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 7: Intangible Assets

	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Cost or Opening Valuation					
Balance as at 1 Jan 2024	851	851	851	851	-
Additions	-	-	-	-	-
Transfers	(745)	(745)	(745)	(745)	-
Balance as at 31 December 2024	106	106	106	106	-

	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2025	106	106	106	106	-
Additions	-	-	1,000	1,000	1,000
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 31 December 2025	106	106	1,106	1,106	1,000

	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Accumulated Amortization and Impairm					
Balance as at 1 Jan 2024	399	399	399	399	-
Transfers	(293)	(293)	(293)	(293)	-
Depreciation Expense	-	-	-	-	-
Eliminate on Disposal	-	-	-	-	-
Amortisation of Revaluation Reserve	-	-	-	-	-
Balance as at 31 December 2024	106	106	106	106	-

	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2025	106	106	106	106	-
Transfers	-	-	-	-	-
Depreciation Expense	-	-	50	50	50
Balance at 31 December 2025	106	106	156	156	50
Net Book value 31 December 2024	-	-	-	-	-
Net Book value 31 December 2025	-	-	950	950	950

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 8: Trade Payables, Other Payables and Accruals

Prior Year Actual December 31, 2024	Description	Current	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
2	Creditors	-	-	327	327	327
189	Accrued expenses	182	182	1,206	1,206	1,024
727	Accrued expenses Ministries/Portfolios	945	945	-	-	(945)
3	Other payables	2	2	-	-	(2)
921	Total trade payables, other payables & accruals	1,129	1,129	1,533	1,533	404

Note 9: Employee Entitlements

Prior Year Actual December 31, 2024	Description	Actual Current Year	Original Budget	Revised Budget	Variance (Orig vs Actual)
<i>Current employee entitlements are represented by:</i>					
42	Comp time	26	9	9	(17)
269	Annual leave	259	273	273	14
-	Accrued salaries	12	-	-	(12)
73	Pension	74	94	94	20
384	Total employee entitlements	371	376	376	5

The annual leave entitlements and compensated absence (Comp time) are calculated on current salary paid to those employees eligible for this benefit.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 10: Sale of Goods and Services

Prior Year Actual December 31, 2024	Revenue type	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
12,269	Outputs to Cabinet	12,481	15,994	20,143	3,513
55	Outputs to other government agencies	44	84	84	40
20	Other	18	15	15	(3)
12,344	Total sales of goods and services	12,543	16,093	20,242	3,550

Outputs to Cabinet comprise goods delivered to, and services performed on behalf of, the Government.

Outputs to other Government agencies comprises trade between the Ministry and other government bodies.

Fees & charges include administrative fees and user charges levied on the public for the delivery of Government services. Certain respective rates and fee structures are Gazetted and governed by the relevant revenue Acts and Regulations.

Note 11: Investment Revenue

Prior Year Actual December 31, 2024	Source	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
203	Interest on deposits held with Cabinet	162	-	-	(162)
-	Interest on cash balances	-	-	-	-
203	Total Investment Revenues	162	-	-	(162)

Note 12: Personnel Costs

Prior Year Actual December 31, 2024	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
7,931	Salaries, wages and allowances	8,306	8,796	9,664	490
1,554	Health care	1,663	1,966	2,238	303
419	Pension	441	498	572	57
26	Leave	(27)	30	43	57
5	Other personnel related costs	3	10	12	7
9,935	Total Personnel Costs	10,386	11,300	12,529	914

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 13: Supplies and Consumables

Prior Year Actual December 31, 2024	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
55	Supplies and materials	71	135	192	64
1,954	Purchase of services	1,570	3,825	6,540	2,255
42	Lease of property and equipment	2	45	46	43
26	Utilities	20	35	39	15
382	Interdepartmental expenses	431	464	523	33
18	Travel and subsistence	18	32	41	14
109	Recruitment and training	64	178	253	114
5	Other	79	-	-	(79)
2,591	Total Supplies & Consumables	2,255	4,714	7,634	2,459

Note 14: Gains/(Losses)

Prior Year Actual December 31, 2024	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
(5)	Net (Gain)/Loss on foreign exchange transactions	(1)	-	-	1
(5)	Total Gain/ (Losses)	(1)	-	-	1

Note 16: Contingent Liabilities and Assets

The Ministry has no contingent liabilities and assets as at 31 December 2025.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 17: Explanation of Major Variances Against Budget

Description	Operating Expenditure	Capital Expenditure
2025 Original Budget	16,093	1,050
Section 9(5) C/F to 2025 by Output		
FED 1 - Policy Advice and Ministerial Services	972	
FED 4 - Preparation and Publication of Statistical Reports	407	
FED 5 - Financial Reporting and Management Services	2,770	
Subtotal	4,149	
EI 70 - Ministry of Finance and Economic Development		53
Final Budget	20,242	1,103

There were changes between the original and final budget, which were the carry forward of the unused budget from 2024 of \$4.15 million. The changes were approved by Cabinet under Section 11(5) of the Public Management and Finance Act (2020 Revision); and is to be included in the Supplementary Appropriation Bill to be introduced to the Parliament by 31 March 2026, as required by Section 11(6)(b) of the Act.

Explanations for major variances for the Ministry’s performance against the original budget are as follows:

Statement of Financial Performance

Sale of Goods and Services Revenue

Revenue was below budget by \$3.6 million due to lower expenditures for departments resulting in lower Cabinet revenue. The Ministry only bills for Cabinet revenue as the expenditures occur.

Investment Revenue

Revenue from investments placed with the Treasury Department, though not budgeted for, yielded an interest amount of \$162 thousand.

Personnel Costs

Personnel costs were lower than the original budget by \$914 thousand. The variance is comprised of various vacancies and the timing of vacant posts being filled.

Supplies and Consumables

Supplies and Consumables costs were lower than original budget by \$2.5 million. Expenditures such as fees related to acquiring a new budget software and implementation of the Ministry’s strategic plan did not commence as planned resulting in budget savings.

Depreciation and Amortization

Depreciation of Property, Plant and Equipment was lower than budget by \$6 thousand as there was no significant purchase of any capital items during the year. In accordance with the implementation of IPSAS 43 – Leases, the entity recognized right-of-use assets and corresponding lease liabilities. As a result, a depreciation charge of \$41 thousand was recorded on right-of-use assets during the year. This represents a new category of depreciation expense arising from leased assets, consistent with IPSAS 43 requirements.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 17: Explanation of Major Variances Against Budget (Continued)

Statement of Financial Position

Cash and Cash Equivalents

The actual year end cash balance was more than budget by \$147 thousand due to lower receivables.

Trade Receivables

The actual year-end trade receivables balance was higher than the budget by \$164 thousand due to an increase in Cabinet revenue receivable for the month of December 2025 compared to the budget. The increase in expenditure in December is due to an honorarium given which resulted in an increased receivable.

Other Receivables

The actual year-end balance of other receivables lower than the original budget by \$526 thousand due to collection of postal terminal dues during the year and the write-off of the remaining balance following an assessment of recoverability in line with the entity's accounting policies.

Property, Plant and Equipment

The actual year end property, plant and equipment ("PPE") is lower than the original budget by net amount of \$52 thousand as there were no significant purchases of capital assets during the year.

Intangible Assets

The actual year end intangible assets were lower than the original budget by \$950 thousand as a result of deferring the purchase of budget software.

Trade Payables, Other Payables and Accruals

The actual year end payables and accrual balances were lower than the original budget by \$404 thousand due to timing of payments.

Employee Entitlements

The actual year end employee entitlements were lower than the original budget by \$5 thousand due leave taken during the year.

Statement of Changes in Net Worth

The equity investment from Cabinet was lower than budget by \$1,050 million due to the decision to defer the purchase of capital items.

Cash Flow Statement

Cash from Operating Activities

Cash from operating activities was higher than budget by \$1,380 million due to the timely collection of revenue from Cabinet and lower than budgeted expenditure in personnel costs and supplies and consumables.

Cash from Investing Activities

Cash from investing activities was lower than budget by \$1,037 million due to the decision to defer all the capital projects for 2025.

Cash from Financing Activities

The cash inflow from financing was under budget by \$1,093 million , as a result of not drawing on the equity injection due to deferral of purchase of new capital assets.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 18: Related Party and Key Management Personnel Disclosures

Related Party Disclosure

The Ministry is an entity of the Government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other Government entities on a regular basis. These transactions were provided free of cost during the year ended 31 December 2025 and are consistent with normal operating relationships between entities and are undertaken on terms and conditions that are normal for such transactions.

Key Management Personnel

Key management personnel are also considered to be related parties and received the following remuneration.

Prior Year Actual December 31, 2024	Description	Actual Current Year	Number of posts
1,246	Salaries & other short-term employee benefits	1,327	7
<u>129</u>	Other long-term benefits	<u>128</u>	
<u>1,375</u>	Total	<u>1,455</u>	

No loans were granted to key management personnel or to their close relatives.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 19: Commitments

Prior Year Actual December 31, 2024	Type	One year or less	One to five Years	Over five Years	Total
	Operating Commitments				
51	Non-cancellable accommodation leases	-	-	-	-
1,416	Non-cancellable contracts for the supply of goods and services	998	202	-	1,200
<u>1,467</u>	Total Operating Commitments	<u>998</u>	<u>202</u>	<u>-</u>	<u>1,200</u>
<u>1,467</u>	Total Commitments	<u>998</u>	<u>202</u>	<u>-</u>	<u>1,200</u>

Operating Commitments

The main component of the Ministry's operating commitment relates to contractual arrangements for ongoing security, software updates and technical support services relating to Computer Software and the Budget Modernization Project.

Note 20: Events Occurring After Reporting Date

Management has evaluated any subsequent events existing in the Ministry's financial statements after the 4th of March 2026, the date the financial statements were available to be issued. Based on this evaluation, it has been determined that no material subsequent events have occurred which require disclosure in, or adjustment, to the financial statements.

Note 21: Financial Instrument Risks

The Ministry is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, accounts receivable, Cabinet receivables and creditors and other payables. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit Risk

Credit risk is the risk that the counter party to a transaction with the Ministry will fail to discharge its obligations, causing the Ministry to incur a financial loss. The Ministry is exposed to credit risk through the normal trade credit cycle and advances to third parties.

Financial assets that potentially subject the Ministry to credit risk consist of Cash and Cash Equivalents, term deposits, trade receivables, and other receivables.

The Ministry manage its credit risk by limiting the counter parties it transacts business with to counterparties it believes to be capable of performing their contractual obligations. Generally, the Ministry does not require collateral ongoing credit risk is managed through review of ageing analysis, together with credit limits per customer.

Maximum exposures to credit risk as at year end are the carrying value of financial assets in the Statement of Financial Position.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 21: Financial Instrument Risks (Continued)

Expected credit losses (ECL)

ECLs are calculated on a lifetime basis for Trade Receivables. Please see trade receivables note for more information on credit risk disclosures for ECL on Trade Receivables.

Concentrations of credit risk

The Ministry does not have any significant credit risk exposure. The credit risk on cash and cash equivalents and short-term investments is limited. The Ministry's main bank is Royal Bank of the Caribbean (RBC) which has a S&P Global Ratings of AA-.

Currency and Interest Rate Risk

The Ministry has no significant exposure to currency exchange loss risk nor interest rate risk.

Liquidity Risk

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash draw-downs from Cabinet and receipts from third parties and maintains a target level of available cash to meet liquidity requirements.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 22: Segment Reporting

Prior Year Actual December 31, 2024		Current Year Actuals					TOTAL
		FIN ADMIN	RSK	ESO	TSY	CPO	
	Revenue						
12,269	Outputs from Cabinet	2,290	156	2,219	7,100	716	12,481
75	Sale of goods and services	4	-	-	58	-	62
203	Investment Revenue	162	-	-	-	-	162
12,547	Total Revenue	2,456	156	2,219	7,158	716	12,705
	Expenses						
9,935	Personnel Costs	2,301	155	1,878	5,420	632	10,386
2,612	Other expenses	155	1	341	1,738	84	2,319
12,547	Total Expenses	2,456	156	2,219	7,158	716	12,705
-	Net Surplus/ (Deficit)	-	-	-	-	-	-
	Assets						
15,605	Current Assets	15,540	-	5	231	32	15,808
40	Non-Current Assets	7	-	6	23	2	38
15,645	Total Assets	15,547	-	11	254	34	15,846
(1,305)	Total Liabilities	(246)	(2)	(70)	(1,177)	(14)	(1,509)
-	Total Capital Expenditures	-	-	-	-	-	-

The Ministry segment report is prepared on the basis of individual departments that fall under the Ministry, with joint assets and liabilities that are held as common, being directly managed by the Finance Administration (FIN ADMIN) section; therefore, FIN ADMIN would include such assets as cash and cash equivalents and receivables from Cabinet. It would also include such liabilities as surplus payable and payroll deductions that are payable and any other activities not reported directly attributable to a segment.

FIN ADMIN section assists the Financial Secretary and the Minister for Finance by providing policy advice, governance and administrative services on all financial, budgeting and reporting matters of the Government. The section processes applications for fees and import duty waivers, stamp duty abatements and assessments, government loans to Civil Servants, as well as providing administrative support and monitoring the performance of Departments under the Ministry.

The Risk Management Unit's (RSK) primary purpose is to develop, implement and coordinate comprehensive property and liability insurance programmes along with safety and loss control activities to minimize the negative financial impact of natural hazards, accidents and other unexpected events to the Government.

The Economics and Statistics Office (ESO) monitors the economy, develops economic policies and plans, and advises the Government on a range of economic issues to sustain growth in the Islands. The ESO also conducts and analyses social and economic surveys and compiles and publishes statistical data on the Cayman Islands, and provides other Government Departments with technical advice on data collection and dissemination, and survey design and methodology.

MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(Amounts Expressed in CI \$000s)

Note 22: Segment Reporting (Continued)

The Treasury Department (TSY) is responsible for the preparation and the consolidation of the forecast and annual financial statements for core Government and the Entire Public Sector (EPS), as required by section 29(A) of the Act, using IPSAS. Treasury has oversight for the management and forecasting of core government cash flows, negotiation, evaluation and administration of core Government borrowings. It is responsible for the design, quality assurance and management of the budget and reporting processes for the EPS; this includes coordinating and preparing an annual timeline, Strategic Policy Statement, Plan and Estimates, Budget Statements, Ownership and Purchase Agreements and revenue forecasts. The Treasury also provides financial management services to Ministries/Portfolios and the Cabinet.

The Central Procurement Office (CPO) provides training, advice and guidance to all entities and persons involved in public procurement.

**Ministry of Finance &
Economic Development**
Cayman Islands Government

Govt. Admin. Bldg. Box 131

133 Elgin Ave.

Grand Cayman KY1-9000

Tel: 244-2205

Fax: 949-8650

Websites:

www.mof.gov.ky

www.treasury.gov.ky

www.procure.gov.ky

www.eso.ky



End of Annual Report