

OWNERSHIP AGREEMENTS

For the 2024 Financial Year:
1 January to 31 December 2024
&
For the 2025 Financial Year:
1 January to 31 December 2025



OWNERSHIP AGREEMENTS

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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PREFACE

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

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

Like any owner, the Government expects the organisations it owns to perform within agreed boundaries. The purpose of the Ownership Agreement is to specify the ownership performance that the Cabinet and the Board of each SAGC have agreed the Authority or Company will seek to achieve during the financial years ending 31 December 2024 and 31 December 2025.

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

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

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

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

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

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

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

AUDITORS OVERSIGHT AUTHORITY

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

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1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Auditors Oversight Authority (AOA) have agreed the AOA will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

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

SCOPE OF ACTIVITIES

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

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

CUSTOMERS AND LOCATION OF ACTIVITIES

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

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

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

Activities are carried out in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the AOA for the 2024 and 2025 financial years are as follows:

- Complete the "Future of the AOA" project, which is a critical re-assessment of the AOA's role and scope of activities in the light of the needs of the Cayman Island's regulatory regime and international developments in audit regulation.

- Implement the practical implications of the completion of the "Future of the AOA" project including adjusting, as necessary, the staffing, organizational capability, legal framework and AOA Rules.

- Conduct inspections of audit firms in accordance with the periodic inspection plan.

- Continue to wholly implement all AOA board policies, including those specifically designed to ensure independence and compliance with legal and ethical standards.

- Continue to maintain:
    - relationships with key Cayman Islands based stakeholders;
    - membership of the International Forum of Independent Audit Regulators; and
    - appropriate dialogue with other equivalent overseas regulatory authorities.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Auditors Oversight Authority for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	318	318	415
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	65	65	37
OPERATING EXPENSES	458	468	351
OPERATING SURPLUS/DEFICIT	**(75)**	**(85)**	**101**
NET WORTH	**444**	**359**	**519**
CASH FLOWS FROM OPERATING ACTIVITIES	(72)	(83)	4
CASH FLOWS FROM INVESTING ACTIVITIES	(7)	(5)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(79)	(88)	2

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024 %**	**2025 1 Jan to 31 Dec 2025 %**	**2023 12-Month Forecast %**
CURRENT ASSETS: CURRENT LIABILITIES	28.65:1	23.07:1	38.05:1
TOTAL ASSETS: TOTAL LIABILITIES	28.99:1	23.62:1	38.15:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	1.5	1.5	0.5
STAFF TURNOVER (%)			
MANAGERS	100%	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	100%	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	6 years	7 years	5 years
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

Note: 2023 excludes acting MD currently operating part time under consultancy contract.

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	459	374	533
ASSET REPLACEMENTS: TOTAL ASSETS	1:65	1:75	1:267
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	1:1	1:1	1:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	1:2	1:3	1:6
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
NONE	-	-	-
TOTAL	**Nil**	**Nil**	**Nil**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Failure to properly implement policy decisions resulting from completion of the "Future of the AOA" project in 2023.	Updated from 2023	Dedicate sufficient resources to properly plan and execute policy implementation. Continue to devote time and effort to involve all key stakeholders in the process.	Unquantifiable
Expected increased scope of remit may result in increased cost/time burden to firms with no regulatory or audit quality benefit.	Updated from 2023	Monitor implications of applying increased scope of remit. Continue to devote time and effort to involve all key stakeholders in the process and Continue to adequately research likely impacts of alternative policies and, if appropriate, consult with other of-island bodies.	Unquantifiable
Lack of enough regulatory activity may result in loss of membership of International Forum of Independent Audit Regulators ("IFIAR"), which would likely have negative impact on Cayman Islands' reputation.	No changes from 2023	Continue to engage constructively with IFIAR.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	383	383	452
OPERATING EXPENSES	458	468	351
NET SURPLUS/(DEFICIT)	(75)	(85)	101

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	460	374	533
LIABILITIES	16	16	14
NET WORTH	444	358	519

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(72)	(83)	4
CASH FLOWS FROM INVESTING ACTIVITIES	(7)	(5)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO AUDITORS OVERSIGHT AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM AUDITORS OVERSIGHT AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY AUDITORS OVERSIGHT AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO AUDITORS OVERSIGHT AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO AUDITORS OVERSIGHT AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[1]	-	-
REMUNERATION[2] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	221	225
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	5	5
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

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

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

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Auditors Oversight Authority will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP

Minister for Financial Services and Commerce
On behalf of Cabinet



Chairman of the Board
Auditors Oversight Authority

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Auditors Oversight Authority for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Auditors Oversight Authority

31 December 2023

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AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

(a) Basis of preparation

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting.

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

(b) Use of estimates

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expense during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

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

(c) Foreign currency translation

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

(d) Cash and cash equivalents

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

(e) Accounts receivable

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

(f) Property, Plant and Equipment

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

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

Asset Type	Estimated Useful Life
Computer Equipment	3 years
Furniture	12 years

(g) Liabilities for employee benefits

i Annual leave entitlement: Annual leave due, but not taken, is recognized as a current liability at the current rates of pay.

ii Pension obligations: Pension contributions are included in personnel costs in the statement of financial performance. The Authority makes contributions at the rate of 5% of eligible employees' salary to a third-party, multi-employer, defined contribution scheme.

(h) Revenue recognition and unearned revenue

i. Outputs to the Cabinet: Revenues are recognized when the outputs agreed in the Annual Plan and Estimates have been delivered. If the Authority is unable to make a reliable estimate of the percentage of completion of its obligations under the Ownership Agreement with Government, it will recognize as revenue only that portion of funding received from Government equal to the

Expenses incurred in the accounting period and will defer the balance and report it on the balance sheet as "unearned revenue".

ii. Fees: Application and de-registration fees are recognized as earned when the related event is complete. Annual fees are recognized as earned over the period to which they relate. Inspection fees are recognized as earned over the period of the related inspection.

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

(i) Expense recognition

Expenses are recognised when incurred.

(j) Financial Instruments

i 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 or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and trade 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 of the AOA are comprised of other payables and accruals.

ii Recognition: The Authority recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument.

iii Measurement: Financial instruments are measured initially at the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets and liabilities are recorded at fair value and any gains and losses arising from changes in fair value are recognized in the statement of financial performance in the period in which they arise. At 31 December 2022 and 2021 all financial assets and liabilities were carried at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

iv Derecognition: A financial asset is derecognized when the Authority realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(k) Provisions and contingencies

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

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

(m) Subsequent events

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

(n) Revenue from Non-Exchange Transactions

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

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

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
529,046	Cash and cash equivalents	1	450,392	362,045
-	Marketable securities and deposits		-	-
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
2,618	Prepayments	5	3,650	3,650
-	Loans	6	-	-
531,664	**Total Current Assets**		**454,042**	**365,695**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
1,458	Property, plant and equipment	7	5,441	8,725
-	Intangible Assets	8	-	-
1,458	**Total Non-Current Assets**		**5,441**	**8,725**
533,122	**Total Assets**		**459,483**	**374,420**
	Current Liabilities			
13,974	Trade payables	9	15,850	15,850
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
13,974	**Total Current Liabilities**		**15,850**	**15,850**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
13,974	**Total Liabilities**		**15,850**	**15,850**
519,148	**Net Assets**		**443,633**	**358,570**
	NET WORTH			
100,000	Contributed capital		100,000	100,000
-	Other Reserves		-	-
-	Revaluation reserve		-	-
419,148	Accumulated surpluses/(deficits)		343,633	258,570
519,148	**Total Net Worth**		**443,633**	**358,570**

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF FINANCIAL PERFOMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
452,418	Sale of goods and services	**15**	382,602	382,602
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
452,418	**Total Revenue**		**382,602**	**382,602**
	Expenses			
44,119	Personnel costs	**18**	230,798	237,673
226,459	Supplies and consumables	**19**	125,469	129,459
292	Depreciation and Amortisation	**7**	2,850	1,533
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
80,250	Other Operating expenses		99,000	99,000
351,120	**Total Expenses**		**458,117**	**467,665**
101,298	**Surplus or (Deficit) for the period**		**(75,515)**	**(85,063)**

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
317,602	Sale of goods and services to Cabinet		317,602	317,602
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
37,000	Sale of goods and services - third party		65,000	65,000
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(44,119)	Personnel costs		(230,798)	(237,673)
-	Supplies and consumables - Ministries/Portfolios		-	-
(13,500)	Supplies and consumables - Statutory Agencies and Government Conpanies		(14,850)	(14,850)
(212,959)	Supplies and consumables - third party		(109,775)	(114,609)
-	Interest paid		-	-
(80,250)	Other payments		(99,000)	(99,000)
3,774	**Net cash flows from operating activities**	**23**	**(71,821)**	**(83,530)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(1,750)	Purchase of property, plant and equipment		(6,833)	(4,817)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(1,750)	**Net cash flows from investing activities**		**(6,833)**	**(4,817)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
2,024	**Net increase/(decrease) in cash and cash equivalents**		**(78,654)**	**(88,347)**
527,022	Cash and cash equivalents at beginning of period		529,046	450,392
529,046	**Cash and cash equivalents at end of period**		**450,392**	**362,045**

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	100,000	-	-	317,850	417,850
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	100,000	-	-	317,850	417,850
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2022	100,000	-	-	317,850	417,850
Balance at 31 December 2022 brought forward	100,000	-	-	317,850	417,850
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	100,000	-	-	317,850	417,850
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023	-	-	-	101,298	101,298
Total recognised revenues and expenses for the period	-	-	-	101,298	101,298
Balance at 31 December 2023 carried forward	100,000	-	-	419,148	519,148

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	100,000	-	-	419,148	519,148
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	100,000	-	-	419,148	519,148
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	(75,515)	(75,515)
Total recognised revenues and expenses for the period	-	-	-	(75,515)	(75,515)
Balance at 31 December 2024 carried forward	100,000	-	-	343,633	443,633
Balance at 31 December 2024 brought forward	100,000	-	-	343,633	443,633
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	100,000	-	-	343,633	443,633
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	(85,063)	(85,063)
Total recognised revenues and expenses for the period	-	-	-	(85,063)	(85,063)
Balance at 31 December 2025	100,000	-	-	258,570	358,570

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
500	Cash on hand	500	500
-	Cash in transit	-	-
528,546	CI$ Account	449,892	361,545
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
529,046	**TOTAL**	**450,392**	**362,045**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
2,618		3,650	3,650
2,618	**Prepayments - Current**	**3,650**	**3,650**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
2,618	**Total Prepayments**	**3,650**	**3,650**

AUDITORS OVERSIGHT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2022	-	3,630	3,630
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2022	-	3,630	3,630

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2023	-	3,630	3,630
Additions	-	1,750	1,750
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2023	-	5,380	5,380

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2024	-	5,380	5,380
Additions	3,500	3,333	6,833
Disposals and Derecognisation	-	(3,630)	(3,630)
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2024	3,500	5,083	8,583

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2025	3,500	5,083	8,583
Additions	3,150	1,667	4,817
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2025	6,650	6,750	13,400

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2022	-	3,126	3,126
Transfers	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-
Depreciation Expense 2022	-	504	504
Eliminate on Disposal or Derecognisation 2022	-	-	-
Balance as at 31 December 2022	-	3,630	3,630

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2023	-	3,630	3,630
Transfers	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-
Depreciation Expense 2023	-	292	292
Eliminate on Disposal or Derecognisation 2023	-	-	-
Balance as at 31 December 2023	-	3,922	3,922

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2024	-	3,922	3,922
Transfers	-	-	-
Impairment change 2024	-	-	-
Depreciation Expense 2024	350	2,500	2,850
Eliminate on Disposal or Derecognisation 2024	-	(3,630)	(3,630)
Balance as at 31 December 2024	350	2,792	3,142

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2025	350	2,792	3,142
Transfers	-	-	-
Impairment change 2025	-	-	-
Depreciation Expense 2025	700	833	1,533
Eliminate on Disposal or Derecognisation 2025	-	-	-
Balance as at 31 December 2025	1,050	3,625	4,675

Net Book value 31 December 2022	-	-	-
Net Book value 31 December 2023	-	1,458	1,458
Net Book value 31 December 2024	3,150	2,291	5,441
Net Book value 31 December 2025	5,600	3,125	8,725

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
474	Creditors Third party	1,000	1,000
13,500	Creditors Ministries/Portfolios	14,850	14,850
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
13,974	**Trade payables other payables and accruals - Current**	**15,850**	**15,850**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
13,974	**Total trade payables other payables and accruals**	**15,850**	**15,850**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
37,000	Fees and Charges	65,000	65,000
-	General Sales	-	-
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
415,418	Sale of goods and services to Cabinet	317,602	317,602
-	Sale of goods and services to Other Ministries and Portfolios	-	-
452,418	**Total sales of goods and services**	**382,602**	**382,602**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
2,000	Annual Registration Fees	10,000	10,000
35,000	Inspection fees	55,000	55,000
37,000	**Total Fees & Charges**	**65,000**	**65,000**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	-	-
	Sales of Outputs to Cabinet		
415,418	Sales of Outputs to Cabinet	317,602	317,602
-	Other Outputs	-	-
415,418	**Total Sales of Outputs to Cabinet**	**317,602**	**317,602**
	Other Interdepartmental Revenue		
-	**Total Other Interdepartmental Revenue**	-	-
452,418	**Total Goods and Services**	**382,602**	**382,602**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
42,018	Salaries, wages and allowances	189,080	194,752
-	Health care CINICO	21,264	22,183
-	Health care other	-	-
2,101	Pension	9,454	9,738
-	Leave	-	-
-	Other personnel related costs	11,000	11,000
44,119	**Total Personnel Costs**	**230,798**	**237,673**

AUDITORS OVERSIGHT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,440	Supplies and Materials	2,290	2,500
181,143	Purchase of services	73,525	75,139
9,189	Lease of Property and Equipment	14,506	15,367
4,800	Utilities	5,613	5,781
120	General Insurance	500	550
-	Interdepartmental expenses	-	-
15,000	Travel and Subsistence	14,000	14,000
3,000	Recruitment and Training	-	-
11,767	Other	15,035	16,122
226,459	**Total Supplies & consumables**	**125,469**	**129,459**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
101,298	**Surplus/(deficit) from ordinary activities**	(75,515)	(85,063)
	Non-cash movements		
292	Depreciation & Amortisation	2,850	1,533
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	(1,032)	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
(97,816)	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
	(Increase/(decrease) in current liabilities - Other	1,876	
3,774	**Net cash flows from operating activities**	**(71,821)**	**(83,530)**

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
200,989	Salaries & other short-term employee benefits	241,445	246,000
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
200,989	**Total**	**241,445**	**246,000**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN AIRWAYS LIMITED

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Airways Limited ("CAL" or the "Airline") have agreed will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

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

SCOPE OF ACTIVITIES

The scope of the Cayman Airways Limited activities is as follows:

The company leases three 737-8MAX aircrafts which provide international connection as well as service to Cayman Brac. The company provides fee-based air transportation as well as air cargo services.

The company owns two SAAB 340 and two Twin Otter aircraft through a wholly owned subsidiary – Cayman Airways Express. The aircraft provide service between Grand Cayman and the sister islands of Cayman Brac and Little Cayman.

The airline generates additional revenue by providing handling services to other airlines at Owen Roberts Airport in Grand Cayman.

The Company's operations are broken in several distinct categories under an "Airlift Framework". This framework features significantly in the Company's operational planning and funding models and is defined as follows:

CUSTOMERS AND LOCATION OF ACTIVITIES

Airlift Framework Category	Definition
Core	Routes/Flights/Operations that CAL dominates and knows the market well Routes/Flights/Operations that provide good economic return or at least break-even
Strategic Domestic	Domestic Routes/Flights that are purchased by, and operated on behalf of, the Government
Strategic Tourism	International Routes/Flights that have national tourism importance which are purchased by, and operated on behalf of the Government
Surplus	Assumes prior 3 categories are being adequately serviced (without displacement and not affecting required redundancy to maintain reliability of service). Includes operations which must provide good economic return

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

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Airways Limited are provided to customers both locally and internationally.

The services provided by Cayman Airways Limited are provided through scheduled jet service between Grand Cayman, Cayman Brac, Little Cayman, Miami, Tampa, New York, Denver, Los Angeles, Havana, Kingston, Montego Bay and La Ceiba.

Additional routes continue to be evaluated in conjunction with the Ministry of Tourism and the Cayman Islands Department of Tourism to facilitate decision making on any potential opportunities.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for Cayman Airways Limited for the 2024 and 2025 financial years are as follows:

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

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

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

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

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

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

- The Airline is a major contributor to the Cayman Islands economy both directly and indirectly through employment and the purchase of goods and services within the Cayman Islands. The Airline is also a strategic tool used by the Government to drive economic activity, particularly in the tourism industry by providing guaranteed airlift and competitive market environment. This includes providing direct air

service to the leading tourist source markets, targeted by the Cayman Islands Department of Tourism. The Airline will therefore continue to work with the Cayman Islands Department of Tourism to realise the maximum benefit from the Department of Tourism's marketing efforts by aligning capacity with the demand generated from the Department of Tourism's efforts.

- The total economic impact or contribution to the Cayman Islands by Cayman Airways (from studies going back more than ten years), is over CI$150M per annum. The Airline must therefore continue to balance its efforts to operate at peak efficiency with its efforts to create the maximum economic impact possible. The Airline's value on a macroeconomic level outweighs the Governments annual investment through this purchase agreement. Whilst this is an overriding value and an excellent return on investment, the Airline's economic contribution must continue to be provided in the most efficient manner. The Airline and the Government must therefore maintain alignment through consultation in the budget year to ensure the correct balance between the Airline's performance and the Airline's contribution to the local economy.

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

- Fuel is the most volatile and unpredictable cost facing the Airline. The Company intends to continue to monitor and aggressively pursue alternatives to minimize the costs of fuel. Cayman Airways however expects to continue to be faced with high fuel prices and extreme volatility for the budget year. The Airline expects fuel prices to be between US$55 and US$65 per barrel for the budget year and has budgeted fuel expense and associated revenue from airfares accordingly. It must be noted that the Airline is not always able to pass on increases in fuel, without negatively affecting demand and overall revenues. The Airline will therefore strive to recoup fuel increases from the consumer to the maximum extent possible, but will be limited in its efforts so as to not negatively impact the Airline's overall revenue performance nor the Airline's strategic value the local economy and tourism industry.

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

- The National Flag Carrier will continue to explore commercial agreements with select international carriers where deemed beneficial to the Cayman Islands. The commercial agreements may range from connected websites to full code share agreements. Cayman Airways is committed to working closely with foreign carriers flying into the Cayman Islands, provided that the foreign carrier provides direct economic benefit to the country or serves to provide additional visitation opportunities.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for CAL for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	18,569	18,569	18,569
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	2,130	2,173	2,089
REVENUE FROM OTHERS	60,631	62,695	57,924
OPERATING EXPENSES	94,417	95,532	88,964
OPERATING SURPLUS/DEFICIT	**(13,087)**	**(12,095)**	**(10,382)**
NET WORTH	**(24,302)**	**(27,296)**	**(23,315)**
CASH FLOWS FROM OPERATING ACTIVITIES	(2,497)	(4,420)	(4,022)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,244)	(1,168)	(2,940)
CASH FLOWS FROM FINANCING ACTIVITIES	3,167	3,342	3,769
CHANGE IN CASH BALANCES	(2,574)	(2,246)	(3,193)

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024**	**2025 1 Jan to 31 Dec 2025**	**2023 12-Month Forecast**
CURRENT ASSETS: CURRENT LIABILITIES	1:2.7	1:3	1:2.4
TOTAL ASSETS: TOTAL LIABILITIES	1:1.6	1:1.9	1:1.5

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	350	350	350
STAFF TURNOVER (%)	5%	5%	5%
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	14 years	14 years	14 years
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	38,494	29,498	45,254
ASSET REPLACEMENTS: TOTAL ASSETS	12:1	25:1	15:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	3.16:1	2.9:1	2.02:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.15:1	0.37:1	1.98:1
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
TECHNOLOGY	150	150	150
AIRCRAFT/ENGINES	500	500	3,250
TOTAL	**650**	**650**	**3,400**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Fuel Prices	Risk profile increased due to volatility in fuel prices	Given difficulty in hedging this is managed primarily through price negotiating and operations.	+/- CI$3,000,000
Capital Structure	Improvement over prior year	Better cash management and improved financial performance targeted	None

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	81,330	83,437	78,582
OPERATING EXPENSES	94,417	95,532	88,964
NET SURPLUS/(DEFICIT)	(13,087)	(12,095)	(10,382)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	38,994	29,498	45,254
LIABILITIES	62,796	56,794	68,569
NET WORTH	**(24,302)**	(27,296)	**(23,315)**

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(2,497)	(4,420)	(4,022)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,244)	(1,168)	(2,940)
CASH FLOWS FROM FINANCING ACTIVITIES	3,167	3,342	3,769

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN AIRWAYS LIMITED	9,100	9,100
CAPITAL WITHDRAWALS FROM CAYMAN AIRWAYS LIMITED	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN AIRWAYS LIMITED	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN AIRWAYS LIMITED	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN AIRWAYS LIMITED	-	
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[3]	-	-
REMUNERATION[4] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	1,512	1,512
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,512	1,512

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	18	18
NUMBER OF KEY SENIOR MANAGEMENT (MD)	10	10

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

[4] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance CAL will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Kenneth Bryan, MP
Minister for Tourism and Ports
On behalf of Cabinet



Chairman of the Board
Cayman Airways Limited

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN AIRWAYS LIMITED

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for Cayman Airways Limited for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Cayman Airways Limited

31 December 2023

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CAYMAN AIRWAYS LIMITED

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

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

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

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

Aircraft maintenance:

(a) Routine maintenance and annual periodic maintenance
All routine aircraft maintenance expenses are expensed as incurred. These estimated costs are recorded as maintenance, materials and repairs in the statement of loss.
(b) Periodic major maintenance and overhauls

Liability for overhauls and periodic major maintenance is recognised at the time the Company becomes obligated for such costs. The actual cost of periodic major maintenance and overhauls is capitalized and depreciated over

The estimated useful life (which will normally be the expected interval to the next scheduled major maintenance or overhaul).

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

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

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

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

Leasehold improvements to aircraft are depreciated over the remainder of the lease. Land is not depreciated.

The residual value for the aircraft engines is US$50,000 per engine. The residual value for flight equipment is 5%. All other property, plant and equipment have no salvage value.

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

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

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

CAYMAN AIRWAYS LIMITED

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
10,176,821	Cash and cash equivalents	1	7,602,853	5,356,913
-	Marketable securities and deposits		-	-
2,604,000	Trade receivables	2	2,817,623	2,987,946
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
1,092,000	Prepayments	5	1,201,200	1,321,320
-	Loans	6	-	-
13,872,821	**Total Current Assets**		**11,621,676**	**9,666,179**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
4,197,269	Prepayments	5	4,297,269	4,397,269
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
27,184,089	Property, plant and equipment	7	22,575,017	15,434,779
-	Intangible Assets	8	-	-
31,381,358	**Total Non-Current Assets**		**26,872,286**	**19,832,048**
45,254,179	**Total Assets**		**38,493,962**	**29,498,227**
	Current Liabilities			
21,840,000	Trade payables	9	24,499,341	24,006,223
7,718,340	Other payables and accruals	9	4,237,891	4,079,030
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
11,952,896	Unearned revenue	10	12,452,896	12,702,896
-	Employee entitlements	11	-	-
1,676,376	Current Portion of Borrowings	12	1,786,994	1,901,937
43,187,612	**Total Current Liabilities**		**42,977,122**	**42,690,085**
	Non-Current Liabilities			
-	Trade payables	9	-	-
11,450,673	Other payables and accruals	9	7,674,794	3,862,387
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
13,930,905	Long Term portion of Borrowings	12	12,143,911	10,241,974
25,381,578	**Total Non-Current Liabilities**		**19,818,705**	**14,104,361**
68,569,190	**Total Liabilities**		**62,795,826**	**56,794,447**
(23,315,011)	**Net Assets**		**(24,301,865)**	**(27,296,219)**
	NET WORTH			
153,671,247	Contributed capital		165,771,247	174,871,247
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(176,986,258)	Accumulated surpluses/(deficits)		(190,073,112)	(202,167,466)
(23,315,011)	**Total Net Worth**		**(24,301,865)**	**(27,296,219)**

CAYMAN AIRWAYS LIMITED

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
78,582,115	Sale of goods and services	**15**	81,330,144	83,437,640
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
78,582,115	**Total Revenue**		**81,330,144**	**83,437,640**
	Expenses			
28,902,709	Personnel costs	**18**	32,298,036	32,432,229
50,847,424	Supplies and consumables	**19**	52,845,867	53,397,012
7,794,854	Depreciation and Amortisation	**7**	7,853,495	8,308,006
-	Impairment of Inventory,property, plant and equipment		-	-
1,419,609	Finance costs & overdraft interest	**20**	1,419,600	1,394,736
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
88,964,596	**Total Expenses**		**94,416,998**	**95,531,983**
(10,382,481)	**Surplus or (Deficit) for the period**		**(13,086,854)**	**(12,094,342)**

CAYMAN AIRWAYS LIMITED

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
18,568,993	Sale of goods and services to Cabinet		18,568,993	18,568,993
-	Sale of goods and services to Ministries/Portfolios		-	-
60,013,122	Sale of goods and services to Statutory Agencies and Government Conpanies		62,761,144	64,868,641
-	Sale of goods and services - third party		-	-
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(28,902,709)	Personnel costs		(32,298,036)	(32,432,229)
-	Supplies and consumables - Ministries/Portfolios		-	-
(3,000,000)	Supplies and consumables - Statutory Agencies and Government Conpanies		(3,000,000)	(3,000,000)
(49,281,453)	Supplies and consumables - third party		(47,109,350)	(51,030,568)
(1,419,609)	Interest paid		(1,419,600)	(1,394,736)
-	Other payments		-	-
(4,021,656)	**Net cash flows from operating activities**	**23**	**(2,496,849)**	**(4,419,899)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(2,940,000)	Purchase of property, plant and equipment		(3,244,417)	(1,167,768)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(2,940,000)	**Net cash flows from investing activities**		**(3,244,417)**	**(1,167,768)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
12,040,000	Equity Investment from Cabinet		12,100,000	9,100,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
(8,270,882)	Repayment of Borrowings		(8,932,702)	(5,758,273)
-	Currency Issues		-	-
3,769,118	**Net cash flows from financing activities**		**3,167,298**	**3,341,727**
(3,192,538)	**Net increase/(decrease) in cash and cash equivalents**		**(2,573,968)**	**(2,245,940)**
13,369,361	Cash and cash equivalents at beginning of period		10,176,824	7,602,856
10,176,824	**Cash and cash equivalents at end of period**		**7,602,856**	**5,356,915**

CAYMAN AIRWAYS LIMITED

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	132,531,247	-	-	(155,530,096)	(22,998,849)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	132,531,247	-	-	(155,530,096)	(22,998,849)
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	9,100,000	-	-	-	9,100,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	9,100,000	-	-	-	9,100,000
Surplus/(deficit)for the period 2022	-	-	-	(11,073,682)	(11,073,682)
Total recognised revenues and expenses for the period	9,100,000	-	-	(11,073,682)	(1,973,682)
Balance at 31 December 2022	141,631,247	-	-	(166,603,777)	(24,972,530)
Balance at 31 December 2022 brought forward	141,631,247	-	-	(166,603,777)	(24,972,530)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	141,631,247	-	-	(166,603,777)	(24,972,530)
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	12,040,000	-	-	-	12,040,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	12,040,000	-	-	-	12,040,000
Surplus/(deficit)for the period 2023	-	-	-	(10,382,481)	(10,382,481)
Total recognised revenues and expenses for the period	12,040,000	-	-	(10,382,481)	1,657,519
Balance at 31 December 2023 carried forward	153,671,247	-	-	(176,986,258)	(23,315,011)

CAYMAN AIRWAYS LIMITED

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	153,671,247	-	-	(176,986,258)	(23,315,011)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	153,671,247	-	-	(176,986,258)	(23,315,011)
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	12,100,000	-	-	-	12,100,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	12,100,000	-	-	-	12,100,000
Surplus/(deficit)for the period 2024	-	-	-	(13,086,854)	(13,086,854)
Total recognised revenues and expenses for the period	12,100,000	-	-	(13,086,854)	(986,854)
Balance at 31 December 2024 carried forward	165,771,247	-	-	(190,073,112)	(24,301,865)
Balance at 31 December 2024 brought forward	165,771,247	-	-	(190,073,112)	(24,301,865)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	(8)	(8)
Restated balance 31 December 2024	165,771,247	-	-	(190,073,120)	(24,301,873)
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	9,100,000	-	-	-	9,100,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	9,100,000	-	-	-	9,100,000
Surplus/(deficit)for the period 2025	-	-	-	(12,094,342)	(12,094,342)
Total recognised revenues and expenses for the period	9,100,000	-	-	(12,094,342)	(2,994,342)
Balance at 31 December 2025	174,871,247	-	-	(202,167,462)	(27,296,215)

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
10,176,821	Cash on hand	7,602,853	5,356,913
-	Cash in transit	-	-
-	CI$ Account	-	-
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
10,176,821	**TOTAL**	**7,602,853**	**5,356,913**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
2,854,000	Sale of goods and services - third party	3,067,623	3,237,946
-	Other	-	-
(250,000)	**Less: provision for doubtful debts**	(250,000)	(250,000)
2,604,000	**Total trade receivables**	**2,817,623**	**2,987,946**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
2,604,000	Past due 1-30 days	2,817,623	2,987,946
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
2,604,000	**Total**	**2,817,623**	**2,987,946**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(250,000)	Balance at begining oF period	(250,000)	(250,000)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	-	-
(250,000)	**Balance at 31st December**	**(250,000)**	**(250,000)**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
1,092,000		1,201,200	1,321,320
1,092,000	**Prepayments - Current**	**1,201,200**	**1,321,320**
	Non-Current Prepayments		
4,197,269		4,297,269	4,397,269
4,197,269	**Prepayments -Non-Current**	**4,297,269**	**4,397,269**
5,289,269	**Total Prepayments**	**5,498,469**	**5,718,589**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2022	594,720	53,174,777	6,931,725	1,333,010	2,126,102	64,160,334
Additions	-	10,258,629	-	126,753	602,498	10,987,880
Disposals and Derecognisation	-	(10,164,340)	-	-	-	(10,164,340)
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	594,720	53,269,066	6,931,725	1,459,763	2,728,600	64,983,874

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2023	594,720	53,269,066	6,931,725	1,459,763	2,728,600	64,983,874
Additions	-	2,740,000	-	100,000	100,000	2,940,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	594,720	56,009,066	6,931,725	1,559,763	2,828,600	67,923,874

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2024	594,720	56,009,066	6,931,725	1,559,763	2,828,600	67,923,874
Additions	-	2,940,000	-	204,416	100,000	3,244,416
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	594,720	58,949,066	6,931,725	1,764,179	2,928,600	71,168,290

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2025	594,720	58,949,066	6,931,725	1,764,179	2,928,600	71,168,290
Additions	-	940,000	-	127,768	100,000	1,167,768
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	594,720	59,889,066	6,931,725	1,891,947	3,028,600	72,336,058

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2022	-	28,370,863	3,131,447	1,258,599	1,694,906	34,455,815
Transfers	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2022	-	7,371,556	120,887	73,962	262,875	7,829,280
Eliminate on Disposal or Derecognisation 2022	-	(9,340,164)	-	-	-	(9,340,164)
Balance as at 31 December 2022	-	26,402,255	3,252,334	1,332,561	1,957,781	32,944,931

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2023	-	26,402,255	3,252,334	1,332,561	1,957,781	32,944,931
Transfers	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2023	-	7,339,854	120,000	75,000	260,000	7,794,854
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-
Balance as at 31 December 2023	-	33,742,109	3,372,334	1,407,561	2,217,781	40,739,785

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2024	-	33,742,109	3,372,334	1,407,561	2,217,781	40,739,785
Transfers	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-
Depreciation Expense 2024	-	7,408,488	115,000	75,000	255,000	7,853,488
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-
Balance as at 31 December 2024	-	41,150,597	3,487,334	1,482,561	2,472,781	48,593,273

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Office Equipment*	*Other assets*	*Total*
Balance as at 1 January 2025	-	41,150,597	3,487,334	1,482,561	2,472,781	48,593,273
Transfers	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-
Depreciation Expense 2025	-	7,863,006	115,000	75,000	255,000	8,308,006
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-
Balance as at 31 December 2025	-	49,013,603	3,602,334	1,557,561	2,727,781	56,901,279

Net Book value 31 December 2022	594,720	26,866,811	3,679,391	127,202	770,819	32,038,943
Net Book value 31 December 2023	594,720	22,266,957	3,559,391	152,202	610,819	27,184,089
Net Book value 31 December 2024	594,720	17,798,469	3,444,391	281,618	455,819	22,575,017
Net Book value 31 December 2025	594,720	10,875,463	3,329,391	334,386	300,819	15,434,779

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
9,172,800	Creditors Third party	10,289,723	10,082,613
-	Creditors Ministries/Portfolios	-	-
12,667,200	Creditors other Statutory Agencies and Government Conpanies	14,209,618	13,923,609
-	Payroll Deductions	-	-
7,718,340	Operating Lease	4,237,891	4,079,030
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
29,558,340	**Trade payables other payables and accruals - Current**	**28,737,232**	**28,085,253**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
9,770,673	Operating Lease	5,994,794	2,182,387
-	Accrued Expenses	-	-
1,680,000	Other payables	1,680,000	1,680,000
-	Dividends/Surplus Payable	-	-
11,450,673	**Trade payables other payables and accruals - Non-Current**	**7,674,794**	**3,862,387**
41,009,013	**Total trade payables other payables and accruals**	**36,412,025**	**31,947,640**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
11,952,896	Unearned transportation liability and deferred revenue	12,452,896	12,702,896
11,952,896	**Total current portion**	**12,452,896**	**12,702,896**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
11,952,896	**Total Unearned Revenue**	**12,452,896**	**12,702,896**

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 12: BORROWINGS

12-Month Forecast 2023	*Local Currency Debt*	12-Month Budget 2024	12-Month Budget 2025
1,676,376	Not later than one year	1,786,994	1,901,937
1,786,994	Between one and two years	1,901,937	2,024,273
6,079,326	Between two and five years	6,470,263	6,886,441
6,064,585	Later than five Years	3,771,711	1,331,260
15,607,281	**Total Local Currency Debt**	**13,930,905**	**12,143,911**
	Foreign Currency Debt (state in $CI)		
-	Not later than one year	-	-
-	Between one and two years	-	-
-	Between two and five years	-	-
-	Later than five years	-	-
-	**Total Foreign Currency Debt**	**-**	**-**
15,607,281	**Total Outstanding Debt**	**13,930,905**	**12,143,911**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
57,948,557	General Sales	60,669,544	62,701,440
-	Rentals	-	-
2,064,565	Other Goods & Services Revenue	2,091,600	2,167,200
18,568,993	Sale of goods and services to Cabinet	18,569,000	18,569,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
78,582,115	**Total sales of goods and services**	**81,330,144**	**83,437,640**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
57,948,557		60,669,544	62,701,440
57,948,557	**Total General Sales**	**60,669,544**	**62,701,440**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
2,064,565		2,091,600	2,167,200
2,064,565	**Total Other Goods & Services Revenue**	**2,091,600**	**2,167,200**
	Sales of Outputs to Cabinet		
18,568,993	Sales of Outputs to Cabinet	18,569,000	18,569,000
-	Other Outputs	-	-
18,568,993	**Total Sales of Outputs to Cabinet**	**18,569,000**	**18,569,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
78,582,115	**Total Goods and Services**	**81,330,144**	**83,437,640**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
23,503,931	Salaries, wages and allowances	23,803,507	23,890,366
-	Health care CINICO	-	-
2,087,909	Health care other	3,510,360	3,514,401
1,473,224	Pension	2,902,798	2,911,435
-	Leave	-	-
1,837,646	Other personnel related costs	2,081,371	2,116,027
28,902,709	**Total Personnel Costs**	**32,298,036**	**32,432,229**

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
43,993,866	Supplies and Materials	45,870,057	46,355,997
-	Purchase of services	-	-
-	Lease of Property and Equipment	-	-
285,877	Utilities	293,084	295,126
1,249,934	General Insurance	1,347,306	1,351,321
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
5,317,746	Other	5,335,420	5,394,568
50,847,424	**Total Supplies & consumables**	**52,845,867**	**53,397,012**

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,419,609	Interest on borrowings	1,419,600	1,394,736
-	Other borrowing costs	-	-
-	Interest on overdraft	-	-
1,419,609	**Total Finance cost**	**1,419,600**	**1,394,736**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(10,382,481)	**Surplus/(deficit) from ordinary activities**	(13,086,854)	(12,094,353)
	Non-cash movements		
7,794,854	Depreciation & Amortisation	7,853,488	8,308,006
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(422,824)	(390,432)
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	3,159,341	(243,119)
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
(2,587,627)	**Net cash flows from operating activities**	**(2,496,849)**	**(4,419,898)**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS AIRPORTS AUTHORITY

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Airports Authority (CIAA) have agreed CIAA will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

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

SCOPE OF ACTIVITIES

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

CUSTOMERS AND LOCATION OF ACTIVITIES

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

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for CIAA for the 2024 and 2025 financial years are as follows:

IMPROVE THE QUALITY OF LIFE FOR CAYMANIANS

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

ENHANCE OUR COMPETITIVENESS WHILE MEETING INTERNATIONAL STANDARDS

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

FUTURE PROOFING TO INCREASE RESILIENCY

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

MODERNISE GOVERNMENT TO IMPROVE PUBLIC SECTOR PERFORMANCE

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

PROTECT AND PROMOTE CAYMANIAN CULTURE, HERITAGE, AND IDENTITY

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

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for CIAA for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	55,417	58,322	36,228
OPERATING EXPENSES	35,261	37,229	34,070
OPERATING SURPLUS/DEFICIT	**20,156**	**21,052**	**2,158**
NET WORTH	**171,283**	**192,336**	**150,367**
CASH FLOWS FROM OPERATING ACTIVITIES	14,734	8,802	(2,670)
CASH FLOWS FROM INVESTING ACTIVITIES	(20,358)	(11,072)	(476)
CASH FLOWS FROM FINANCING ACTIVITIES	(3,460)	(4,220)	11,000
CHANGE IN CASH BALANCES	(9,085)	(6,490)	7,854

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	58.93	10.34	3.16
TOTAL ASSETS: TOTAL LIABILITIES	3.12	3.36	2.72

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	285	307	228
STAFF TURNOVER (%)	8%	6%	6%
MANAGERS	12%	11%	9%
PROFESSIONAL AND TECHNICAL STAFF	9%	8%	6%
CLERICAL AND LABOURER STAFF	6%	5%	4%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	13yrs	14 yrs	11yrs
PROFESSIONAL AND TECHNICAL STAFF	12yrs	11ys	10yrs
CLERICAL AND LABOURER STAFF	13yrs	14yrs	12yrs
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	Yes	None	Yes

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	210,204	218,269	193,379
ASSET REPLACEMENTS: TOTAL ASSETS	80%	80%	80%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	80%	80%	80%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	11%	577%	366%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
AIRPORT TRAFFIC MANAGEMENT SYSTEM ATM (MULTIYEAR 2023-2025)	3,029	1,835	298
Long term parking lot (repaving and new lot)	1,800	-	-
CUPPS Replacement and construction	6,500	-	-
New Apron, north sound (2024)	779	5,604	668
CKIA Runway Strip Widening - Phase 1: Design and EIA	15	-	20
Environmental Impact Assessment for Little Cayman	816	-	432
ORIA SW fence area co-located by the residential areas	-	610	-
Runway extension into North Sound (2024)	735	14,950	300
Airport Operations Database	1,000	-	-
CKIA RUNWAY OVERLAY AND TURN AROUND PADS	1,200	-	-
Upstairs departure Hall renovations	-	3,000	-
Beacon House New AC system + OTHER AC UPGRADES	-	100	90
CCTV Brac SAN Upgrade and Brac network Independence	-		50
CKIA Residential Areas (fencing)	-	350	150
Terminal expansion conceptual design (2024)	-	400	-
High Level Network Design UPGRADE IMPLEMENTATION Phase 1	250	-	-
Airfield Ground Lighting	200	-	-
AIS SOFTWARE Replacement	250	-	-
Security projects	3,000	1,240	1,000
ORIA and CKIA Rubber Removal Machine	-	420	-
Lighted Crosswalks / PRM	-	-	100
VARIOUS OTHER PROJECTS	1,130	335	70
TOTAL	**20,704**	**28,844**	**3,178**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Tourism Related Risks	Risk profile increased due to potential changes in travel market and changes in changes in consumer behaviour. Global outlook favourable to market return however market volatile due to effect of pandemic.	• Greater partnership with DOT and tourism related entities • Forward planning and increased development of nonaeronautical revenues • New Routes • Spend management and fiscal discipline	=/- $4,000,000
Natural disasters	No change	Insurance and business process	=/- $2,000,000
Terrorism	Increase in germ and or biological war fare however likelihood is still considered low for the region	• Increased security screening and vigilance. • Manage profile to limit exposure • Security Aware Training • Business process	=/- $2,000,000
Health-related incidents	Occurrence of pandemics and epidemics	• Close collaboration with health ministry and other airports • Business continuity plan in place	=/- $40,000,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	55,417	58,281	36,228
OPERATING EXPENSES	35,261	37,229	34,070
NET SURPLUS/(DEFICIT)	20,156	21,053	2,158

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	252,244	273,730	237,936
LIABILITIES	80,961	81,395	87,569
NET WORTH	171,283	192,336	150,367

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	14,733	8,802	(2,670)
CASH FLOWS FROM INVESTING ACTIVITIES	(20,358)	(11,072)	(476)
CASH FLOWS FROM FINANCING ACTIVITIES	(3,460)	(4,220)	11,000

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS AIRPORTS AUTHORITY	760	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[5]	-	-
REMUNERATION[6] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,338	1,398

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	8	8

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

[6] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Airports Authority will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Kenneth Bryan, MP
Minister for Tourism and Ports
On behalf of Cabinet



Chairman of the Board
Cayman Islands Airports Authority

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the CIAA for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands Airports Authority

31 December 2023

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CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE FINANCIAL YEARS ENDING 31 December 2024 AND 31 DECEMBER 2025

1. Background Information

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

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

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

2. Significant Accounting Policies

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

a) Basis of accounting

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

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

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

b) Property, plant, equipment, and intangible assets

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

2. Significant Accounting Policies (continued)

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

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

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

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

Intangible assets

Intangible assets substantially include the value of computer software.

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

Computer Software	4 Years

(i) Additions

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

(ii) Disposals

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

2. Significant Accounting Policies (continued)

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

(iii) Impairment

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

d) Use of estimates and judgements

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

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

e) Cash and cash equivalents

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

f) Revenue recognition

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

g) Leases

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

2. Significant Accounting Policies (continued)

h) Financial instruments

(i) Classification

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

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

(ii) Recognition

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

A. Cash and cash equivalents

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

B. Accounts receivable

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

C. Accounts payable and accrued expenses

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

(iii) Measurement

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

2. Significant Accounting Policies (continued)

h) Financial instruments (continued)

(iii) Measurement (continued)

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

(iv) De-recognition

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

i) Foreign currency translation

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

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

j) Allowance for bad debts

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

2. Significant Accounting Policies (continued)

k) Employee benefits

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

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

Defined benefit plan

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

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

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

Defined contribution plan

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

CAYMAN ISLANDS AIRPORTS AUTHORITY

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
25,876,612	Cash and cash equivalents	1	16,791,612	10,301,312
-	Marketable securities and deposits		-	-
10,935,502	Trade receivables	2	17,503,359	37,414,539
7,744,507	Other receivables	2	7,744,507	7,744,507
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
44,556,621	**Total Current Assets**		**42,039,478**	**55,460,358**
	Non-Current Assets			
2,383,870	Trade receivables	2	2,380,000	2,400,000
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
190,489,060	Property, plant and equipment	7	205,838,060	212,672,536
506,360	Intangible Assets	8	2,006,360	3,256,360
193,379,290	**Total Non-Current Assets**		**210,224,420**	**218,328,896**
237,935,911	**Total Assets**		**252,263,898**	**273,789,254**
	Current Liabilities			
814,964	Trade payables	9	359,646	3,013,144
2,221,127	Other payables and accruals	9	288,732	2,288,732
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
65,303	Employee entitlements	11	65,000	65,000
11,000,000	Current Portion of Borrowings	12	-	-
14,101,394	**Total Current Liabilities**		**713,378**	**5,366,876**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
2,302	Unearned revenue	10	2,300	2,300
-	Employee entitlements	11	-	-
10,646,778	Unfunded pension liability	13	10,646,778	10,646,778
23,818,667	Unfunded post retirement health care	14	23,818,667	23,818,667
-	Currency Issued		-	-
39,000,000	Long Term portion of Borrowings	12	45,780,000	41,560,000
73,467,747	**Total Non-Current Liabilities**		**80,247,745**	**76,027,745**
87,569,141	**Total Liabilities**		**80,961,123**	**81,394,621**
150,366,770	**Net Assets**		**171,302,775**	**192,394,633**
	NET WORTH			
44,829,212	Contributed capital		45,589,212	45,589,212
-	Other Reserves		-	-
81,744,106	Revaluation reserve		81,744,106	81,744,106
23,793,452	Accumulated surpluses/(deficits)		43,969,457	65,061,315
150,366,770	**Total Net Worth**		**171,302,775**	**192,394,633**

CAYMAN ISLANDS AIRPORTS AUTHORITY

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
36,228,078	Sale of goods and services	**15**	55,417,191	58,281,899
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
36,228,078	**Total Revenue**		**55,417,191**	**58,281,899**
	Expenses			
14,121,754	Personnel costs	**18**	16,280,720	18,551,317
15,769,506	Supplies and consumables	**19**	15,451,075	15,651,143
4,178,625	Depreciation and Amortisation	**7**	3,509,391	2,987,581
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
34,069,885	**Total Expenses**		**35,241,186**	**37,190,041**
2,158,193	**Surplus or (Deficit) for the period**		**20,176,005**	**21,091,858**

CAYMAN ISLANDS AIRPORTS AUTHORITY

FORECAST STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
36,228,078	Sale of goods and services - third party		46,465,186	43,004,217
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(14,121,754)	Personnel costs		(16,280,720)	(18,551,317)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(24,776,449)	Supplies and consumables - third party		(15,451,075)	(15,651,143)
-	Interest paid		-	-
-	Other payments		-	-
(2,670,125)	**Net cash flows from operating activities**	**23**	**14,733,391**	**8,801,757**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(475,659)	Purchase of property, plant and equipment		(20,358,391)	(11,072,057)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(475,659)	**Net cash flows from investing activities**		**(20,358,391)**	**(11,072,057)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		760,000	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
11,000,000	Borrowings		-	-
-	Repayment of Borrowings		(4,220,000)	(4,220,000)
-	Currency Issues		-	-
11,000,000	**Net cash flows from financing activities**		**(3,460,000)**	**(4,220,000)**
7,854,216	**Net increase/(decrease) in cash and cash equivalents**		**(9,085,000)**	**(6,490,300)**
18,022,396	Cash and cash equivalents at beginning of period		25,876,612	16,791,612
25,876,612	**Cash and cash equivalents at end of period**		**16,791,612**	**10,301,312**

CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	44,829,212	-	81,744,106	23,602,527	150,175,845
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	44,829,212	-	81,744,106	23,602,527	150,175,845
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	(1,967,268)	(1,967,268)
Total recognised revenues and expenses for the period	-	-	-	(1,967,268)	(1,967,268)
Balance at 31 December 2022	44,829,212	-	81,744,106	21,635,259	148,208,577
Balance at 31 December 2022 brought forward	44,829,212	-	81,744,106	21,635,259	148,208,577
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	44,829,212	-	81,744,106	21,635,259	148,208,577
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023	-	-	-	2,158,193	2,158,193
Total recognised revenues and expenses for the period	-	-	-	2,158,193	2,158,193
Balance at 31 December 2023 carried forward	44,829,212	-	81,744,106	23,793,452	150,366,770

CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	44,829,212	-	81,744,106	23,793,452	150,366,770
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	44,829,212	-	81,744,106	23,793,452	150,366,770
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	760,000	-	-	-	760,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	760,000	-	-	-	760,000
Surplus/(deficit)for the period 2024	-	-	-	20,176,005	20,176,005
Total recognised revenues and expenses for the period	760,000	-	-	20,176,005	20,936,005
Balance at 31 December 2024 carried forward	45,589,212	-	81,744,106	43,969,457	171,302,775
Balance at 31 December 2024 brought forward	45,589,212	-	81,744,106	43,969,457	171,302,775
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	45,589,212	-	81,744,106	43,969,457	171,302,775
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	21,091,858	21,091,858
Total recognised revenues and expenses for the period	-	-	-	21,091,858	21,091,858
Balance at 31 December 2025	45,589,212	-	81,744,106	65,061,315	192,394,633

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
6,781	Cash on hand	6,700	6,700
-	Cash in transit	-	-
15,940,725	CI$ Account	6,855,807	5,365,507
9,929,106	US$ Account	9,929,105	4,929,105
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
25,876,612	**TOTAL**	**16,791,612**	**10,301,312**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
874,450	Sale of goods and services to Statutory Agencies and Government Conpanies	874,450	874,450
15,052,257	Sale of goods and services - third party	21,616,244	41,547,424
-	Other	-	-
(2,607,335)	**Less: provision for doubtful debts**	(2,607,335)	(2,607,335)
13,319,372	**Total trade receivables**	**19,883,359**	**39,814,539**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
6,616,957	Past due 1-30 days	12,693,359	32,614,539
-	Past due 31-60 days	500,000	500,000
2,239,038	Past due 61-90 days	2,230,000	2,200,000
2,079,507	Past due 90 and above	2,080,000	2,100,000
	Non-Current		
2,383,870	Past due 1 year and above	2,380,000	2,400,000
13,319,372	**Total**	**19,883,359**	**39,814,539**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
7,744,507	Other	7,744,507	7,744,507
-	**Less: provision for doubtful debts**	-	-
7,744,507	**Total other receivables**	**7,744,507**	**7,744,507**

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
7,744,507	Past due 1-30 days	7,744,507	7,744,507
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
7,744,507	**Total**	**7,744,507**	**7,744,507**

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(2,607,335)	Balance at begining oF period	(2,607,335)	(2,607,335)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	-	-
(2,607,335)	**Balance at 31st December**	**(2,607,335)**	**(2,607,335)**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	63,960,000	75,877,633	23,166,737	10,590,169	971,870	61,301,033	235,867,442
Additions	-	-	-	627,207	-	938,480	1,565,687
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	63,960,000	75,877,633	23,166,737	11,217,376	971,870	62,239,513	237,433,129

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	63,960,000	75,877,633	23,166,737	11,217,376	971,870	62,239,513	237,433,129
Additions	-	-	-	57,945	33,100	384,614	475,659
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	63,960,000	75,877,633	23,166,737	11,275,321	1,004,970	62,624,127	237,908,788

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	63,960,000	75,877,633	23,166,737	11,275,321	1,004,970	62,624,127	237,908,788
Additions	-	-	-	-	25,000	18,747,662	18,772,662
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2024	63,960,000	75,877,633	23,166,737	11,275,321	1,029,970	81,371,789	256,681,450

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	63,960,000	75,877,633	23,166,737	11,275,321	1,029,970	81,371,789	256,681,450
Additions	-	-	-	-	420,000	9,316,578	9,736,578
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2025	63,960,000	75,877,633	23,166,737	11,275,321	1,449,970	90,688,367	266,418,028

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	21,095,214	8,250,190	8,456,138	944,071	-	38,745,613
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2022	-	2,844,055	748,741	820,141	82,553	-	4,495,490
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	23,939,269	8,998,931	9,276,279	1,026,624	-	43,241,103

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	23,939,269	8,998,931	9,276,279	1,026,624	-	43,241,103
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2023	-	2,880,054	748,740	691,538	(141,707)	-	4,178,625
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	26,819,323	9,747,671	9,967,817	884,917	-	47,419,728

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	26,819,323	9,747,671	9,967,817	884,917	-	47,419,728
Transfers	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-
Depreciation Expense 2024	-	2,519,271	484,000	275,691	144,700	-	3,423,662
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	29,338,594	10,231,671	10,243,508	1,029,617	-	50,843,390

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	29,338,594	10,231,671	10,243,508	1,029,617	-	50,843,390
Transfers	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-
Depreciation Expense 2025	-	1,999,047	479,366	279,577	144,112	-	2,902,102
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	31,337,641	10,711,037	10,523,085	1,173,729	-	53,745,492

Net Book value 31 December 2022	63,960,000	51,938,364	14,167,806	1,941,097	(54,754)	62,239,513	194,192,026

Net Book value 31 December 2023	63,960,000	49,058,310	13,419,066	1,307,504	120,053	62,624,127	190,489,060

Net Book value 31 December 2024	63,960,000	46,539,039	12,935,066	1,031,813	353	81,371,789	205,838,060

Net Book value 31 December 2025	63,960,000	44,539,992	12,455,700	752,236	276,241	90,688,367	212,672,536

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	2,925,657	2,925,657
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	2,925,657	2,925,657

	Computer Software	*Total*
Balance as at 1 January 2023	2,925,657	2,925,657
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	2,925,657	2,925,657

	Computer Software	*Total*
Balance as at 1 January 2024	2,925,657	2,925,657
Additions	1,585,729	1,585,729
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	4,511,386	4,511,386

	Computer Software	*Total*
Balance as at 1 January 2025	4,511,386	4,511,386
Additions	1,335,479	1,335,479
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	5,846,865	5,846,865

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2022	2,419,297	2,419,297
Transfers	-	-
Impairment Reserve 2022 (closing balance)	-	-
Depreciation Expense 2022	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	2,419,297	2,419,297

	Computer Software	*Total*
Balance as at 1 January 2023	2,419,297	2,419,297
Transfers	-	-
Impairment Reserve 2023 (closing balance)	-	-
Depreciation Expense 2023	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	2,419,297	2,419,297

	Computer Software	*Total*
Balance as at 1 January 2024	2,419,297	2,419,297
Transfers	-	-
Impairment change 2024	-	-
Depreciation Expense 2024	85,729	85,729
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	2,505,026	2,505,026

	Computer Software	*Total*
Balance as at 1 January 2025	2,505,026	2,505,026
Transfers	-	-
Impairment change 2025	-	-
Depreciation Expense 2025	85,479	85,479
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2025	2,590,505	2,590,505

Net Book value 31 December 2022	506,360	506,360
Net Book value 31 December 2023	506,360	506,360
Net Book value 31 December 2024	2,006,360	2,006,360
Net Book value 31 December 2025	3,256,360	3,256,360

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
777,224	Creditors Third party	321,906	2,975,404
-	Creditors Ministries/Portfolios	-	-
37,740	Creditors other Statutory Agencies and Government Conpanies	37,740	37,740
174,190	Payroll Deductions	174,190	174,190
-	Operating Lease	-	-
84,628	Accrued Expenses	84,628	84,628
1,962,309	Other payables	29,914	2,029,914
-	Dividends/Surplus Payable	-	-
3,036,091	**Trade payables other payables and accruals - Current**	**648,378**	**5,301,876**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
3,036,091	**Total trade payables other payables and accruals**	**648,378**	**5,301,876**

NOTE 10: UNEARNED REVNUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
-	**Total current portion**	**-**	**-**
	Non-Current Unearned Revenue		
2,302		2,300	2,300
2,302	**Total non-current portion**	**2,300**	**2,300**
2,302	**Total Unearned Revenue**	**2,300**	**2,300**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
65,303	Annual Leave/Comp-time	65,000	65,000
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
65,303	**Total current portion**	**65,000**	**65,000**
	Non-current employee entitlements		
-	Retirement and long service leave	-	-
-	Other	-	-
-	**Total non-current portion**	**-**	**-**
65,303	**Total employee entitlements**	**65,000**	**65,000**

NOTE 12: BORROWINGS

12-Month Forecast 2023	***Local Currency Debt***	12-Month Budget 2024	12-Month Budget 2025
11,000,000	Not later than one year	-	-
39,000,000	Between one and two years	-	-
-	Between two and five years	45,780,000	
-	Later than five Years	-	41,560,000
50,000,000	**Total Local Currency Debt**	**45,780,000**	**41,560,000**
	Foreign Currency Debt (state in $CI)		
-	Not later than one year	-	-
-	Between one and two years	-	-
-	Between two and five years	-	-
-	Later than five years	-	-
-	**Total Foreign Currency Debt**	**-**	**-**
50,000,000	**Total Outstanding Debt**	**45,780,000**	**41,560,000**

CAYMAN ISLANDS AIRPORTS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Value of pension fund allocated asstes	-	-
(10,646,778)	Past service liability	(10,646,778)	(10,646,778)
(10,646,778)	**Fund (deficiency)/Surplus**	**(10,646,778)**	**(10,646,778)**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(23,818,667)	Health Care Liability	(23,818,667)	(23,818,667)
(23,818,667)	**Total Unfunded Health Care Liability**	**(23,818,667)**	**(23,818,667)**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Reveune Type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
36,228,078	Other Goods & Services Revenue	55,417,191	58,281,899
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
36,228,078	**Total sales of goods and services**	**55,417,191**	**58,281,899**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
36,228,078		55,417,191	58,281,899
36,228,078	**Total Other Goods & Services Revenue**	**55,417,191**	**58,281,899**
	Sales of Outputs to Cabinet		
-	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
-	**Total Sales of Outputs to Cabinet**	**-**	**-**
	Other Interdepartmental Revenue		
-	**Total Other Interdepartmental Revenue**	-	-
36,228,078	**Total Goods and Services**	**55,417,191**	**58,281,899**

CAYMAN ISLANDS AIRPORTS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
14,121,754	Salaries, wages and allowances	16,280,720	18,551,317
-	Health care CINICO	-	-
-	Health care other	-	-
-	Pension	-	-
-	Leave	-	-
-	Other personnel related costs	-	-
14,121,754	**Total Personnel Costs**	**16,280,720**	**18,551,317**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
3,211,185	Supplies and Materials	3,004,819	2,969,421
6,047,985	Purchase of services	5,947,019	6,009,260
-	Lease of Property and Equipment	-	-
2,428,287	Utilities	2,085,780	2,243,819
845,474	General Insurance	846,835	846,835
-	Interdepartmental expenses	-	-
31,239	Travel and Subsistence	20,336	20,612
3,046,977	Recruitment and Training	3,397,286	3,410,196
158,359	Other	149,000	151,000
15,769,506	**Total Supplies & consumables**	**15,451,075**	**15,651,143**

CAYMAN ISLANDS AIRPORTS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 23: RECONCILITATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
2,158,193	**Surplus/(deficit) from ordinary activities**	20,156,005	21,052,792
	Non-cash movements		
4,178,625	Depreciation & Amortisation	3,529,391	3,026,647
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
356,923	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	4,173	(20,000)
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(9,013,326)	(Increase)/decrease in other current assets - Other	(6,567,857)	(20,107,682)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(350,540)	(Increase/(decrease) in current liabilities - Other	(2,388,321)	4,850,000
(2,670,125)	**Net cash flows from operating activities**	**14,733,391**	**8,801,757**

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget 2024	12-Month Budget 2025
Capital Commitments					
Property, plant and equipment	8,267,060	-	-	8,267,060	5,163,000
Other fixed assets	-	-	-	-	-
Other commitments (list separately if material)	-	-	-	-	-
Total Capital Commitments	8,267,060	-	-	8,267,060	5,163,000
Operating Commitments					
Non-cancellable accommodation leases	-	-	-	-	-
Other non-cancellable leases	-	-	-	-	-
Non-cancellable contracts for the supply of goods and services	-	-	-	-	-
Other operating commitments	2,641,000	-	-	2,641,000	3,000,000
Total Operating Commitments	2,641,000	-	-	2,641,000	3,000,000
Total Commitments	10,908,060	-	-	10,908,060	8,163,000

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 26: RELATED PARTY AND KET MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,309,110	Salaries & other short-term employee benefits	1,338,264	1,398,486
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
1,309,110	**Total**	**1,338,264**	**1,398,486**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Attractions Authority have agreed the Cayman Islands National Attractions Authority will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

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

SCOPE OF ACTIVITIES

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

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

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

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

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

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

CUSTOMERS AND LOCATION OF ACTIVITIES

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

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

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands National Attractions Authority for the 2024 and 2025 financial years are as follows:

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

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Attractions Authority for the 2024 and 2025 financial years are as follows:

FINANCIAL PERFORMANCE MEASURE	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	1,980	1,980	1,980
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	942	993	913
OPERATING EXPENSES	3,201	3,307	3,032
OTHER EXPENSES	-	-	-
NET SURPLUS/DEFICIT	-	-	-
TOTAL ASSETS	11,792	11,466	12,018
TOTAL LIABILITIES	(378)	(385)	(369)
NET WORTH	11,415	11,081	11,649
CASH FLOWS FROM OPERATING ACTIVITIES	67	12	212
CASH FLOWS FROM INVESTING ACTIVITIES	(250)	(750)	(479)
CASH FLOWS FROM FINANCING ACTIVITIES	45	-	440
CHANGE IN CASH BALANCES	(138)	(738)	173

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	7:1	7:1	7:1
TOTAL ASSETS: TOTAL LIABILITIES	31:1	30:1	33:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	33	33	31
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	11	12	10
PROFESSIONAL AND TECHNICAL STAFF	5	6	4
CLERICAL AND LABOURER STAFF	12	13	11
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	11,792	11,466	12,018
ASSET REPLACEMENTS: TOTAL ASSETS	0%	0%	0%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	81%	80%	84%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	47%	139%	70%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
N/A	-	750	-
TOTAL	**-**	**750**	**-**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Queen Elizabeth II Botanic Park: Public Liability Natural Disasters	 None None	Insurance Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Unknown Cost of debris removal plus insurance deductible.
Pedro St. James Castle: Property Loss Due to Hurricanes or other Natural Disasters	None	Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Cost of debris removal plus insurance deductible.
Craft Market: Public Liability Natural Disasters	 None None	Insurance Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Unknown Cost of debris removal plus insurance deductible
Cayman Islands National Attractions Authority: Property Loss Due to Hurricanes or other Natural Disasters	None	Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place	Cost of debris removal plus insurance deductible

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	2,922	2,973	2,893
OPERATING EXPENSES	(3,201)	(3,307)	(3,032)
NET SURPLUS/(DEFICIT)	(279)	(334)	(139)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	11,792	11,466	12,018
LIABILITIES	(377)	(385)	(369)
NET WORTH	11,414	11,081	11,649

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	67	12	212
CASH FLOWS FROM INVESTING ACTIVITIES	(45)	-	(479)
CASH FLOWS FROM FINANCING ACTIVITIES	45	-	440

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[7]	-	-
REMUNERATION[8] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	6	6

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

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

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Attractions Board will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Kenneth Bryan, MP
Minister for Tourism and Ports
On behalf of Cabinet



Chairman of the Board
Cayman Islands National Attractions Authority

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman Islands National Attractions Authority for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Cayman Islands National Attractions Authority

31 December 2023

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CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENTS OF ACCOUNTING POLICIES
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

(a) Basis of Preparation

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

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

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

(c) Use of Estimates

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

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

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

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

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

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

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

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

(e) Property, Plant and Equipment

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

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

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

(f) Foreign Currency Translation

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

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

(g) Inventory

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

(h) Pensions and Other Post-Retirement Benefits

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

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

(i) Borrowing Costs

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

(j) Revenue Recognition

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

(k) Government Grants

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

(l) Expenses

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

(m) Operating Leases

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

(n) Accounts Receivables

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

(o) Cash and Cash Equivalents

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

(p) Financial assets and liabilities

Classification

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

Recognition

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

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

Measurement

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

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the CINAA has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2022 and 20210, there were no assets or liabilities reported on a net basis.

Impairment

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

Derecognition

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

Fair value

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

(q) Budget amounts

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

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY

FORECAST STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
2,287,901	Cash and cash equivalents	1	2,354,906	2,366,935
-	Marketable securities and deposits		-	-
65,920	Trade receivables	2	69,216	72,677
-	Other receivables	2	-	-
61,929	Inventories	3	65,645	69,584
-	Investments	4	-	-
24,484	Prepayments	5	26,344	26,344
-	Loans	6	-	-
2,440,235	**Total Current Assets**		**2,516,111**	**2,535,540**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
9,577,516	Property, plant and equipment	7	9,276,344	8,930,172
-	Intangible Assets	8	-	-
9,577,516	**Total Non-Current Assets**		**9,276,344**	**8,930,172**
12,017,751	**Total Assets**		**11,792,455**	**11,465,712**
	Current Liabilities			
303,273	Trade payables	9	309,934	316,333
9,565	Other payables and accruals	9	9,565	9,565
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
26,059	Unearned revenue	10	26,059	26,059
29,790	Employee entitlements	11	32,000	33,000
-	Current Portion of Borrowings	12	-	-
368,686	**Total Current Liabilities**		**377,558**	**384,957**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
368,686	**Total Liabilities**		**377,558**	**384,957**
11,649,065	**Net Assets**		**11,414,897**	**11,080,755**
	NET WORTH			
12,177,590	Contributed capital		12,222,590	12,222,590
-	Other Reserves		-	-
4,741,149	Revaluation reserve		4,741,149	4,741,149
(5,269,674)	Accumulated surpluses/(deficits)		(5,548,842)	(5,882,984)
11,649,065	**Total Net Worth**		**11,414,897**	**11,080,755**

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
2,874,648	Sale of goods and services	**15**	2,922,281	2,972,586
-	Investment revenue	**16**	-	-
18,514	Donations	**17**	-	-
-	Other revenue		-	-
2,893,162	**Total Revenue**		**2,922,281**	**2,972,586**
	Expenses			
1,489,483	Personnel costs	**18**	1,600,000	1,650,000
1,201,366	Supplies and consumables	**19**	1,255,276	1,310,556
341,172	Depreciation and Amortisation	**7**	346,172	346,172
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
3,032,022	**Total Expenses**		**3,201,448**	**3,306,728**
(138,860)	**Surplus or (Deficit) for the period**		**(279,167)**	**(334,143)**

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,980,000	Sale of goods and services to Cabinet		1,980,000	1,980,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
923,116	Sale of goods and services - third party		942,281	992,586
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(1,489,483)	Personnel costs		(1,600,000)	(1,650,000)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(1,201,366)	Supplies and consumables - third party		(1,255,276)	(1,310,556)
-	Interest paid		-	-
-	Other payments		-	-
212,266	**Net cash flows from operating activities**	**23**	**67,005**	**12,029**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(478,995)	Purchase of property, plant and equipment		(45,000)	-
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
-478,995	**Net cash flows from investing activities**		**-45,000**	**0**
	CASH FLOWS FROM FINANCING ACTIVITIES			
440,000	Equity Investment from Cabinet		45,000	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
440,000	**Net cash flows from financing activities**		**45,000**	**0**
173,271	**Net increase/(decrease) in cash and cash equivalents**		**67,005**	**12,029**
2,114,630	Cash and cash equivalents at beginning of period		2,287,901	2,354,906
2,287,901	**Cash and cash equivalents at end of period**		**2,354,906**	**2,366,935**

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	11,737,590	-	4,741,149	(5,216,783)	11,261,956
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	85	85
Restated balance 31 December 2021	11,737,590	-	4,741,149	(5,216,698)	11,262,041
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	85,884	85,884
Total recognised revenues and expenses for the period	-	-	-	85,884	85,884
Balance at 31 December 2022	11,737,590	-	4,741,149	(5,130,814)	11,347,925
Balance at 31 December 2022 brought forward	11,737,590	-	4,741,149	(5,130,814)	11,347,925
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	11,737,590	-	4,741,149	(5,130,814)	11,347,925
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	440,000	-	-	-	440,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	440,000	-	-	-	440,000
Surplus/(deficit)for the period 2023	-	-	-	(138,860)	(138,860)
Total recognised revenues and expenses for the period	440,000	-	-	(138,860)	301,140
Balance at 31 December 2023 carried forward	12,177,590	-	4,741,149	(5,269,674)	11,649,065

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	12,177,590	-	4,741,149	(5,269,674)	11,649,065
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	12,177,590	-	4,741,149	(5,269,674)	11,649,065
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	45,000	-	-	-	45,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	45,000	-	-	-	45,000
Surplus/(deficit)for the period 2024	-	-	-	(279,167)	(279,167)
Total recognised revenues and expenses for the period	45,000	-	-	(279,167)	(234,167)
Balance at 31 December 2024 carried forward	12,222,590	-	4,741,149	(5,548,842)	11,414,897
Balance at 31 December 2024 brought forward	12,222,590	-	4,741,149	(5,548,842)	11,414,897
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	12,222,590	-	4,741,149	(5,548,842)	11,414,897
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	(334,143)	(334,143)
Total recognised revenues and expenses for the period	-	-	-	(334,143)	(334,143)
Balance at 31 December 2025	12,222,590	-	4,741,149	(5,882,984)	11,080,755

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Forecast 2024	12-Month Forecast 2025
5,000	Cash on hand	5,000	5,000
-	Cash in transit	-	-
680,000	CI$ Account	680,000	700,000
1,597,901	US$ Account	1,664,906	1,656,935
-	Bank Overdraft	-	-
5,000	Payroll Current Account	5,000	5,000
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
2,287,901	**TOTAL**	**2,354,906**	**2,366,935**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Forecast 2024	12-Month Forecast 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
-	Sale of goods and services - third party	-	-
87,894	Other	92,288	96,903
(21,973)	**Less: provision for doubtful debts**	(23,072)	(24,226)
65,920	**Total trade receivables**	**69,216**	**72,677**

12-Month Forecast 2023	Trade Recivables	12-Month Forecast 2024	12-Month Forecast 2025
	Current		
65,920	Past due 1-30 days	69,216	65,920
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
65,920	**Total**	**69,216**	**65,920**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Forecast 2024	12-Month Forecast 2025
(21,973)	Balance at begining oF period	(21,973)	(23,072)
-	Additional provisions made during the year	(1,099)	(1,154)
-	Receivables written off during the period	-	-
(21,973)	**Balance at 31st December**	**(23,072)**	**(24,226)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Forecast 2024	12-Month Forecast 2025
	Current Inventories		`
-	Inventory held for use in the provision of goods and services	-	-
61,929	Inventory held for sale	65,645	69,584
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
61,929	**INVENTORIES - Current**	**65,645**	**69,584**
	Non-Current Inventories		
-	**INVENTORIES - Non-Current**	**-**	**-**
61,929	**TOTAL INVENTORIES**	**65,645**	**69,584**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Forecast 2024	12-Month Forecast 2025
	Current Prepayments		
24,484		26,344	26,344
24,484	**Prepayments - Current**	**26,344**	**26,344**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
24,484	**Total Prepayments**	**26,344**	**26,344**

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	3,100,000	6,731,173	681,525	105,099	177,572	10,795,369
Additions	-	178,239	15,140	2,728	-	196,107
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	3,100,000	6,909,412	696,665	107,827	177,572	10,991,476

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	3,100,000	6,909,412	696,665	107,827	177,572	10,991,476
Additions	-	440,000	-	8,995	30,000	478,995
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	3,100,000	7,349,412	696,665	116,822	207,572	11,470,471

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	3,100,000	7,349,412	696,665	116,822	207,572	11,470,471
Additions	-	45,000	-	-	-	45,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	3,100,000	7,394,412	696,665	116,822	207,572	11,515,471

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	3,100,000	7,394,412	696,665	116,822	207,572	11,515,471
Additions	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	3,100,000	7,394,412	696,665	116,822	207,572	11,515,471

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	-	309,341	606,318	103,647	137,825	1,157,131
Transfers	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2022	-	350,667	18,640	3,055	22,290	394,652
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-
Balance as at 31 December 2022	-	660,008	624,958	106,702	160,115	1,551,783

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	-	660,008	624,958	106,702	160,115	1,551,783
Transfers	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2023	-	321,754	7,988	-	11,430	341,172
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-
Balance as at 31 December 2023	-	981,762	632,946	106,702	171,545	1,892,955

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	-	981,762	632,946	106,702	171,545	1,892,955
Transfers	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-
Depreciation Expense 2024	-	326,754	7,988	-	11,430	346,172
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-
Balance as at 31 December 2024	-	1,308,516	640,934	106,702	182,975	2,239,127

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	-	1,308,516	640,934	106,702	182,975	2,239,127
Transfers	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-
Depreciation Expense 2025	-	326,754	7,988	-	11,430	346,172
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-
Balance as at 31 December 2025	-	1,635,270	648,922	106,702	194,405	2,585,299

Net Book value 31 December 2022	3,100,000	6,249,404	71,707	1,125	17,457	9,439,693
Net Book value 31 December 2023	3,100,000	6,367,650	63,719	10,120	36,027	9,577,516
Net Book value 31 December 2024	3,100,000	6,085,896	55,731	10,120	24,597	9,276,344
Net Book value 31 December 2025	3,100,000	5,759,142	47,743	10,120	13,167	8,930,172

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Forecast 2024	12-Month Forecast 2025
	Current Trade payables other payables and accruals		
218,588	Creditors Third party	225,249	231,648
-	Creditors Ministries/Portfolios	-	-
84,685	Creditors other Statutory Agencies and Government Conpanies	84,685	84,685
9,565	Payroll Deductions	9,565	9,565
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
312,837	**Trade payables other payables and accruals - Current**	**319,499**	**325,898**
	Non-Current Trade payables other payables and accruals		
-	**Trade payables other payables and accruals - Non-Current**	-	-
312,837	**Total trade payables other payables and accruals**	**319,499**	**325,898**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Forecast 2024	12-Month Forecast 2025
	Current Unearned Revenue		
26,059	Events Deposits	26,059	26,059
26,059	**Total current portion**	**26,059**	**26,059**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	-	-
26,059	**Total Unearned Revenue**	**26,059**	**26,059**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Forecast 2024	12-Month Forecast 2025
	Current employee entitlements		
29,790	Annual Leave/Comp-time	32,000	33,000
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
29,790	**Total current portion**	**32,000**	**33,000**
	Non-current employee entitlements		
-	**Total non-current portion**	-	-
29,790	**Total employee entitlements**	**32,000**	**33,000**

CAYMAN ISLANDS NATIONAL ATTRACTIONS AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
401,049	Fees and Charges	421,208	442,391
351,752	General Sales	372,857	395,229
35,700	Rentals	35,700	35,700
106,147	Other Goods & Services Revenue	112,515	119,266
1,980,000	Sale of goods and services to Cabinet	1,980,000	1,980,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
2,874,648	**Total sales of goods and services**	**2,922,281**	**2,972,586**

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
399,987	Admissions	419,987	440,986
1,062	Application and Renewal	1,222	1,405
401,049	**Total Fees & Charges**	**421,208**	**442,391**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
309,647	Gift Shop	328,226	347,920
42,105	Plant sales and Other	44,631	47,309
351,752	**Total General Sales**	**372,857**	**395,229**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
35,700		35,700	35,700
35,700	**Total Rentals**	**35,700**	**35,700**

NOTE 15A: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
105,174	Events	111,484	118,173
973	Interest Income	1,031	1,093
-	Other	-	-
106,147	**Total Other Goods & Services Revenue**	**112,515**	**119,266**
	Sales of Outputs to Cabinet		
1,980,000	Sales of Outputs to Cabinet	1,980,000	1,980,000
-	Other Outputs	-	-
1,980,000	**Total Sales of Outputs to Cabinet**	**1,980,000**	**1,980,000**
	Other Interdepartmental Revenue		
-	**Total Other Interdepartmental Revenue**	**-**	**-**
2,874,648	**Total Goods and Services**	**2,922,281**	**2,972,586**

NOTE 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
18,514	**Donation**	-	-
18,514	**Total donations**	**-**	**-**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,258,271	Salaries, wages and allowances	1,365,100	1,407,500
-	Health care CINICO	-	-
73,763	Health care other	75,000	80,000
76,331	Pension	81,900	84,500
71,384	Leave	75,000	75,000
9,735	Other personnel related costs	3,000	3,000
1,489,483	**Total Personnel Costs**	**1,600,000**	**1,650,000**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
229,139	Supplies and Materials	242,887	257,460
75,000	Purchase of services	77,000	79,000
-	Lease of Property and Equipment	-	-
190,000	Utilities	195,000	198,000
78,000	General Insurance	80,000	82,000
-	Interdepartmental expenses	-	-
10,000	Travel and Subsistence	10,000	11,000
1,000	Recruitment and Training	1,250	1,500
618,228	Other	649,139	681,596
1,201,366	**Total Supplies & consumables**	**1,255,276**	**1,310,556**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(138,860)	**Surplus/(deficit) from ordinary activities**	(279,167)	(334,143)
	Non-cash movements		
341,172	Depreciation & Amortisation	346,172	346,172
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(19,379)	(Increase)/decrease in other current assets - Other	-	-
	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
17,849	(Increase/(decrease) in current liabilities - Other	-	-
200,782	**Net cash flows from operating activities**	**67,005**	**12,029**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS DEVELOPMENT BANK

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Development Bank have agreed the Cayman Islands Development Bank will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

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

SCOPE OF ACTIVITIES

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

1. Provide finance in order to promote and facilitate development in the Islands, with particular reference to Small Businesses especially in construction, electronics, commerce and tourism, and housing and human resource development.

2. Provide an advisory service to give advice and disseminate Information about matters relating to:
    a) Housing, mortgage finance and the maintenance of dwellings
    b) Advice in education and counselling in education
    c) Agricultural, industrial and tourism development

3. Promote agricultural, tourism and industrial development in the Islands.

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

CUSTOMERS AND LOCATION OF ACTIVITIES

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

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Development Bank for the 2024 and 2025 financial years are as follows:

Strategic Goals

1. To continue to operate as a prudently managed, efficiently operated and highly respected development financial institution while producing sound financial and operating results.

2. To focus on the development of the Islands by identifying, funding and implementing programmes, projects and services that will assist Caymanians in improving themselves and their communities especially those with bankable propositions who do not have ready access to conventional financing.

Objectives

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

- Enlarge the lending portfolio by adding new quality loans especially in the areas of mortgage, tertiary education and small business loans, such that its investment will be sound and that the income generated contribute significantly to meeting the Bank's operating costs.

- Introduce new energy efficiency loans to reduce homes/businesses energy costs that will also improve those assets example replacement of windows/doors with hurricane impact products.

- Monitor access to housing market with other financial institutions and continue mortgage loan program to ensure housing remains achievable/affordable.

- Ensure that the programmes administered on behalf of the Cayman Islands Government and other agencies are also managed in an efficient and effective manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Development Bank for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	650	650	526
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	40	40	40
REVENUE FROM OTHERS	1,746	1,894	1,324
OPERATING EXPENSES	2,623	2,656	3,498
OPERATING SURPLUS/DEFICIT	**(187)**	**(72)**	**(1,608)**
NET WORTH	**41,210**	**42,138**	**38,397**
CASH FLOWS FROM OPERATING ACTIVITIES	(3,063)	(2,538)	(5,594)
CASH FLOWS FROM INVESTING ACTIVITIES	2,455	2,490	(2,087)
CASH FLOWS FROM FINANCING ACTIVITIES	2,993	993	948
CHANGE IN CASH BALANCES	2,385	945	(6,732)

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	53.37:1	45.82:1	52.76:1
TOTAL ASSETS: TOTAL LIABILITIES	30.62:1	28.18:1	31.61:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	16	16	16
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	11	12	10
PROFESSIONAL AND TECHNICAL STAFF	11	12	10
CLERICAL AND LABOURER STAFF	11	12	10
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	1,678	1,544	1,788
ASSET REPLACEMENTS: TOTAL ASSETS	2,000:1,678	2,000:1,544	2,000:1,788
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	1,678:2,618	1,544:2,628	1,788:2,573
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	155:45	144:10	79:587
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
PURCHASE AND INSTALLATION OF GENERATOR FOR BUSINESS CONTINUITY	-	-	165
BANKING SOFTWARE AND HARDWARE	-	-	422
TOTAL	**Nil**	**Nil**	**587**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Default on loan payments	Bank has had some success in recovering amounts some amounts on non-accrual loans and there is planned focus on reducing loan delinquency levels and improving collections even further	Increased focus on approving loans that are beneficial to the portfolio and an increased focus on collections	Reduced Loan Interest Income

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	2,436	2,584	1,890
OPERATING EXPENSES	2,623	2,656	1,324
NET SURPLUS/(DEFICIT)	(187)	(72)	(1,608)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	42,601	45,689	39,652
LIABILITIES	1,391	1,551	1,254
NET WORTH	41,210	42,138	38,398

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(3,063)	(2,538)	(5,594)
CASH FLOWS FROM INVESTING ACTIVITIES	2,455	2,490	(2,087)
CASH FLOWS FROM FINANCING ACTIVITIES	2,993	993	948

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS DEVELOPMENT BANK	3,000	3,000
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS DEVELOPMENT BANK	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS DEVELOPMENT BANK	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS DEVLOPMENT BANK	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS DEVELOPMENT BANK	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[9]	-	-
REMUNERATION[10] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	730	744
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	730	744

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	6	6
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

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

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

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Development Bank will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Juliana O'Connor-Connolly, MP
Minister for Finance and Economic Development
On behalf of Cabinet



Chairman of the Board of Directors
Cayman Islands Development Bank

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman Islands Development Bank for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board of Directors
Cayman Islands Development Bank

31 December 2023

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CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

1. GENERAL INFORMATION

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

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

The registered office of the Bank is at 36B Dr. Roy's Drive, P.O. Box 2576, George Town, Grand Cayman, KY1-1103, Cayman Islands. For years ending December 31, 2024 and 2025, the Bank is projected to have 15 employees.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

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

Statement of Compliance

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

2.2 Significant Accounting Judgments and Estimates

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

Impairment Losses on Loans to Customers and Other Financial Assets

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, particularly in estimating the amount and timing of future cash flows and collateral when making a determination of impairment losses and assessing any significant increase in credit risk. These estimates are influenced by numerous factors, changes in which can result in differing levels of allowances.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Significant Accounting Judgments and Estimates (continued)

Impairment Losses on Loans and Advances to Customers (continued)

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

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

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

Write off of Loans

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

2.3 Summary of Significant Accounting Policies

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

a) Recognition of Income

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

Interest Income

Interest income is recorded on an accrual basis using the effective interest method until such time as a loan is classified as impaired. Interest on loans that are contractually 90 days in arrears are classified as impaired. Any accrued interest on impaired loans is reversed against income for the current period. Thereafter, interest income on impaired loans is recognized in the period it is collected.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of Significant Accounting Policies (continued)

b) Property and Equipment

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

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

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

c) Foreign Currency Transactions

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

d) Use of Estimates

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

e) Employee Benefits

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of Significant Accounting Policies (continued)

f) Financial Instruments

(i) Classification

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

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

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

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

(ii) Recognition

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

(iii) Derecognition

Derecognition other than for substantial modification

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of Significant Accounting Policies (continued)

Derecognition due to substantial modification of terms and conditions

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

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

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

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

(iv) Measurement

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

3. FAIR VALUE AND RISK ASSESSMENT OF FINACIAL INSTRUMENT

Risk Management

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

Interest Rate Risk

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

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

Credit Risk

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

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

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

Fair Value

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

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
4,923,664	Cash and cash equivalents	1	7,309,062	8,254,548
5,520,501	Marketable securities and deposits		3,020,178	520,122
-	Trade receivables	2	-	-
161,288	Other receivables	2	248,256	342,654
-	Inventories	3	-	-
-	Investments	4	-	-
42,310	Prepayments	5	41,270	40,968
1,360,291	Loans	6	1,515,020	1,648,415
12,008,054	**Total Current Assets**		**12,133,786**	**10,806,707**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
25,845,538	Loans	6	28,785,382	31,319,876
-	Pension Plan Surplus	13	-	-
1,787,588	Property, plant and equipment	7	1,678,025	1,543,636
10,445	Intangible Assets	8	3,762	18,660
27,643,571	**Total Non-Current Assets**		**30,467,169**	**32,882,172**
39,651,625	**Total Assets**		**42,600,955**	**43,688,879**
	Current Liabilities			
116,565	Trade payables	9	116,565	116,565
111,032	Other payables and accruals	9	110,775	119,294
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
227,597	**Total Current Liabilities**		**227,340**	**235,859**
	Non-Current Liabilities			
-	Trade payables	9	-	-
6,867	Other payables and accruals	9	2,961	12,692
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
1,020,000	Unfunded post retirement health care	14	1,161,000	1,302,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
1,026,867	**Total Non-Current Liabilities**		**1,163,961**	**1,314,692**
1,254,464	**Total Liabilities**		**1,391,301**	**1,550,551**
38,397,161	**Net Assets**		**41,209,654**	**42,138,328**
	NET WORTH			
41,819,185	Contributed capital		44,819,185	45,819,185
176,923	Other Reserves		176,923	176,923
960,287	Revaluation reserve		960,287	960,287
(4,559,234)	Accumulated surpluses/(deficits)		(4,746,741)	(4,818,067)
38,397,161	**Total Net Worth**		**41,209,654**	**42,138,328**

CAYMAN ISLANDS DEVELOPMENT BANK

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
1,749,836	Sale of goods and services	**15**	2,410,808	2,559,411
140,000	Investment revenue	**16**	25,000	25,000
-	Donations	**17**	-	-
-	Other revenue		-	-
1,889,836	**Total Revenue**		**2,435,808**	**2,584,411**
	Expenses			
2,700,753	Personnel costs	**18**	1,828,155	1,862,172
623,269	Supplies and consumables	**19**	515,850	528,747
85,346	Depreciation and Amortisation	**7**	161,246	151,072
(141,011)	Impairment of Inventory,property, plant and equipment		47,125	40,628
160,958	Finance costs & overdraft interest	**20**	424	1,200
-	Litigation costs	**21**	-	-
13,700	Other (Gains)/losses	**22**	14,394	14,394
54,752	Other Operating expenses		56,121	57,524
3,497,767	**Total Expenses**		**2,623,315**	**2,655,737**
(1,607,931)	**Surplus or (Deficit) for the period**		**(187,507)**	**(71,326)**

CAYMAN ISLANDS DEVELOPMENT BANK

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
526,317	Sale of goods and services to Cabinet		650,000	650,000
40,451	Sale of goods and services to Ministries/Portfolios		40,451	40,451
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
1,122,964	Sale of goods and services - third party		1,633,389	1,774,562
140,000	Interest received		25,000	25,000
-	Donations / Grants		-	-
15,445,907	Other receipts		16,108,302	16,541,484
	Payments			
(1,680,753)	Personnel costs		(1,687,155)	(1,721,172)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(516,628)	Supplies and consumables - third party		(406,968)	(417,568)
(160,958)	Interest paid		(424)	(1,200)
(20,511,251)	Other payments		(19,425,691)	(19,407,717)
(5,593,951)	**Net cash flows from operating activities**	**23**	**(3,063,096)**	**(2,516,160)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(587,207)	Purchase of property, plant and equipment		(45,000)	(31,582)
-	Proceeds from sale of property, plant and equipment		-	-
(1,499,410)	Purchase of investments		-	-
-	Proceeds from sale of investments		2,500,323	2,500,056
(2,086,617)	**Net cash flows from investing activities**		**2,455,323**	**2,468,474**
	CASH FLOWS FROM FINANCING ACTIVITIES			
4,500,000	Equity Investment from Cabinet		3,000,000	1,000,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
(3,551,573)	Repayment of Borrowings		(6,829)	(6,828)
-	Currency Issues		-	-
948,427	**Net cash flows from financing activities**		**2,993,171**	**993,172**
(6,732,141)	**Net increase/(decrease) in cash and cash equivalents**		**2,385,398**	**945,486**
11,655,805	Cash and cash equivalents at beginning of period		4,923,664	7,309,062
4,923,664	**Cash and cash equivalents at end of period**		**7,309,062**	**8,254,548**

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	32,819,185	176,923	960,287	(2,124,673)	31,831,722
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	32,819,185	176,923	960,287	(2,124,673)	31,831,722
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,500,000	-	-	-	4,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,500,000	-	-	-	4,500,000
Surplus/(deficit)for the period 2022	-	-	-	(826,630)	(826,630)
Total recognised revenues and expenses for the period	4,500,000	-	-	(826,630)	3,673,370
Balance at 31 December 2022	37,319,185	176,923	960,287	(2,951,303)	35,505,092
Balance at 31 December 2022 brought forward	37,319,185	176,923	960,287	(2,951,303)	35,505,092
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	37,319,185	176,923	960,287	(2,951,303)	35,505,092
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,500,000	-	-	-	4,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,500,000	-	-	-	4,500,000
Surplus/(deficit)for the period 2023	-	-	-	(1,607,931)	(1,607,931)
Total recognised revenues and expenses for the period	4,500,000	-	-	(1,607,931)	2,892,069
Balance at 31 December 2023 carried forward	41,819,185	176,923	960,287	(4,559,234)	38,397,161

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	41,819,185	176,923	960,287	(4,559,234)	38,397,161
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	41,819,185	176,923	960,287	(4,559,234)	38,397,161
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	3,000,000	-	-	-	3,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	3,000,000	-	-	-	3,000,000
Surplus/(deficit)for the period 2024	-	-	-	(187,507)	(187,507)
Total recognised revenues and expenses for the period	3,000,000	-	-	(187,507)	2,812,493
Balance at 31 December 2024 carried forward	44,819,185	176,923	960,287	(4,746,741)	41,209,654
Balance at 31 December 2024 brought forward	44,819,185	176,923	960,287	(4,746,741)	41,209,654
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	44,819,185	176,923	960,287	(4,746,741)	41,209,654
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	1,000,000	-	-	-	1,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,000,000	-	-	-	1,000,000
Surplus/(deficit)for the period 2025	-	-	-	(71,326)	(71,326)
Total recognised revenues and expenses for the period	1,000,000	-	-	(71,326)	928,674
Balance at 31 December 2025	45,819,185	176,923	960,287	(4,818,067)	42,138,328

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
4,923,664	CI$ Account	7,309,062	8,254,548
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
4,923,664	**TOTAL**	**7,309,062**	**8,254,548**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
-	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
161,288	Other	248,256	342,654
-	**Less: provision for doubtful debts**	-	-
161,288	**Total other receivables**	**248,256**	**342,654**

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
161,288	Past due 1-30 days	248,256	342,654
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
161,288	**Total**	**248,256**	**342,654**

CAYMAN ISLANDS DEVELOPMENT BANK
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
42,310		41,270	40,968
42,310	**Prepayments - Current**	**41,270**	**40,968**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
42,310	**Total Prepayments**	**41,270**	**40,968**

NOTE 6: LOANS

12-Month Forecast 2023	Loans	12-Month Budget 2024	12-Month Budget 2025
	Current Loans		
1,381,006	Loans to the public	1,538,091	1,673,518
(20,715)	**Less: provision for doubtful loans**	(23,071)	(25,103)
1,360,291	**Loans - Current**	**1,515,020**	**1,648,415**
	Non-Current Loans		
26,239,125	Loans to the public	29,223,738	31,796,828
(393,587)	**Less: provision for doubtful loans**	(438,356)	(476,952)
25,845,538	**Loans -Non-Current**	**28,785,382**	**31,319,876**
27,205,829	**Total Loans**	**30,300,402**	**32,968,291**

CAYMAN ISLANDS DEVELOPMENT BANK
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	1,300,000	538,112	117,669	29,880	1,985,661
Additions	-	16,094	13,683	-	29,777
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2022	1,300,000	554,206	131,352	29,880	2,015,438

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	1,300,000	554,206	131,352	29,880	2,015,438
Additions	-	422,207	165,000	-	587,207
Disposals and Derecognisation	-	-	-	(29,880)	(29,880)
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2023	1,300,000	976,413	296,352	-	2,572,765

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	1,300,000	976,413	296,352	-	2,572,765
Additions	-	5,000	5,000	35,000	45,000
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2024	1,300,000	981,413	301,352	35,000	2,617,765

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	1,300,000	981,413	301,352	35,000	2,617,765
Additions	-	5,000	5,000	-	10,000
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2025	1,300,000	986,413	306,352	35,000	2,627,765

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	28,889	515,157	105,969	29,880	679,895
Transfers	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-
Depreciation Expense 2022	28,890	19,569	8,040	-	56,499
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-
Balance as at 31 December 2022	57,779	534,726	114,009	29,880	736,394

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	57,779	534,726	114,009	29,880	736,394
Transfers	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-
Depreciation Expense 2023	28,889	35,707	14,067	-	78,663
Eliminate on Disposal or Derecognisation 2023	-	-	-	(29,880)	(29,880)
Balance as at 31 December 2023	86,668	570,433	128,076	-	785,177

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	86,668	570,433	128,076	-	785,177
Transfers	-	-	-	-	-
Impairment change 2024	-	-	-	-	-
Depreciation Expense 2024	28,889	93,773	24,901	7,000	154,563
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-
Balance as at 31 December 2024	115,557	664,206	152,977	7,000	939,740

	Buildings and Leasehold	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	115,557	664,206	152,977	7,000	939,740
Transfers	-	-	-	-	-
Impairment change 2025	-	-	-	-	-
Depreciation Expense 2025	28,889	90,000	18,500	7,000	144,389
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-
Balance as at 31 December 2025	144,446	754,206	171,477	14,000	1,084,129

Net Book value 31 December 2022	1,242,221	19,480	17,343	-	1,279,044

Net Book value 31 December 2023	1,213,332	405,980	168,276	-	1,787,588

Net Book value 31 December 2024	1,184,443	317,207	148,375	28,000	1,678,025

Net Book value 31 December 2025	1,155,554	232,207	134,875	21,000	1,543,636

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	28,789	28,789
Additions	20,554	20,554
Disposals and Derecognisation	(28,789)	(28,789)
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	20,554	20,554

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	20,554	20,554
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	20,554	20,554

	Other Intangible Assets	*Total*
Balance as at 1 January 2024	20,554	20,554
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	20,554	20,554

	Other Intangible Assets	*Total*
Balance as at 1 January 2025	20,554	20,554
Additions	21,582	21,582
Disposals and Derecognisation	(20,554)	(20,554)
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	21,582	21,582

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	25,910	25,910
Transfers	-	-
Impairment Reserve 2022 (closing balance)	-	-
Depreciation Expense 2022	6,305	6,305
Eliminate on Disposal or Derecognisation	(28,789)	(28,789)
Balance as at 31 December 2022	3,426	3,426

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	3,426	3,426
Transfers	-	-
Impairment Reserve 2023 (closing balance)	-	-
Depreciation Expense 2023	6,683	6,683
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	10,109	10,109

	Other Intangible Assets	*Total*
Balance as at 1 January 2024	10,109	10,109
Transfers	-	-
Impairment change 2024	-	-
Depreciation Expense 2024	6,683	6,683
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	16,792	16,792

	Other Intangible Assets	*Total*
Balance as at 1 January 2025	16,792	16,792
Transfers		-
Impairment change 2025		-
Depreciation Expense 2025	6,683	6,683
Eliminate on Disposal or Derecognisation	(20,553)	(20,553)
Balance as at 31 December 2025	2,922	2,922

Net Book value 31 December 2022	17,128	17,128
Net Book value 31 December 2023	10,445	10,445
Net Book value 31 December 2024	3,762	3,762
Net Book value 31 December 2025	18,660	18,660

CAYMAN ISLANDS DEVELOPMENT BANK
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
116,565	Creditors Ministries/Portfolios	116,565	116,565
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
4,391	Operating Lease	1,893	8,116
106,641	Accrued Expenses	108,882	111,178
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
227,597	**Trade payables other payables and accruals - Current**	**227,340**	**235,859**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
6,867	Operating Lease	2,961	12,692
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
6,867	**Trade payables other payables and accruals - Non-Current**	**2,961**	**12,692**
234,464	**Total trade payables other payables and accruals**	**230,301**	**248,551**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(1,020,000)	Post-retirement healthcare	(1,161,000)	(1,302,000)
(1,020,000)	**Total Unfunded Health Care Liability**	**(1,161,000)**	**(1,302,000)**

CAYMAN ISLANDS DEVELOPMENT BANK
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
81,000	Fees and Charges	71,000	71,000
1,102,068	General Sales	1,649,357	1,797,960
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
526,317	Sale of goods and services to Cabinet	650,000	650,000
40,451	Sale of goods and services to Other Ministries and Portfolios	40,451	40,451
1,749,836	**Total sales of goods and services**	**2,410,808**	**2,559,411**

12-Month Forecast 2023	***Fees and Charges***	12-Month Budget 2024	12-Month Budget 2025
81,000	Loan fees and commission	71,000	71,000
81,000	**Total Fees & Charges**	**71,000**	**71,000**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
1,102,068	Loan interest income - core business	1,649,357	1,797,960
1,102,068	**Total General Sales**	**1,649,357**	**1,797,960**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	**-**	**-**
	Sales of Outputs to Cabinet		
526,317	Sales of Outputs to Cabinet	650,000	650,000
-	Other Outputs	-	-
526,317	**Total Sales of Outputs to Cabinet**	**650,000**	**650,000**
	Other Interdepartmental Revenue		
40,451	Revenue from Ministries/Portfolios	40,451	40,451
-	Revenue from Statutory Authorities and Government Companies	-	-
40,451	**Total Other Interdepartmental Revenue**	**40,451**	**40,451**
1,749,836	**Total Goods and Services**	**2,410,808**	**2,559,411**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
140,000	Interest on deposits	25,000	25,000
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
140,000	**Total Investment revenue**	**25,000**	**25,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,210,543	Salaries, wages and allowances	1,210,543	1,240,807
320,103	Health care CINICO	-	-
-	Health care other	326,505	326,505
150,107	Pension	150,107	153,860
-	Leave	-	-
1,020,000	Other personnel related costs	141,000	141,000
2,700,753	**Total Personnel Costs**	**1,828,155**	**1,862,172**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
19,515	Supplies and Materials	20,003	20,503
528,802	Purchase of services	419,022	429,497
-	Lease of Property and Equipment	-	-
42,960	Utilities	44,034	45,135
24,051	General Insurance	24,652	25,269
-	Interdepartmental expenses	-	-
5,577	Travel and Subsistence	5,716	5,859
2,364	Recruitment and Training	2,423	2,484
-	Other	-	-
623,269	**Total Supplies & consumables**	**515,850**	**528,747**

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
160,149	Interest on borrowings	-	-
809	Other borrowing costs	424	1,200
-	Interest on overdraft	-	-
160,958	**Total Finance cost**	**424**	**1,200**

NOTE 22: OTHER GAINS / (LOSSES)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
-	Net (gain) / loss on derecognition and revaluation of assets	-	-
13,700	Net (gain) / loss on foreign exchange Transactions	14,394	14,394
13,700	**Total gains/ (losses)**	**14,394**	**14,394**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(1,607,931)	**Surplus/(deficit) from ordinary activities**	(187,507)	(71,326)
	Non-cash movements		
85,346	Depreciation & Amortisation	161,246	151,072
(141,011)	Impairment	47,125	40,628
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(4,853,131)	(Increase)/decrease in other current assets - Other	(3,227,626)	(2,781,030)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
922,776	(Increase/(decrease) in current liabilities - Other	143,666	144,496
(5,593,951)	**Net cash flows from operating activities**	**(3,063,096)**	**(2,516,160)**

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
729,748	Salaries & other short-term employee benefits	729,748	744,343
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
729,748	**Total**	**729,748**	**744,343**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS MONETARY AUTHORITY

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Monetary Authority (CIMA) have agreed the Cayman Islands Monetary Authority will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

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

SCOPE OF ACTIVITIES

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

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

CUSTOMERS AND LOCATION OF ACTIVITIES

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

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

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

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

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Monetary Authority for the 2024 and 2025 financial years are as follows:

DRAFT Strategic Priorities

1. Improve our technological/digital capability to support effective regulation of the financial services industry

2. Provide support for improving effectiveness in combating financial crime and a positive assessment on the FATF 5th Round Review of the Cayman Islands

3. Proactive, sustainable, and effective financial services regulation to promote new financial service products/models and enable the existing business products/models to thrive

4. Be recognised as an Employer of Choice

5. Improve the integrity and quality of Cayman Islands currency

6. Increase public outreach and education

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Monetary Authority for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	33,757	35,517	33,458
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	26,430	26,109	25,870
OPERATING EXPENSES	59,694	61,583	57,902
OPERATING SURPLUS/DEFICIT	**493**	**43**	**1,425**
NET WORTH	**57,714**	**57,757**	**57,221**
CASH FLOWS FROM OPERATING ACTIVITIES	2,526	15,675	5,527
CASH FLOWS FROM INVESTING ACTIVITIES	3,819	(3,632)	(8,837)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,460)	(4,274)	(2,426)
CHANGE IN CASH BALANCES	3,885	7,769	(5,736)

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	24.01:1	21.10:1	24.88:1
TOTAL ASSETS: TOTAL LIABILITIES	1.29:1	1.25:1	1.29:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	378	400	300
STAFF TURNOVER (%)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	44,801	71,418	35,169
ASSET REPLACEMENTS: TOTAL ASSETS	21%	46%	24%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	57%	74%	57%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	40%	279%	67%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ADDITIONAL LEASEHOLD AT CRICKET SQUARE	8,030	547	5,824
VARIOUS IT AND OFFICE EQUIPMENT	1,373	1,654	342
TOTAL	**9,403**	**2,201**	**6,166**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss and absence of critical staff	On-going	Regular training, succession planning, regular performance assessments, and recognition. Various incentives are now being offered to staff in an effort to deter turnover and increase attractiveness for new hires; i.e. personal days, mental health days, increased maternity and paternity leave, work-from-home options, and compressed work week.	Unquantifiable
Limited resources resulting in an inadequate regulatory framework and supervision processes. (The underpinning of Cayman as a reputable, successful regulator of financial services is, in addition to having a strong legal framework, policies and practices; heavily reliant on experienced and high calibre human resources in sufficient numbers and an effectual information systems and technology infrastructure.) This in turn places the Islands' reputation at stake from an inability to supervise financial services at the level required of an international regulator. Further impairment to the reputation of the Cayman Islands could impact the stability of the Cayman economy including the loss of Government revenues, potential failure of financial institutions in the Cayman Islands, financial losses for consumers and unemployment.	Marginal improvement as resources have increased but are still insufficient.	Continue to work along with Government with respect to legislative framework and budget. Continue regular review of systems and processes and take full advantage of IS technology to achieve highest efficiency. Amend CIMA's organizational structure. Facilitate more focused HR soft skills training for persons. Take full advantage of the online learning portals for all regulatory staff. Establish partnerships with local professionals and firms to conduct subject matter expert training. Outsource tasks/projects where efficient and or necessary. Maintain recruitment efforts (to expediently fill vacancies and new positions. Continue to develop and implement proposals on enhancement measures to attract and retain highly qualified and experienced persons.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
An inadequate regulatory framework that leads to a threat to the Islands' reputation with significant potential dangers. e.g. insufficient legislation, rules and or policies required to promote and ensure a sound financial system through effective regulation, supervision and risk management of the financial sector) can lead to: • Unsafe and unsound practices or activities that pose risks to the financial system; Failures of financial entities or unfavourable (international or peer) assessments that would impact the stability of the Cayman economy.	On-going as there have been several new laws or revisions / amendments to legislation (e.g. Administrative Fines and Virtual Asset Service Providers). However, several proposals are still delayed, and other legislation remain inadequate.	Enhance framework by: Continuing the internal CIMA process in identifying and developing proposals and recommendations or, if within ambit, implementing measures for addressing areas for legislative and other regulatory requirements changes. Continue to work along with Government with respect to legislative framework and budget. Retain and build on existing technical expert knowledge and expertise and attract new high calibre staff to ensure proactive oversight and enforcement.	Unquantifiable
Increasing responsibilities with insufficient corresponding enhancement of resources limits CIMA's ability to carry out effectively and comprehensively the responsibilities of its regulatory functions.	On-going (resources have increased but so have regulatory and supervisory obligations).	Continue to work alongside Government with respect to legislative framework and budget. Continue regular review of systems and processes and take full advantage of IS technology to achieve highest efficiency. Outsourcing tasks/projects where efficient and or necessary. Defer (relatively) less critical work.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Failure to achieve and stay current with Industry developments, requirements, and standards (due to inadequate funding and or resources) resulting in: • Inability or impaired ability in identifying and analysing trends at both the individual financial entity and system wide levels. Negative impact on jurisdiction reputation as a leading IFC.	On-going (resources have increased but utilised for other regulatory functions or tasks).	Continue involvement in and assessment of new or revised international regulatory standards by: Continuing to develop a cadre of representatives from the Legal, Compliance, Policy and Supervisory divisions with specialised knowledge, skills and experience capable of proactive engagement with standard setters and other regulators. Amending CIMA's organizational structure to enable a greater focus and efficiency in identifying, analysing and addressing developments.	Unquantifiable
Continued scrutiny and demands by international and or regional organisations or individual foreign jurisdictions, such as the G20, EU and the United States and misinformed allegations from these and other institutions (e.g. Tax Justice Network) can harm the reputation of the jurisdiction and consequently threaten business activity.	On-going	Continue dialogue with, and engagement in the work of standard-setting bodies and international and regional organisations. Allocate resources where necessary to focus on countermeasures. Send high-level delegations to meetings of IOSCO, IAIS, Basel, GFICS, CGBS, GICIS, ASBA and FSB. Conduct Visits to Key Jurisdictions.	Unquantifiable
The global review and advancement of regulatory standards, whether prudentially sound or flawed and overreaching, can negatively impact the islands financial industry e.g. financial stability measures, de-risking and impact on correspondent banking relationships, AIFMD.	On-going	Close oversight of, and dialogue with, (impacted) local industry and interaction with other jurisdictions and international organizations to share experiences and develop solutions.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Emerging trends, Market risks and developments can have a potential impact on regulated industries/institutions that in turn could require increased oversight/regulation by CIMA (e.g. technology, information security, cybercrime, Money Laundering and Terrorist Financing, outsourcing, financial innovation, de-risking by correspondent banks).	On-going	Be better informed of new or developing market trends and financial innovation by, inter-alia, leveraging experienced senior staff and CIMA's membership and participation in standard setting bodies, international, regional and local organisations, regulatory associations, conferences, international and regional regulatory bodies etc. Also, by keeping abreast of developments via media, training, etc.	Unquantifiable
Increased competition from other jurisdictions (potential risk to market confidence and sound financial system).	On-going	Monitor and analyse jurisdictional developments. Develop proposals for enhancing or amending regulatory regime for implementation and or submission to Government for its consideration.	Unquantifiable
Failure to apply breach identification, enforcement actions and documentation consistently across all Divisions.	On-going	Policies are continuously reviewed to identify and remediate inconsistencies and create centralised workflow and monitoring tools and procedures.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	60,187	61,626	59,328
OPERATING EXPENSES	59,694	61,583	57,902
NET SURPLUS/(DEFICIT)	493	43	1,425

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	254,798	290,541	254,506
LIABILITIES	197,084	232,784	197,285
NET WORTH	57,714	57,757	57,221

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	2,526	15,675	5,527
CASH FLOWS FROM INVESTING ACTIVITIES	3,819	(3,632)	(8,837)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,460)	(4,274)	(5,736)

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS MONETARY AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS MONETARY AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[11]	-	-
REMUNERATION[12] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	5,063	5,063
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	4,865	4,865

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	34	34
NUMBER OF KEY SENIOR MANAGEMENT (MD)	25	25

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

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

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Monetary Authority will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP
Minister for Financial Services and Commerce
On behalf of Cabinet



Chairperson of the Board
Cayman Islands Monetary Authority

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman Islands Monetary Authority for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairperson of the Board
Cayman Islands Monetary Authority

31 December 2023

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CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Organisation and Objectives

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

Significant Accounting Policies

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

Basis of Preparation

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

Foreign Currency

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

Use of Estimates

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

Financial Instruments

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

Financial Assets

Initial recognition and measurement

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

Financial Liabilities

Initial recognition and measurement

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

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

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Investments

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

Cash and Cash Equivalents

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

Stock of Notes and Coins for/in Circulation

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

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

Stocks of Numismatic Items

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

Numismatic Coins in Circulation

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

Depreciation and Amortisation

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

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

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

Pension Plans

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

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

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

Demand Liabilities

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

Allocation of Profits

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

General Reserve

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

Currency Issue Reserve

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

Capital Expenditures Reserves

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

Contributed Capital

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

Revenue Recognition

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

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

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

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

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

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

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

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

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

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

***IFRS 16* Leases**

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

CAYMAN ISLANDS MONETARY AUTHORITY

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
135,152,347	Cash and cash equivalents	1	139,036,870	146,805,742
-	Marketable securities and deposits		-	-
5,572,000	Trade receivables	2	5,735,000	5,735,000
148,231	Other receivables	2	148,231	148,231
2,664,277	Inventories	3	6,619,624	6,380,538
19,594,459	Investments	4	6,363,462	6,540,259
600,000	Prepayments	5	625,000	650,000
-	Loans	6	-	-
163,731,314	**Total Current Assets**		**158,528,187**	**166,259,770**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
68,267,755	Investments	4	68,277,255	69,531,255
-	Prepayments	5	-	-
-	Loans	6	-	-
2,618,000	Pension Plan Surplus	13	2,268,000	2,168,000
18,455,877	Property, plant and equipment	7	24,435,162	51,397,619
1,433,015	Intangible Assets	8	1,288,991	1,184,524
90,774,647	**Total Non-Current Assets**		**96,269,408**	**124,281,398**
254,505,961	**Total Assets**		**254,797,595**	**290,541,168**
	Current Liabilities			
75,000	Trade payables	9	75,000	75,000
1,996,702	Other payables and accruals	9	1,975,097	3,205,219
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
4,508,254	Unearned revenue	10	4,553,337	4,598,870
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
6,579,956	**Total Current Liabilities**		**6,603,434**	**7,879,089**
	Non-Current Liabilities			
-	Trade payables	9	-	-
8,788,444	Other payables and accruals	9	6,937,070	33,407,321
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
9,062,000	Unfunded post retirement health care	14	10,042,000	10,772,000
172,854,615	Currency Issued		173,501,093	180,725,833
-	Long Term portion of Borrowings	12	-	-
190,705,059	**Total Non-Current Liabilities**		**190,480,163**	**224,905,154**
197,285,015	**Total Liabilities**		**197,083,597**	**232,784,243**
57,220,946	**Net Assets**		**57,713,999**	**57,756,925**
	NET WORTH			
2,328,349	Contributed capital		2,328,349	2,328,349
39,767,400	Other Reserves		39,767,400	39,767,400
-	Revaluation reserve		-	-
15,125,197	Accumulated surpluses/(deficits)		15,618,250	15,661,176
57,220,946	**Total Net Worth**		**57,713,999**	**57,756,925**

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
52,248,963	Sale of goods and services	**15**	52,698,725	54,695,736
7,078,589	Investment revenue	**16**	7,488,350	6,929,804
-	Donations	**17**	-	-
-	Other revenue		-	-
59,327,552	**Total Revenue**		**60,187,075**	**61,625,540**
	Expenses			
31,497,597	Personnel costs	**18**	43,065,080	44,847,782
22,121,422	Supplies and consumables	**19**	11,871,866	11,138,157
4,142,751	Depreciation and Amortisation	**7**	3,796,926	6,136,525
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
140,345	Other (Gains)/losses	**22**	960,150	(539,850)
-	Other Operating expenses		-	-
57,902,115	**Total Expenses**		**59,694,022**	**61,582,614**
1,425,437	**Surplus or (Deficit) for the period**		**493,053**	**42,926**

CAYMAN ISLANDS MONETARY AUTHORITY

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
33,457,652	Sale of goods and services to Cabinet		33,757,000	35,517,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
17,493,422	Sale of goods and services - third party		18,241,725	14,228,084
8,376,479	Interest received		8,688,350	8,129,804
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(30,164,747)	Personnel costs		(41,709,540)	(43,989,467)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(24,982,838)	Supplies and consumables - third party		(16,740,454)	(4,254,553)
(390,648)	Interest paid		(357,682)	(1,180,898)
1,737,560	Other payments		646,478	7,224,743
5,526,880	**Net cash flows from operating activities**	**23**	**2,525,877**	**15,674,713**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(6,165,606)	Purchase of property, plant and equipment		(9,402,925)	(2,200,896)
-	Proceeds from sale of property, plant and equipment		-	-
(3,099,784)	Purchase of investments		12,861,497	(1,790,797)
428,854	Proceeds from sale of investments		360,000	360,000
(8,836,536)	**Net cash flows from investing activities**		**3,818,572**	**(3,631,693)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
(2,425,976)	Borrowings		(2,459,926)	(4,274,148)
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(2,425,976)	**Net cash flows from financing activities**		**(2,459,926)**	**(4,274,148)**
(5,735,632)	**Net increase/(decrease) in cash and cash equivalents**		**3,884,523**	**7,768,872**
140,887,979	Cash and cash equivalents at beginning of period		135,152,347	139,036,870
135,152,347	**Cash and cash equivalents at end of period**		**139,036,870**	**146,805,742**

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	2,328,349	39,767,400	-	-	42,095,749
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	2,328,349	39,767,400	-	-	42,095,749
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	13,699,760	13,699,760
Total recognised revenues and expenses for the period	-	-	-	13,699,760	13,699,760
Balance at 31 December 2022	2,328,349	39,767,400	-	13,699,760	55,795,509
Balance at 31 December 2022 brought forward	2,328,349	39,767,400	-	13,699,760	55,795,509
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	2,328,349	39,767,400	-	13,699,760	55,795,509
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023	-	-	-	1,425,437	1,425,437
Total recognised revenues and expenses for the period	-	-	-	1,425,437	1,425,437
Balance at 31 December 2023 carried forward	2,328,349	39,767,400	-	15,125,197	57,220,946

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	2,328,349	39,767,400	-	15,125,197	57,220,946
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	2,328,349	39,767,400	-	15,125,197	57,220,946
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	493,053	493,053
Total recognised revenues and expenses for the period	-	-	-	493,053	493,053
Balance at 31 December 2024 carried forward	2,328,349	39,767,400	-	15,618,250	57,713,999
Balance at 31 December 2024 brought forward	2,328,349	39,767,400	-	15,618,250	57,713,999
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	2,328,349	39,767,400	-	15,618,250	57,713,999
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	42,926	42,926
Total recognised revenues and expenses for the period	-	-	-	42,926	42,926
Balance at 31 December 2025	2,328,349	39,767,400	-	15,661,176	57,756,925

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
11,507,462	CI$ Account	10,745,510	11,334,634
123,644,885	US$ Account	128,291,360	135,471,108
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
135,152,347	**TOTAL**	**139,036,870**	**146,805,742**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
5,572,000	Sale of goods and services to Cabinet	5,735,000	5,735,000
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
-	Sale of goods and services - third party	-	-
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
5,572,000	**Total trade receivables**	**5,735,000**	**5,735,000**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
5,572,000	Past due 1-30 days	5,735,000	5,735,000
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
5,572,000	**Total**	**5,735,000**	**5,735,000**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
150,000	Interest receivable	150,000	150,000
(1,769)	Other	(1,769)	(1,769)
-	**Less: provision for doubtful debts**	-	-
148,231	**Total other receivables**	**148,231**	**148,231**

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
148,231	Past due 1-30 days	148,231	148,231
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
148,231	**Total**	**148,231**	**148,231**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
2,664,277	Inventory Other	6,619,624	6,380,538
-	Impairment of Inventory	-	-
2,664,277	**INVENTORIES - Current**	**6,619,624**	**6,380,538**
-	Non-Current Inventories	-	-
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
2,664,277	**TOTAL INVENTORIES**	**6,619,624**	**6,380,538**

CAYMAN ISLANDS MONETARY AUTHORITY

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NOTE 4: INVESTMENTS

12-Month Forecast 2023	Investments - at the lower of cost or market value	12-Month Budget 2024	12-Month Budget 2025
	Current Investments		
19,594,459	Short-term < 1Year	6,363,462	6,540,259
19,594,459	**Investments - Current**	**6,363,462**	**6,540,259**
	Non-Current Investments		
68,267,755	Long term > 1 Year	68,277,255	69,531,255
68,267,755	**Investments -Non-Current**	**68,277,255**	**69,531,255**
87,862,214	**Total Investments**	**74,640,717**	**76,071,514**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
600,000	Prepayments - Monthly expenses	625,000	650,000
-	Prepayments - Other and Deposits	-	-
600,000	**Prepayments - Current**	**625,000**	**650,000**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
600,000	**Total Prepayments**	**625,000**	**650,000**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	4,493,993	1,245,072	1,851,086	450,306	19,500	11,385,045	-	19,445,002
Additions	13,794	-	228,911	5,795	-	638,485	477,421	1,364,406
Disposals and Derecognisation	-	(880)	-	(18,560)	-	-	-	(19,440)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	4,507,787	1,244,192	2,079,997	437,541	19,500	12,023,530	477,421	20,789,968

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	4,507,787	1,244,192	2,079,997	437,541	19,500	12,023,530	477,421	20,789,968
Additions	-	-	199,320	38,333	-	2,396,420	5,823,780	8,457,853
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	357,422	-	-	-	(357,422)	-
Balance as at 31 December 2023	4,507,787	1,244,192	2,636,739	475,874	19,500	14,419,950	5,943,780	29,247,821

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	4,507,787	1,244,192	2,636,739	475,874	19,500	14,419,950	5,943,780	29,247,821
Additions	-	-	894,925	148,000	-	229,262	8,030,000	9,302,187
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	4,507,787	1,244,192	3,531,664	623,874	19,500	14,649,212	13,973,780	38,550,008

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	4,507,787	1,244,192	3,531,664	623,874	19,500	14,649,212	13,973,780	38,550,008
Additions	-	-	1,118,656	123,000	-	30,793,619	546,740	32,582,015
Disposals and Derecognisation	(4,452,885)	(759,459)	(516,323)	(144,389)	-	-	-	(5,873,056)
Revaluation	-	-	-	-	-	-	-	-
Transfers	14,520,520	-	-	-	-	-	(14,520,520)	-
Balance as at 31 December 2025	14,575,421	484,733	4,133,996	602,486	19,500	45,442,831	-	65,258,967

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	834,527	506,971	1,088,371	334,936	8,559	-	-	2,773,364
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2022	1,905,823	221,519	357,038	41,249	3,900	1,794,827	-	4,324,356
Eliminate on Disposal or Derecognisation 2022	-	(880)	-	(18,560)	-	-	-	(19,440)
Balance as at 31 December 2022	2,740,350	727,610	1,445,409	357,625	12,459	1,794,827	-	7,078,280

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	2,740,350	727,610	1,445,409	357,625	12,459	1,794,827	-	7,078,280
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2023	1,060,365	221,519	304,726	30,116	3,900	2,093,038	-	3,713,664
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	3,800,715	949,129	1,750,135	387,741	16,359	3,887,865	-	10,791,944

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	3,800,715	949,129	1,750,135	387,741	16,359	3,887,865	-	10,791,944
Transfers	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-
Depreciation Expense 2024	706,520	176,105	357,781	42,170	3,141	2,037,185	-	3,322,902
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	4,507,234	1,125,234	2,107,916	429,912	19,500	5,925,050	-	14,114,846

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	4,507,234	1,125,234	2,107,916	429,912	19,500	5,925,050	-	14,114,846
Transfers	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-
Depreciation Expense 2025	847,915	79,007	525,428	71,782	-	4,095,426	-	5,619,558
Eliminate on Disposal or Derecognisation 2025	(4,452,885)	(759,459)	(516,323)	(144,389)	-	-	-	(5,873,056)
Balance as at 31 December 2025	902,265	444,782	2,117,020	357,305	19,500	10,020,476	-	13,861,348

Net Book value 31 December 2022	1,767,437	516,582	634,588	79,916	7,041	10,228,703	477,421	13,711,688

Net Book value 31 December 2023	707,072	295,063	886,604	88,133	3,141	10,532,085	5,943,780	18,455,877

Net Book value 31 December 2024	553	118,958	1,423,748	193,963	-	8,724,162	13,973,780	24,435,162

Net Book value 31 December 2025	13,673,157	39,951	2,016,976	245,181	-	35,422,355	-	51,397,619

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	5,222,729	22,385	5,245,114
Additions	476,666	109,767	586,433
Disposals and Derecognisation	(14,393)	-	(14,393)
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2022	5,685,002	132,152	5,817,154

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	5,685,002	132,152	5,817,154
Additions	-	104,173	104,173
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	221,248	(221,248)	-
Balance as at 31 December 2023	5,906,250	15,077	5,921,327

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2024	5,906,250	15,077	5,921,327
Additions	330,000	-	330,000
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2024	6,236,250	15,077	6,251,327

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2025	6,236,250	15,077	6,251,327
Additions	412,500	-	412,500
Disposals and Derecognisation	(504,727)	-	(504,727)
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2025	6,144,023	15,077	6,159,100

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	3,696,813	-	3,696,813
Transfers	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-
Depreciation Expense 2022	376,805	-	376,805
Eliminate on Disposal or Derecognisation	(14,393)	-	(14,393)
Balance as at 31 December 2022	4,059,225	-	4,059,225

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	4,059,225	-	4,059,225
Transfers	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-
Depreciation Expense 2023	429,087	-	429,087
Eliminate on Disposal or Derecognisation	-	-	-
Balance as at 31 December 2023	4,488,312	-	4,488,312

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2024	4,488,312	-	4,488,312
Transfers	-	-	-
Impairment change 2024	-	-	-
Depreciation Expense 2024	474,024	-	474,024
Eliminate on Disposal or Derecognisation	-	-	-
Balance as at 31 December 2024	4,962,336	-	4,962,336

	Computer Software	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2025	4,962,336	-	4,962,336
Transfers	(504,727)	-	(504,727)
Impairment change 2025	-	-	-
Depreciation Expense 2025	516,967	-	516,967
Eliminate on Disposal or Derecognisation	-	-	-
Balance as at 31 December 2025	4,974,576	-	4,974,576

Net Book value 31 December 2022	1,625,777	132,152	1,757,929
Net Book value 31 December 2023	1,417,938	15,077	1,433,015
Net Book value 31 December 2024	1,273,914	15,077	1,288,991
Net Book value 31 December 2025	1,169,447	15,077	1,184,524

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
75,000	Creditors Third party	75,000	75,000
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
1,997,391	Operating Lease	1,975,786	3,205,908
-	Accrued Expenses	-	-
(689)	Other payables	(689)	(689)
-	Dividends/Surplus Payable	-	-
2,071,702	**Trade payables other payables and accruals - Current**	**2,050,097**	**3,280,219**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
8,788,444	Operating Lease	6,937,070	33,407,321
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
8,788,444	**Trade payables other payables and accruals - Non-Current**	**6,937,070**	**33,407,321**
10,860,146	**Total trade payables other payables and accruals**	**8,987,167**	**36,687,540**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
4,508,254	DRL Fees	4,553,337	4,598,870
-	Transaction Fees	-	-
4,508,254	**Total current portion**	**4,553,337**	**4,598,870**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
4,508,254	**Total Unearned Revenue**	**4,553,337**	**4,598,870**

CAYMAN ISLANDS MONETARY AUTHORITY
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NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
2,618,000	Value of pension fund allocated asstes	2,268,000	2,168,000
-	Past service liability	-	-
2,618,000	**Fund (deficiency)/Surplus**	**2,268,000**	**2,168,000**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(9,062,000)	Retirement Healthcare Liability	(10,042,000)	(10,772,000)
(9,062,000)	**Total Unfunded Health Care Liability**	**(10,042,000)**	**(10,772,000)**

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
18,791,311	Other Goods & Services Revenue	18,941,725	19,178,736
33,457,652	Sale of goods and services to Cabinet	33,757,000	35,517,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
52,248,963	**Total sales of goods and services**	**52,698,725**	**54,695,736**

NOTE 15A: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
10,357,837	Director Registration fees	10,539,135	10,680,456
7,123,318	CIMA Transaction Fees	7,202,590	7,298,280
1,297,890	Commission	1,200,000	1,200,000
12,266	Other Income	-	-
18,791,311	**Total Other Goods & Services Revenue**	**18,941,725**	**19,178,736**
	Sales of Outputs to Cabinet		
33,457,652	Sales of Outputs to Cabinet	33,757,000	35,517,000
-	Other Outputs	-	-
33,457,652	**Total Sales of Outputs to Cabinet**	**33,757,000**	**35,517,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
52,248,963	**Total Goods and Services**	**52,698,725**	**54,695,736**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Interest on deposits	-	-
-	Interest on cash balances	-	-
-	Royalties	-	-
7,078,589	Other - Investment Income	7,488,350	6,929,804
-	Other - Realised Gain on Investments	-	-
7,078,589	**Total Investment revenue**	**7,488,350**	**6,929,804**

CAYMAN ISLANDS MONETARY AUTHORITY

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NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
25,785,385	Salaries, wages and allowances	35,007,931	36,719,062
-	Health care CINICO	-	-
2,663,436	Health care other	4,390,611	4,853,133
1,715,926	Pension	2,310,998	2,417,272
-	Leave	-	-
1,332,850	Other personnel related costs	1,355,540	858,315
31,497,597	**Total Personnel Costs**	**43,065,080**	**44,847,782**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
3,351,677	Supplies and Materials	3,730,765	3,851,389
16,450,101	Purchase of services	5,207,345	3,372,988
596,742	Lease of Property and Equipment	578,816	1,395,355
643,154	Utilities	673,350	854,748
188,168	General Insurance	218,947	395,167
-	Interdepartmental expenses	-	-
250,000	Travel and Subsistence	574,750	495,400
391,580	Recruitment and Training	529,157	426,087
249,999	Other	358,735	347,023
22,121,422	**Total Supplies & consumables**	**11,871,866**	**11,138,157**

NOTE 22: OTHER GAINS/ (LOSSES)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
140,345	Net (gain) / loss on derecognition and revaluation of assets	960,150	(539,850)
-	Net (gain) / loss on foreign exchange Transactions	-	-
140,345	**Total gains/ (losses)**	**960,150**	**(539,850)**

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,425,437	**Surplus/(deficit) from ordinary activities**	493,053	42,926
	Non-cash movements		
4,142,751	Depreciation & Amortisation	3,796,926	6,136,525
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
140,345	(Gain) / loss on derecognition and revaluation of assets	960,150	(539,850)
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
536,300	(Increase)/decrease in other current assets - Other	(3,415,813)	2,764,835
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(717,952)	(Increase/(decrease) in current liabilities - Other	691,561	7,270,276
5,526,881	**Net cash flows from operating activities**	**2,525,877**	**15,674,712**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
4,328	Salaries & other short-term employee benefits	4,880	4,923
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
4,328	**Total**	**4,880**	**4,923**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Insurance Company Ltd. (CINICO) have agreed the Cayman Islands National Insurance Company Ltd. will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which CINICO is to operate during the period.

GENERAL NATURE OF ACTIVITIES

Incorporated by the Cayman Islands Government (CIG) on December 18, 2003 and granted a Class "A" Insurance Licence on February 1, 2004, CINICO is a wholly owned subsidiary of CIG.

CINICO provides CIG with a management infrastructure (with its own Board of Directors and committees of the Board), management team, and service providers that are experienced in managing the risks related to health insurance plans. As a separate insurance underwriting business, the Company is regulated by the Cayman Islands Monetary Authority ("CIMA"), audited by internal Government auditors, the Office of the Auditor General (OAG) and an external auditor.

As a Class "A" Insurance Company, CINICO is required by CIMA to maintain a minimum capital requirement ("MCR") and prescribed capital requirement ("PCR") in accordance with "The Insurance (Capital and Solvency) (Class A Insurers Regulations, 2012)".

CINICO's insurance offerings are classified under Health Insurance and Property and Casualty. CINICO also administers health benefits on behalf of the Ministry of Health (MOH), on an Administrative Services Only (ASO) basis.

SCOPE OF ACTIVITIES

The "delivery model" presented in this section represents the activities and outputs that CINICO delivers to fulfil its mandated responsibilities, the inputs that are used to deliver these activities and produce these outputs and the desired impacts or outcomes to which CINICO contributes with these outputs.

This delivery model is comprised of the following elements:

- **Inputs** represent the resources and outputs from other parties that are consumed by our activities.
- **Activities** describe collections of actions and services that we deliver under our mandate.
- **Outputs** are the products or services generated by our activities.
- **Direct outcomes** are the first level of outcomes or impacts– those over which we have the most direct influence with our outputs.
- **Intermediate outcomes** comprise the second level of outcomes – those over which we have less influence with our outputs and where the influence may be shared with our stakeholders.
- **Ultimate outcomes** are the highest-level outcomes that can be attributed to our outputs and are subject to many influences beyond those of CINICO.

Through its delivery model, CINICO offers health insurance products in the following categories:

Group 30100

The largest area of CINICO programming is health insurance coverage for civil servants and pensioners, and their designated dependants. CIG is financially responsible for 100% of the associated costs of most services, and funds this coverage through monthly premium payments to CINICO. A number of Statutory Authorities and Government Companies (SAGCs) also subscribe to this plan.

Group 30101

This health plan is administered on behalf of the Ministry of Finance (MOF), and provides health insurance coverage for Seafarers, Veterans, and their respective dependents. Eligibility for this plan is determined by The Veterans and Seaman Society of Cayman Brac and Little Cayman and The Cayman Islands Veterans Association, with the MOF responsible for approving coverage.

Group 31304

The Health Insurance Act (Revision 2013) mandates that all Class 'A' Health Insurers provide, as a minimum, the Standard Health Insurance Contract (SHIC) to all residents of the Cayman Islands. CINICO offers subscription to its SHIC plans year-round. There are two categories of SHIC Plans: a) Silver – available to residents to 60 years of age and over, and b) available to any resident between18 and 59 years of age as an individual, couple or family subscription. Children under the age of 18 can also be added to individual or couple coverage. Children over the age of 18 and under 30, can also be added to a policy as a "dependent offspring" subject to the Health Insurance Act.

Enhanced SHIC and Retiree Plan

In this budget period, CINICO will introduce an enhanced SHIC plan, to the general public which will provide a cost-effective option to bridge the gap between the limited coverage offered under the SHIC, and the wide coverage offered under more comprehensive policies.

A retiree plan will be introduced approximately six months after the successful launch of enhanced plan. This plan will be similar in scope to the Enhanced SHIC plan.

ASO

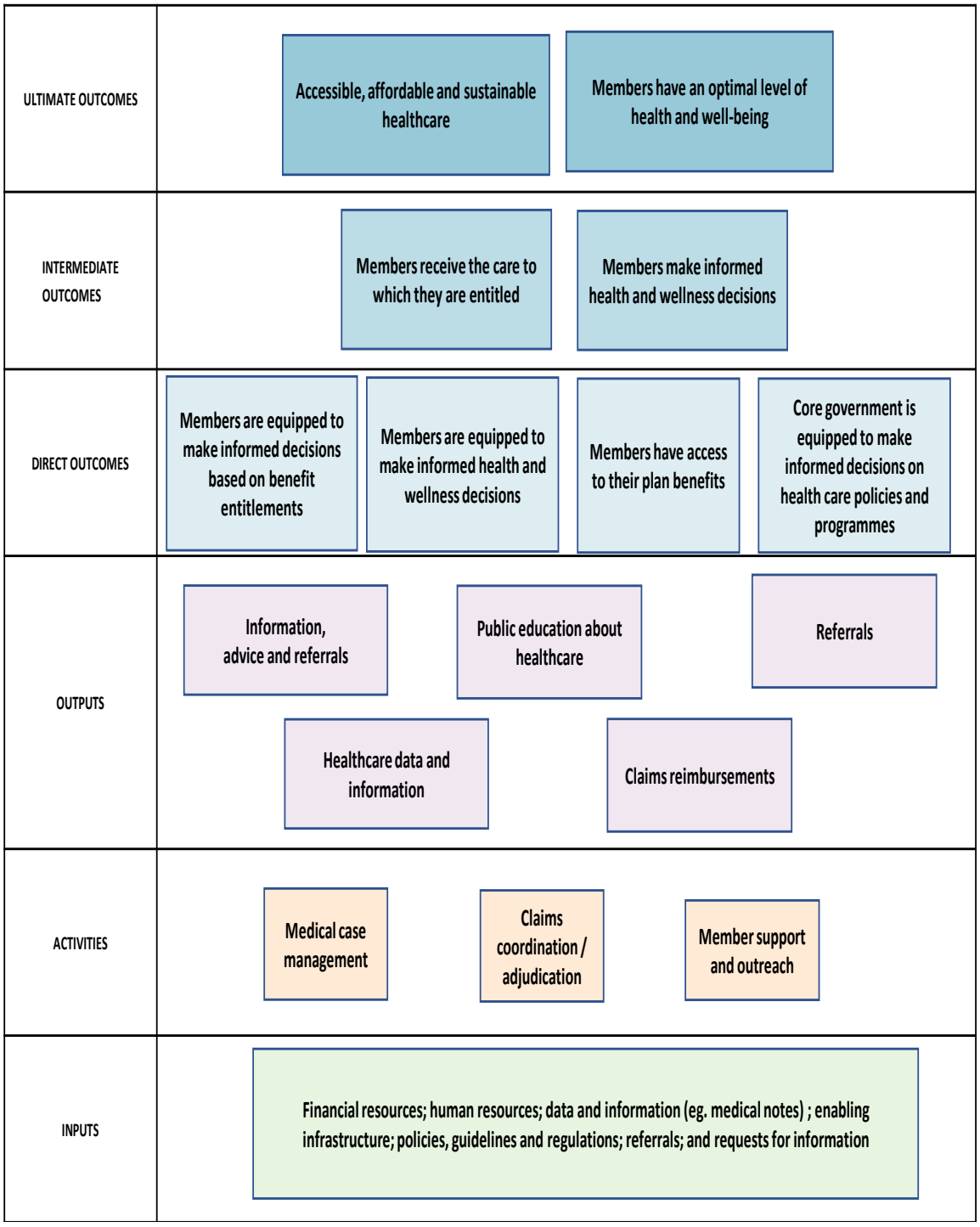
On behalf of the CIG, CINICO also provides administration of health benefits for those deemed indigent through an Administrative Services Only (ASO) arrangement. The ASO arrangement is also provided for Seafarers and Veterans who receive overseas medical care. The Ministry of Health funds the associated costs of this program via the NGS-55 output.

Other

CINICO has a Medical Case Management Unit (MCMU) that is responsible for case management of all CINICO members seeking medical services locally and overseas, ensuring that members are receiving appropriate and timely care, with suitable follow-up periods when necessary.

CINICO's primary network provider is the Cayman Islands Health Services Authority (CIHSA or HSA)..

CINICO Delivery Model



Property and Casualty Insurance:

During the budget period, CINICO will introduce **Residential Insurance** coverage offering protection against the usual perils associated with this type of insurance. At first, we will make the product available to Public Sector Employees.

CINICO will also introduce **Motor Insurance** coverage, mostly private motor insurance during the budget period.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by CINICO are provided to civil servants, pensioners, various SAGCs, seamen and veterans, indigents, advance patients and the general public subscribing to the Standard Health Insurance Contract. The services are provided from offices at the Cayman Centre, George Town, Country Corner Savannah and Stake bay, Cayman Brac.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for CINICO for the 2024 and 2025 financial periods are listed below.

CINICO Expansion

In 2022 Cabinet approved a plan for the expansion of CINICO's operations, as outlined below. CINICO has been working on these initiatives since 2022. Implementation of various initiatives of the expansion plan will be staggered throughout 2023 and 2024.

1. Introduce an open-market product designed to address some of the deficiencies in the coverage available under the Standard Health Insurance Contract (SHIC).
2. Introduce an open-market product similar to 1. above, designed to provide a cost-effective option for retirees who are unable to access affordable private insurance coverage.
3. Introduce Property and Casualty Insurance products in the form of Residential and Motor insurance.

2019 Strategic Plan

In addition to the Expansion plans outlined above, CINICO will continue to pursue the strategic objectives outlined in our 2019 Strategic Plan which are summarized below.

Strategic Goals

In 2019, the company developed a 5-year strategic plan from 2019 to 2024. The Company's strategic goals are as follows:

1. Ensure CINICO's long term sustainability.
2. Deliver an exceptional customer experience enabled by strong stakeholder relations; and
3. Strengthen our strategic and operational foundation for delivery.

OBJECTIVES/PROJECTS

With respect to each strategic goal, the following projects will be completed or commenced in the 2024 and 2025 financial period.

STRATEGIC GOAL #1: ENSURE CINICO's LONG TERM SUSTAINABILITY

During the life of this strategic plan and this two-year budget, we will continue to:

- Maintain adequate reinsurance coverage in line with CINICO's risk appetite.
- Maintain and improve robust client management and claims review.
- Work with key stakeholders to implement cost containment measures.
- Leverage technology to improve efficiency and enhance data security.

Over the next two years we will also plan to engage reputable local/overseas providers, thus achieving value for money.

STRATEGIC GOAL #2: DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE ENABLED BY STRONG STAKEHOLDER RELATIONS

During the life of our strategic plan, therefore, we will continue to:

- Improve the level of customer service to members on all three islands.
- Improve the nature and type of data analytics to stakeholders enabling informed decisions on health care policies and programmes.
- Provide recommendations to CIG on how to lower healthcare costs within their current plans.
- Provide more convenient accessibility to filling prescriptions.

Over the next two years we plan on successfully undertaking the following initiatives:

- Update our eligibility system.
- Further enhance our medical case management capabilities, including but not limited to wellness initiatives that would focus on better lifestyle choices and achieving better health.

STRATEGIC GOAL #3: STRENGTHEN OUR STRATEGIC AND OPERATIONAL FOUNDATION FOR DELIVERY

During the life of this strategic plan, therefore, we will continue to:

- Update our policies and procedures to ensure they provide our staff with a clear understanding of how we are managing for results; and
- Carry out extensive staff training and include cross-training of staff for more effective use of our personnel and to ensure that there is a robust succession plan for key positions in the Company.

During the life of the strategic plan, we will undertake the following initiatives:

- Develop and implement risk management and performance measurement policies and frameworks.
- Review the process to ensure the accuracy and timeliness of member data

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Insurance Company Ltd. for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	58,932	63,033	56,184
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	81,825	87,628	79,008
REVENUE FROM OTHERS	8,929	15,374	2,955
OPERATING EXPENSES	148,863	163,339	136,445
OPERATING SURPLUS/DEFICIT	**823**	**2,696**	**1,702**
NET WORTH	**43,952**	**46,648**	**43,129**
CASH FLOWS FROM OPERATING ACTIVITIES	412	(1,251)	4,114
CASH FLOWS FROM INVESTING ACTIVITIES	(6,255)	(1,245)	(5,332)
CASH FLOWS FROM FINANCING ACTIVITIES	3,527	(276)	(332)
CHANGE IN CASH BALANCES	(2,316)	(2,772)	(1,550)

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	240%	275%	291%
TOTAL ASSETS: TOTAL LIABILITIES	262%	295%	299%

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	65	70	62
STAFF TURNOVER (%)			
SENIOR MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
ADMINISTRATIVE STAFF	-	-	11%

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	71,147	70,513	64,800
ASSET REPLACEMENTS: TOTAL ASSETS	0.3%	0.1%	2.4%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	31.8%	54.1%	48.3%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	274%	625%	22%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
TECHNOLOGY	169	53	637
PHYSICAL INFRASTRUCTURE/OPERATIONAL	16	20	932
RIGHT OF USE ASSETS (IFRS 16)	4,972	244	45

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Claim losses higher than what can be supported by revenues	Increasing risk due to high-cost gene/cell therapy drugs in the pipeline for FDA approval. Improved. Wellness program. Improved. Establish local CINICO direct provider contracts at discounted rates. However open network access may lead to higher utilization. This will be mitigated by precertification requirement.	• Premium rates are actuarially based prior to being approved by Cabinet. • Maintain overseas discounts through UHCG. • CINICO's in-house, Medical Case Management Unit (MCMU). • Monitoring, control and follow-up of local and overseas referrals through Apollo guidelines. • Review of medical necessity. • Reinsurance arrangement in place to limit the Company's risk to large claims (30100 Group only). • Weekly concurrent review with UHCG of inpatient overseas cases. • Coordination of discharge plan both locally and overseas. • Review of large pharmacy claims • Review of medical benefits. • Gene/ cell therapy – Sensitizing government to the high costs. Encouraging the development of a national policy. • Claim analysis and review of claim trends. • In-house claims adjudication, employing segregation of duties, adjudication limits, random auditing/supervisor reviews, etc. • Internal Audit of processing and controls.	Not quantifiable
Potential issues with leased claims system	Development of additional features to streamline workflows	• Offsite disaster recovery of data. • Robust contracting with vendor supplying system, stipulating. Functions, penalties, etc. • Vendor SOC1 Internal control report – reviewed by CINICO. • 24-hour support. • In-house claims department staffed with experienced claim adjudicators. • Use of a "ticketing" system to report faults. Weekly meetings with vendor.	Not quantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Introduction of new health products. Increased utilization leading to increased claim costs.	New risk	• Monitoring and review of utilization and actuarial adjustment of premium as necessary	Not quantifiable
Property and Casualty – exposure of CINICO's capital to financial losses.	New risk	• Establishment of and compliance with Board approved Reinsurance Procurement Policy which articulates risk appetite and capital exposure limitations. This includes procurement of reinsurance against catastrophes.	Not quantifiable
Financial losses due to adverse claims experience	New with expansion	• Establishment and compliance with strict underwriting procedures.	Not quantifiable
Risk that CINICO's reinsurer will be unable to pay its liabilities	Same as prior year	• Reinsurance reviewed every year. As part of the review creditworthiness is looked at semi-annually. Our current reinsurer has an AM Best rating of A+ and has been stable of the last few years.	Not quantifiable
Non-compliance to CIMA's rules and regulations	Improved. Additional compliance personnel.	• Full compliance team of 3 (1 vacant). • Quarterly Risk and Compliance Committee meetings. • Documented Corporate Governance, and other policies and procedures. • Monthly monitoring compliance with MCR/PCR monthly – quarterly forecasts of capital requirements.	CIMA fines
Risk that government would not honor its liabilities under the ASO agreement (Output NGS 55)	Same as last year	• Creation of an ASO Agreement between CINICO and Government awaiting signoff. • Frequent monitoring of outstanding balance. • Capital Preservation Policy • Work with CIG to ensure Supplementary budget sought.	$6 million to $8 million

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Negative operating cash flow and below CIMA's required capital levels, resulting from shareholder's requirement to discount premium rates below actuary rates, thus depleting capital and exposing Company to liquidity risk	Improved. Premium rates approved from Cabinet are actuarially based and not discounted	• Enforcement of Company's credit and liquidity risk policy. • Continuous follow up on Government outstanding premium.	Not quantifiable
Cybersecurity threat	Increased globally	• Chief Information Officer provides oversight of cybersecurity measures implemented by IT provider. • Mitigate threats alerted by CIG's Chief Information Security Officer. • Robust policies and procedures in accordance with CIMA's Statement of Guidance. • Staff training. • Increase in security posture via software and monitoring.	Not quantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	149,686	166,035	138,147
OPERATING EXPENSES	148,863	163,339	136,445
NET SURPLUS/(DEFICIT)	823	2,696	1,702

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	71,147	70,513	64,800
LIABILITIES	27,195	23,865	21,671
NET WORTH	43,952	46,648	43,129

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	412	(1,251)	4,114
CASH FLOWS FROM INVESTING ACTIVITIES	(6,255)	(1,245)	(5,332)
CASH FLOWS FROM FINANCING ACTIVITIES	3,527	(276)	(332)

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[13]	-	-
REMUNERATION[14] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	1,176	1,183
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	978	985

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8	8
NUMBER OF KEY SENIOR MANAGEMENT (MD)	6	6

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

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

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Insurance Company Ltd. will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Juliana O'Connor-Connolly, MP
Minister for Finance and Economic Development
On behalf of Cabinet



Chairman of the Board
Cayman Islands National Insurance Company

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman Islands National Insurance Company Ltd. for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Cayman Islands National Insurance Company Ltd.

31 December 2023

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CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In 2023, IFRS 17 (Insurance Contracts) comes into effect. In previous years IFRS 4 was used as the reporting basis. For purposes of consolidating with Government, CINICO will use the traditional IFRS 4 basis of reporting. As such the budgeted projections are made using IFRS 4 structure of accounts with minor adjustments. From a financial point of view the main difference in IFRS 17 versus IFRS 4 is that IFRS 17 includes a risk adjustment in the provision for claims incurred (see below section “ultimate liability arising from claims made under insurance contracts”). The risk adjustment is included in the budget figures.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's policies.

Critical accounting estimates and judgements

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The item which may have the most effect on the Company's financial statements is set out below.

The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims.

The provision for claims incurred is an estimate determined by an independent actuary, using actuarial claims projection techniques and includes amounts for all losses reported but not settled and loss adjustment expenses, as well as reserves for losses which have been incurred but not yet reported at the end of the reporting period. The provisions for claims incurred also include a risk adjustment required for IFRS 17. The risk adjustment is an amount that an insurer would pay to remove the uncertainty that future cash flows will exceed the expected value amount. CINICO estimates the risk adjustment using a margin approach of 3% to 5% of provision for claims incurred.

Insurance and reinsurance contracts – classification

Insurance and reinsurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Company defines as significant insurance risk using historical claims data and conducting an actuarial analysis of various reinsurance retention limits, to determine the optimum

Reinsurance retention limit. Under its reinsurance contract, the Company is entitled to any claims in excess of the reinsurance limit which is held or recognized as reinsurance assets.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on policies issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

Insurance/reinsurance assets and liabilities

The Company assesses its insurance/reinsurance assets for impairment on a regular basis, and if there is objective evidence that the insurance/reinsurance asset is impaired, the Company reduces the carrying amount of these assets to their recoverable amounts. The impairment loss is recognised in the statements of income and comprehensive income. Insurance/reinsurance liabilities are recognised when incurred/due.

Claims and provision for claims incurred

Claims paid are recorded based on claims reported to the Company and adjudicated by its third-party administrator. The provision for claims incurred is an estimate determined by an independent actuary, using standard actuarial claims projection techniques and includes amounts for all losses reported but not settled and loss adjustment expenses, as well as reserves for losses which have been incurred but not yet reported at the statement of financial position date. The Company records its estimated liability gross of any amounts recoverable under its own reinsurance. Recoverable amounts, under the reinsurance contract, if any, are estimated and reported separately as assets. The reinsured portion, if any, of reserves for losses is estimated in a manner consistent with the estimation of reserves for losses on the reinsured policies.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and interest-bearing deposits with original maturities of three months or less.

Premiums

Premiums are accounted for on a pro-rata basis over the periods covered by the insurance policy. Premiums for privately insured persons are payable monthly in advance on the first day of the month.

Premiums for Government insured persons are payable monthly. Premiums received in advance are deferred and included in Premiums received in advance in the balance sheet. Reinsurance premiums ceded are similarly recognized on a pro-rata basis based on the contractual premium rate and number of insureds covered under the reinsurance policy.

It is the Company's policy to lapse any policies where the premiums are unpaid for generally around forty-five days after the due date.

Leases

The Company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the asset is determined if the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and has the right to direct use of the asset.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases. The Company recognises a right-of-use asset and the lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Disclosures about fair value of financial instruments

With the exception of balances in respect of insurance contracts, the carrying amounts of all financial instruments approximate their fair values due to their short-term maturities.

Depreciation

Fixed assets are carried at cost less depreciation and impairment. Depreciation is calculated on a straight-line basis over their expected useful lives of these assets. The following depreciation rates have been estimated by management to approximate the expected useful life of each class of assets:

Office Equipment	5 years
Computer and Telecommunications Equipment	3 years
Leasehold Improvements	Over the term of the lease
System Development Costs	3 to 5 years

The assets' useful lives are reviewed at each balance sheet date and adjusted where appropriate.

Income taxes

There is presently no taxation imposed on the Company by the Government of the Cayman Islands. As a result, no tax liability or expense has been recorded in the accompanying financial statements.

Administrative Services Only Fees

Administrative Services Only Fees ("ASO") are recognised as earned on a per month basis and recognized in full each month.

Investment and other income

Investment and other income are accrued as earned.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Cayman Islands dollars, which is the Company's presentation and functional currency.

Revenue and expense transactions denominated in currencies other than the Cayman Islands dollar have been translated using exchange rates ruling at the dates of those transactions. Assets and liabilities denominated in currencies other than the Cayman Islands dollar have been translated using year-end foreign exchange rates. Gains or losses on translation of foreign currency transactions are included in general and administrative expenses.

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
54,400,413	Cash and cash equivalents	1	53,183,672	51,339,743
	Marketable securities and deposits			
569,570	Trade receivables	2	4,088,333	5,917,018
7,911,362	Other receivables	2	7,950,679	8,134,702
-	Inventories	3	-	-
-	Investments	4	-	-
159,838	Prepayments	5	151,071	145,923
-	Loans	6	-	-
63,041,183	**Total Current Assets**		**65,373,755**	**65,537,386**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
1,305,994	Property, plant and equipment	7	5,324,999	4,658,421
452,479	Intangible Assets	8	448,154	317,496
1,758,473	**Total Non-Current Assets**		**5,773,153**	**4,975,917**
64,799,656	**Total Assets**		**71,146,908**	**70,513,303**
	Current Liabilities			
-	Trade payables	9	-	-
21,155,655	Other payables and accruals	9	22,570,027	19,669,659
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
360,000	Unearned revenue	10	942,500	788,750
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
21,515,655	**Total Current Liabilities**		**23,512,527**	**20,458,409**
	Non-Current Liabilities			
-	Trade payables	9	-	-
154,928	Other payables and accruals	9	3,682,741	3,407,061
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
	Currency Issued			
-	Long Term portion of Borrowings	12	-	-
154,928	**Total Non-Current Liabilities**		**3,682,741**	**3,407,061**
21,670,583	**Total Liabilities**		**27,195,268**	**23,865,470**
43,129,073	**Net Assets**		**43,951,640**	**46,647,833**
	NET WORTH			
46,073,251	Contributed capital		46,073,251	46,073,251
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(2,944,178)	Accumulated surpluses/(deficits)		(2,121,610)	574,581
43,129,073	**Total Net Worth**		**43,951,641**	**46,647,832**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
137,382,500	Sale of goods and services	15	148,574,326	165,095,052
752,500	Investment revenue	16	1,099,000	928,000
-	Donations	17	-	-
12,000	Other revenue		12,000	12,000
138,147,000	**Total Revenue**		**149,685,326**	**166,035,052**
	Expenses			
6,074,031	Personnel costs	18	7,110,467	7,652,617
2,624,794	Supplies and consumables	19	3,084,211	3,040,603
661,006	Depreciation and Amortisation	7	1,141,694	1,114,704
	Impairment of Inventory,property, plant and equipment			
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
-	Other (Gains)/losses	22	-	-
127,085,609	Other Operating expenses		137,526,386	151,530,937
136,445,440	**Total Expenses**		**148,862,758**	**163,338,861**
1,701,560	**Surplus or (Deficit) for the period**		**822,568**	**2,696,191**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Notes	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
56,184,357	Sale of goods and services to Cabinet		58,931,813	63,032,794
74,683,312	Sale of goods and services to Ministries/Portfolios		73,693,692	80,998,022
4,324,743	Sale of goods and services to Statutory Agencies and Government Conpanies		4,463,952	4,801,051
2,190,087	Sale of goods and services - third party		6,767,572	13,870,166
752,500	Interest received		1,099,000	928,000
	Donations / Grants			
12,000	Other receipts		-	
	Payments			
(6,074,031)	Personnel costs		(7,110,467)	(7,652,617)
	Supplies and consumables - Ministries/Portfolios			
	Supplies and consumables - Statutory Agencies and Government Conpanies			
(1,624,795)	Supplies and consumables - third party		(1,301,728)	(2,606,891)
	Interest paid			
(126,334,241)	Other payments		(136,132,014)	(154,621,305)
4,113,932	**Net cash flows from operating activities**	23	**411,820**	**(1,250,780)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(1,569,415)	Purchase of property, plant and equipment		(5,156,374)	(317,468)
	Proceeds from sale of property, plant and equipment			
(3,762,727)	Purchase of investments		(1,099,000)	(928,000)
	Proceeds from sale of investments			
(5,332,142)	**Net cash flows from investing activities**		**(6,255,374)**	**(1,245,468)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet			
	Repayment of Surplus/Dividends or Capital withdrawal			
	Borrowings			
(331,613)	Repayment of Borrowings		3,527,813	(275,680)
	Currency Issues			
(331,613)	**Net cash flows from financing activities**		**3,527,813**	**(275,680)**
(1,549,823)	**Net increase/(decrease) in cash and cash equivalents**		**(2,315,741)**	**(2,771,928)**
33,597,736	Cash and cash equivalents at beginning of period		32,047,913	29,732,172
32,047,913	**Cash and cash equivalents at end of period**		**29,732,172**	**26,960,244**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Accumulated Surplus/ (deficits)
Balance at 31 December 2021 brought forward	40,723,251	(14,998,701)
Prior Year Adjustments		
Restated balance 31 December 2021	40,723,251	(14,998,701)
Changes in net worth for 2022		
Equity Investment from Cabinet	5,350,000	
Net revenue / expenses recognised directly in net worth	5,350,000	-
Surplus/(deficit)for the period 2022		10,997,691
Total recognised revenues and expenses for the period	5,350,000	10,997,691
Balance at 31 December 2022	46,073,251	(4,001,010)
Balance at 31 December 2022 brought forward	46,073,251	(4,001,010)
Prior Year Adjustments		
Changes in accounting policy		(644,728)
Restated balance 31 December 2022	46,073,251	(4,645,738)
Net revenue / expenses recognised directly in net worth	-	-
Surplus/(deficit)for the period 2023		1,701,560
Total recognised revenues and expenses for the period	-	1,701,560
Balance at 31 December 2023 carried forward	46,073,251	(2,944,178)

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Accumulated Surplus/ (deficits)
Balance at 31 December 2023 brought forward	46,073,251	(2,944,178)
Prior Year Adjustments		
Restated balance 31 December 2023	46,073,251	(2,944,178)
Net revenue / expenses recognised directly in net worth	-	-
Surplus/(deficit)for the period 2024		822,568
Total recognised revenues and expenses for the period	-	822,568
Balance at 31 December 2024 carried forward	46,073,251	(2,121,610)
Balance at 31 December 2024 brought forward	46,073,251	(2,121,610)
Prior Year Adjustments		
Restated balance 31 December 2024	46,073,251	(2,121,610)
Net revenue / expenses recognised directly in net worth	-	-
Surplus/(deficit)for the period 2025		2,696,191
Total recognised revenues and expenses for the period	-	2,696,191
Balance at 31 December 2025	46,073,251	574,581

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description change as applicable	12-Month Budget 2024	12-Month Budget 2025
500	Cash on hand	500	500
	Cash in transit		
26,697,413	CI$ Account	23,381,672	20,509,743
5,100,000	US$ Account	6,100,000	6,200,000
	Bank Overdraft		
350,000	Payroll Current Account	350,000	350,000
	Bank Accounts held at other financial institutions		
22,252,500	Short-Term Fixed Deposits	23,351,500	24,279,500
54,400,413	**TOTAL**	**53,183,672**	**51,339,743**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Receivables	12-Month Budget 2024	12-Month Budget 2025
	Sale of goods and services to Cabinet	-	
376,237	Sale of goods and services to Ministries/Portfolios	2,799,800	4,044,148
5,000	Sale of goods and services to Statutory Agencies and Government Conpanies	50,000	70,000
203,333	Sale of goods and services - third party	1,258,533	1,822,870
	Other		
(15,000)	**Less: provision for doubtful debts**	(20,000)	(20,000)
569,570	**Total trade receivables**	**4,088,333**	**5,917,018**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Trade Receivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
421,866	Past due 1-30 days	2,961,310	4,297,149
147,704	Past due 31-60 days	1,127,023	1,619,869
	Past due 61-90 days		
	Past due 90 and above		
	Non-Current		
	Past due 1 year and above		
569,570	**Total**	**4,088,333**	**5,917,018**

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
	Advances (salary, Official Travel, etc)		
	Dishonoured cheques		
100,000	Interest receivable	100,000	100,000
7,811,362	Other	7,850,679	8,034,702
	Less: provision for doubtful debts		
7,911,362	**Total other receivables**	**7,950,679**	**8,134,702**

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
4,200,000	Past due 1-30 days	4,200,000	4,200,000
3,711,362	Past due 31-60 days	3,750,679	3,934,702
	Past due 61-90 days		
	Past due 90 and above		
	Non-Current		
	Past due 1 year and above		
7,911,362	**Total**	**7,950,679**	**8,134,702**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
75,000	CIMA Fees	75,000	75,000
35,000	**Work Permit**	35,000	30,000
5,000	Prepaid Rent/Other	-	-
44,838	Other/software	41,071	40,923
159,838	**Prepayments - Current**	**151,071**	**145,923**
159,838	**Total Prepayments**	**151,071**	**145,923**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022		1,105,546	691,601	688,998	298,897		2,785,042
Additions				66,914	17,889		84,803
Disposals and Derecognisation							-
Revaluation							-
Transfers							-
Balance as at 31 December 2022	-	1,105,546	691,601	755,912	316,786	-	2,869,845

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023		1,105,546	691,601	755,912	316,786		2,869,845
Additions		45,183	650,000	130,140	202,300	80,000	1,107,623
Disposals and Derecognisation							-
Revaluation							-
Transfers							-
Balance as at 31 December 2023	-	1,150,729	1,341,601	886,052	519,086	80,000	3,977,468

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	-	1,150,729	1,341,601	886,052	519,086	80,000	3,977,468
Additions		4,971,582		49,157	15,635		5,036,374
Disposals and Derecognisation							-
Revaluation							-
Transfers							-
Balance as at 31 December 2024	-	6,122,311	1,341,601	935,209	534,721	80,000	9,013,842

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	-	6,122,311	1,341,601	935,209	534,721	80,000	9,013,842
Additions		244,265	-	42,903	20,300		307,468
Disposals and Derecognisation							-
Revaluation							-
Transfers							-
Balance as at 31 December 2025	-	6,366,576	1,341,601	978,112	555,021	80,000	9,321,310

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022		447,170	399,178	596,052	189,665		1,632,065
Transfers							-
Impairment Reserve 2022 (closing balance)							-
Depreciation Expense 2022		249,338	95,051	60,602	29,471		434,462
Eliminate on Disposal or Derecognisation 2022							-
Balance as at 31 December 2022	-	696,508	494,229	656,654	219,136	-	2,066,527

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023		696,508	494,229	656,654	219,136		2,066,527
Transfers							-
Impairment Reserve 2023 (closing balance)							-
Depreciation Expense 2023		314,006	159,715	74,740	48,486	8,000	604,947
Eliminate on Disposal or Derecognisation 2023							-
Balance as at 31 December 2023	-	1,010,514	653,944	731,394	267,622	8,000	2,671,474

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	-	1,010,514	653,944	731,394	267,622	8,000	2,671,474
Transfers							-
Impairment change 2024							-
Depreciation Expense 2024		635,013	208,888	87,946	69,522	16,000	1,017,369
Eliminate on Disposal or Derecognisation 2024							-
Balance as at 31 December 2024	0	1,645,527	862,832	819,340	337,144	24,000	3,688,843

	Plant and equipment	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	-	1,645,527	862,832	819,340	337,144	24,000	3,688,843
Transfers							-
Impairment change 2025							-
Depreciation Expense 2025		657,158	153,769	76,751	70,368	16,000	974,046
Eliminate on Disposal or Derecognisation 2025							-
Balance as at 31 December 2025	-	2,302,685	1,016,601	896,091	407,512	40,000	4,662,889

Net Book value 31 December 2022	-	409,038	197,372	99,258	97,650	-	803,318
Net Book value 31 December 2023	-	140,215	687,657	154,658	251,464	72,000	1,305,994
Net Book value 31 December 2024	-	4,476,784	478,769	115,869	197,577	56,000	5,324,999
Net Book value 31 December 2025	-	4,063,891	325,000	82,021	147,509	40,000	4,658,421

NOTE 8: INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	1,037,805	1,037,805
Additions		-
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2022	1,037,805	1,037,805

	Computer Software	*Total*
Balance as at 1 January 2023	1,037,805	1,037,805
Additions	506,975	506,975
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2023	1,544,780	1,544,780

	Computer Software	*Total*
Balance as at 1 January 2024	1,544,780	1,544,780
Additions	120,000	120,000
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2024	1,664,780	1,664,780

	Computer Software	*Total*
Balance as at 1 January 2025	1,664,780	1,664,780
Additions	10,000	10,000
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2025	1,674,780	1,674,780

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

	Computer Software	*Total*
Balance as at 1 January 2022	1,021,826	1,021,826
Transfers		-
Impairment Reserve 2022 (closing balance)		-
Depreciation Expense 2022	14,416	14,416
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2022	1,036,242	1,036,242

	Computer Software	*Total*
Balance as at 1 January 2023	1,036,242	1,036,242
Transfers		-
Impairment Reserve 2023 (closing balance)		-
Depreciation Expense 2023	56,059	56,059
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2023	1,092,301	1,092,301

	Computer Software	*Total*
Balance as at 1 January 2024	1,092,301	1,092,301
Transfers		-
Impairment change 2024		-
Depreciation Expense 2024	124,325	124,325
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2024	1,216,626	1,216,626

	Computer Software	*Total*
Balance as at 1 January 2025	1,216,626	1,216,626
Transfers		-
Impairment change 2025		-
Depreciation Expense 2025	140,658	140,658
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2025	1,357,284	1,357,284

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Net Book value 31 December 2022	1,563	1,563
Net Book value 31 December 2023	452,479	452,479
Net Book value 31 December 2024	448,154	448,154
Net Book value 31 December 2025	317,496	317,496

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
680,000	Accrued Expenses	590,000	770,000
20,475,655	Other payables	21,980,027	18,899,659
	Dividends/Surplus Payable		
21,155,655	**Trade payables other payables and accruals - Current**	**22,570,027**	**19,669,659**
	Non-Current Trade payables other payables and accruals		
154,928	Other payables	3,682,741	3,407,061
	Dividends/Surplus Payable		
154,928	**Trade payables other payables and accruals - Non-Current**	**3,682,741**	**3,407,061**
21,310,583	**Total trade payables other payables and accruals**	**26,252,768**	**23,076,720**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
360,000	Premium	942,500	788,750
360,000	**Total current portion**	**942,500**	**788,750**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
360,000	**Total Unearned Revenue**	**942,500**	**788,750**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
2,190,087	Other Goods & Services Revenue	7,817,773	14,434,502
56,184,358	Sale of goods and services to Cabinet	58,931,812	63,032,793
79,008,055	Sale of goods and services to Other Ministries and Portfolios	81,824,741	87,627,757
137,382,500	**Total sales of goods and services**	**148,574,326**	**165,095,052**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
4,169,673	SHIC premium/SHIC enhanced (net of brokerage)	9,565,087	15,058,560
(2,288,418)	Reinsurance Premium (Offset with Gross premium)	(4,923,814)	(6,569,816)
64,032	Seafarer and Veterans self Pay	72,000	59,508
4,800	Commissione fees	462,000	1,065,000
240,000	P&C Revenue and UPR	2,642,500	4,821,250
2,190,087	**Total Other Goods & Services Revenue**	**7,817,773**	**14,434,502**
	Sales of Outputs to Cabinet		
56,184,358	Sales of Outputs to Cabinet	58,931,812	63,032,793
	Other Outputs		
56,184,358	**Total Sales of Outputs to Cabinet**	**58,931,812**	**63,032,793**
	Other Interdepartmental Revenue		
74,683,312	Revenue from Ministries/Portfolios	77,360,789	82,826,706
4,324,743	Revenue from Statutory Authorities and Government Compa	4,463,952	4,801,051
79,008,055	**Total Other Interdepartmental Revenue**	**81,824,741**	**87,627,757**
137,382,500	**Total Goods and Services**	**148,574,326**	**165,095,052**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
752,500	Interest on deposits	1,099,000	928,000
	Interest on cash balances		
	Royalties		
	Other		
	Other		
752,500	**Total Investment revenue**	**1,099,000**	**928,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
4,414,026	Salaries, wages and allowances	5,076,771	5,436,383
910,575	Health care CINICO	1,142,856	1,306,968
	Health care other		
547,339	Pension	629,520	674,112
	Leave		
202,091	Other personnel related costs	261,320	235,154
6,074,031	**Total Personnel Costs**	**7,110,467**	**7,652,617**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
65,000	Supplies and Materials	68,000	68,000
733,723	Purchase of services	730,700	717,800
19,665	Lease of Property and Equipment	118,361	89,796
81,180	Utilities	92,765	131,094
19,050	General Insurance	20,400	20,400
	Interdepartmental expenses		
35,000	Travel and Subsistence	50,000	50,000
90,000	Recruitment and Training	90,000	100,000
1,581,176	Other	1,913,985	1,863,513
2,624,794	**Total Supplies & consumables**	**3,084,211**	**3,040,603**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,701,560	**Surplus/(deficit) from ordinary activities**	822,568	2,696,191
	Non-cash movements		
661,006	Depreciation & Amortisation	1,141,694	1,114,704
(395,424)	(Increase)/decrease in other current assets - Ministries Portfolios	(3,518,763)	(1,828,685)
3,900,100	(Increase)/decrease in other current assets - Other	(30,550)	(178,875)
	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies		
	(Increase/(decrease) in current liabilities - Ministries Portfolios		
(1,753,309)	(Increase/(decrease) in current liabilities - Other	1,996,871	(3,054,116)
4,113,933	**Net cash flows from operating activities**	**411,820**	**(1,250,781)**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
971,928	Salaries & other short-term employee benefits	978,216	984,624
	Past employee benefits		
108,466	Other long-term benefits	108,094	108,094
	Termination benefits		
	Loans		
1,080,394	**Total**	**1,086,310**	**1,092,718**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS NATIONAL MUSEUM

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Museum have agreed the Cayman Islands National Museum will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

The Cayman Islands National Museum was established as a permanent institution committed to the preservation of the tangible and intangible cultural and natural heritage of the Cayman Islands: to collect, care for, conserve, research, interpret and display objects of historical, cultural, environmental, artistic, or scientific value to the Cayman Islands, both terrestrial and underwater, for the benefit of present and future generations.

Through the organisation's dynamic programmes, exhibits, and collections the National Museum is the living connection with the Cayman Islands' past and ensures that future generations value our unique natural and cultural heritage.

SCOPE OF ACTIVITIES

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

- Collection and preservation of material evidence significant to our culture, history and heritage, including:
  - Collection, documentation, and preservation of material; and
  - Protection, scientific research of, and limited (controlled) public access to Museum Collections, and materials of Caymanian Heritage.

- Public access to and educational services from displays, exhibitions, library, publications, research collections and programs of the Cayman Islands National Museum including:
  - Providing museum facilities, exhibitions and displays, and general public access to them.
  - Provision of a land-based Maritime Heritage Trail and Shipwreck Preserves
  - Provision of restaurants, shops and other facilities for the use by the public and in furtherance of the mission and purposes of the Museum
  - Liaising with local and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information

- Services to support the Ministry, Cabinet, and Other Departments:
  - Direct, manage and assist the National Museum in fulfilling its mission and purposes.
  - Support Government's requests for information to further the cultural well-being of the Cayman Islands
  - Assist the Ministry in creating National Culture Policies and plans, and any necessary legislation.
  - Provide reports and other documentation requested by the Ministry, Cabinet, and other Government Departments

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Islands National Museum are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands National Museum for the 2024 and 2025 financial years are as follows:

CINM 1 - COLLECTIONS, CONSERVATION, CURATION AND RESEARCH

1.1 Continue to collect, conserve, protect, research, and manage material evidence of artistic, historic, or scientific significance to the Cayman Islands, both terrestrial and underwater (*Note - The Museum would like to re-establish and revitalize the Museum Conservation Program by employing a Conservator and developing a Conservation Policy and revitalized Conservation Plan).

1.2 As common practice, incorporate on-going research findings on collections, terrestrial and underwater archaeological sites into public exhibitions, programs and publications.

1.3 Liaise with local, regional and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information.

CINM 2 – OPERATIONS, EDUCATION AND EXHIBITS

2.1 Enhance the effectiveness of the Board in support of the vision, mission and goals.

2.2 Align organisational structure in support of vision, mission and core values.

2.3 Acquire a purposed Collections facility (*Note - This is dependent upon Governmental Capital Funding being granted and Museum supplemental fundraising)

2.4 Assess, evaluate and repurpose or dispose of old non-Collections items (e.g. furniture, exhibit panels and props, maintenance equipment) housed at the Museum Support Facility at Pasadora Place.

2.5 Move the Collections to the purposed Collections facility (*Note - This is dependent upon capital funding for acquisition of a purposed facility).

2.6 Provide exhibitions and displays and general public access to them.

2.7 Develop and promote a variety of educational programmes in support of the Museum's mission, vision and goals, e.g. Changing exhibits, Museum tours, Speakers' Series, Traditional arts, Summer camps, Special opportunities for older person and for youth (*Note - The Museum seeks to enhance our educational programme offerings through employing a teaching/ educational staff member/coordinator).

2.8 Re-establish and revitalise the Museum Archaeology Programme by employing a supporting Archaeologist, developing an Archaeology Policy, and updating a National Archaeology Plan (to assist the present Museum Director/Archaeologist).

2.9 Continue to partner with our Maritime Heritage Trail Partners in initiatives of the Cayman Islands Maritime Archaeology Programme (CIMAP): National Archive, National Trust and the Department of Environment on maritime related issues in the protection, research, legislation, and educational programmes and activities relating to the Islands maritime heritage e.g. shipwrecks. Work with all partners to develop a marketing plan that maximises learning and visibility.

2.10 Continue to partner with cultural organisations: Cayman National Cultural Foundation, National Trust, National Archive, National Gallery, and the Cayman Brac Museum to promote The Cayman Islands cultural heritage.

2.11 Assist the Department of Tourism and other related organizations/institutions in marketing the cultural product of the Cayman Islands.

2.12 Coordinate the following special events: Looky Ya! (bi-monthly), International Museum Day (May), Mango Season at the Museum (June/July), Summer Camp (July), VIP Pirates Landing and Parade Event (November), Museum Anniversary (November), Museum Friends and Volunteers Christmas Appreciation Party and Kitchen Dance (December), and any other national events requiring the Museum's involvement.

2.13 Continue to assist the Sister Islands and the districts in Grand Cayman with Museum related issues and activities as needed.

2.14 Provide a cafe, a gift shop, and other facilities to include a Museum Library (reference and research books and digital/virtual images of the Collection), Education and Research Centre, and Interpretive Gardens for the benefit and enjoyment of the public, and to enhance income streams for the Museum.

2.15 Maintain an up-to-date Emergency Management Plan that addresses professional standards of protection and security for Museum visitors, staff, collections, building contents, and facilities, and that addresses continuity of business in the event of an emergency or disaster.

2.16 To develop a robust Membership plan and network to ensure appreciation and awareness of the Museum, its mission, vision, and goals, and to provide income to the Museum.

2.17 Regularly update gift shop and visitor services policies.

CINM 3- MINISTRY AND GOVERNMENTAL DEPARTMENT SUPPORT

3.1 Continue to prepare and support Government's requests for information in a timely manner to further the cultural well-being of the Cayman Islands.

3.2 Provide reports and other documents requested by the Ministry on a monthly, quarterly, and annual basis, and as needs arise.

3.3 Assist the Ministry in developing an Implementation Plan to the National Culture and Heritage Policy and Strategic Plan and provide support to any other culture related plans as requested.

3.4 Assist the Ministry and Board in review or development of any necessary legislation.

Seek Cabinet approval for extending the lease for the Old Courts Building to 99 years (current 50- year lease term is 5 June 1990 - 5 June 2040) or vesting the Old Courts Building to the Museum.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Museum for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	892	892	892
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	351	353	255
OPERATING EXPENSES	1,239	1,239	1,101
OPERATING SURPLUS/DEFICIT	**4**	**6**	**46**
NET WORTH	**3,003**	**3,039**	**2,999**
CASH FLOWS FROM OPERATING ACTIVITIES	64	66	102
CASH FLOWS FROM INVESTING ACTIVITIES	(30)	(30)	(1,110)
CASH FLOWS FROM FINANCING ACTIVITIES	30	30	804
CHANGE IN CASH BALANCES	64	66	204

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024**	**2025 1 Jan to 31 Dec 2025**	**2023 12-Month Forecast**
CURRENT ASSETS: CURRENT LIABILITIES	41.11	42.86	39.41
TOTAL ASSETS: TOTAL LIABILITIES	79.40	79.57	79.29

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	8	8	7
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	10	10	10
PROFESSIONAL AND TECHNICAL STAFF	3	3	3
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	3,003	3,039	2,999
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	49%	47%	51%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
20K SQ. FT. MUSEUM, PURPOSED SUPPORT FACILITY: LAND	-	-	-
20K SQ. FT. MUSEUM, PURPOSED SUPPORT FACILITY: CONSTRUCTION	-	-	-
MUSEUM BUILDING ENHANCEMENTS (I.E. ELEVATOR, FIRE SUPPRESSION); RE-ESTABLISH AND ENHANCE NATIONAL HERITAGE TRAIL AND BEGIN ESTABLISHMENT OF SHIPWRECK PRESERVES	30	30	350
TOTAL	**30**	**30**	**350**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
1. Loss or damage to the non-renewable National Collection by:	No	Insurance, new roof, building repairs and maintenance, monitoring system	N.B. see note (k) or accounting policies regarding the Collection
a) Fire	No	Sufficient fire extinguishers that are regularly serviced. Hired security during after-hours events i.e. street dances. Determine the feasibility of installing fire sprinklers in the Museum and any purpose-built facilities.	Replacement or restoration cost of items lost or damaged as a result of the event
b) Hurricane or Severe Storm Due to the close proximity to the water the National Collection is at risk throughout the year	No	Annual hurricane preparedness exercises and updating of the plan and supplies. Removal and/or safe storage of artefacts when a hurricane is approaching. Continuous internal and external building maintenance.	Replacement or restoration cost of items lost or damaged as a result of the event
c) Pest infestation The building's materials and construction increase its vulnerability	No	Regular pest control management	Replacement or restoration cost of items lost or damaged as a result of the event
d) Insurance	No	Basic insurance coverage is in place for the buildings and their contents. Need to review and revise as needed. Seek the expertise of a certified art appraiser to establish the replacement values of the Museum's National Art Collection for insurance purposes.	Financial loss of the replacement value of the Museum's art collection and other measurable items

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
2. Inadequate shelving and storage facilities and inactive conservation programme result in gradual deterioration of the National Collection	No	The collection is in a new rental storage Post Ivan. Plan and build a purpose-built facility to accommodate the current and future needs of the National Collection.	Replacement or restoration cost of items lost or damaged as a result of the event.
3. The Museum needs specialized staff in the areas of conservation, curation, collections management, design, archaeology, business, public relations, programmes and operations.	Yes	One staff member's position was upgraded during the 2021 financial year, based on completion of advanced degree. Staff are continually being encouraged to undertake studies and obtain qualifications. The Museum is working to improve professional staffing of the organisation to create a positive professional environment and to address the specialized needs of the Museum	Inability to professionally manage, research, care for, curate, interpret, and exhibit the Museum's collections - resulting in replacement or restoration cost of items lost.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	1,243	1,245	1,147
OPERATING EXPENSES	1,239	1,239	1,101
NET SURPLUS/(DEFICIT)	4	6	46

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	3,041	3,077	3,037
LIABILITIES	38	38	38
NET WORTH	3,003	3,039	2,999

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	64	66	102
CASH FLOWS FROM INVESTING ACTIVITIES	(30)	(30)	(1,110)
CASH FLOWS FROM FINANCING ACTIVITIES	30	30	804

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL MUSEUM	30	30
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL MUSEUM	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL MUSEUM	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL MUSEUM	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL MUSEUM	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[15]	-	-
REMUNERATION[16] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	1	1
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2	2

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

[16] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Museum will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Isaac Rankine, MP
Minister for Youth, Sports and Heritage
On behalf of Cabinet



Chairman of the Board
Cayman Islands National Museum

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman Islands National Museum for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Cayman Islands National Museum

31 December 2023

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CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

a) Reporting periods

In compliance with the *Public Management and Finance Act (2020 Revision)*, the current financial statements are prepared for 12 months from 1 January to 31 December.

(b) Basis of preparation

In compliance with the *Public Management and Finance Act (2020 Revision)*, the Museum's financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS").
As outlined in Note 1, the continued existence of the Museum is contingent on the ongoing support from the Government. As Management considers that this support will be ongoing and there are no indications which suggest otherwise, Management considers the preparation of the financial statements under the going concern assumption to be appropriate.
These financial statements are presented in Cayman Islands dollars ("CI$"), which is the Museum's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.
The measurement base applied to these financial statements is the historical cost basis.

(c) Use of estimates
The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements, relate to estimating the useful lives of property, plant and equipment and management's assessment of whether an impairment is required to be recognized in respect of property and equipment (Note 7) and whether an impairment provision is required in respect of inventory (Note 6).

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

Certain new accounting standards have been published. The Museum's assessments of the impact of these new standards are set out below.
IPSAS 41, *Financial Instruments* was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Museum's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, *Social Benefits* was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured.

It is anticipated that IPSAS 42 will not have an impact on the Museum's financial statements, but this will be assessed more fully closer to the effective date of adoption.

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

(e) Cash and cash equivalents
The Museum considers all cash and short-term deposits with a maturity of three months or less to be cash or cash equivalents.

(f) Inventories
Inventories consist of products sold in the Museum gift shop and are valued at the lower cost or net realizable value, using an average cost basis less an allowance for obsolete and slow-moving items.

(g) Property and equipment
Property and equipment are stated at cost less accumulated depreciation and impairment losses.
An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of financial performance.
Depreciation is charged to write-off the cost of the asset over their estimated useful life, using the straight-line method.

Estimated useful lives are as follows:

Computer hardware and software	3-5 years
Furniture, fixtures and equipment	5-8 years
Leasehold improvements	10-25 years
Permanent exhibits	30 years
Vehicles	5 years

Cost comprises the purchase price of an asset and any directly attributable costs of bringing the asset to working condition for its intended use such as import duties, initial delivery and storage cost.
Repairs and maintenance are charged to expenses as incurred.

(h) Income recognition
Income on the sale of goods is recognized in the statement of financial performance at the point of the sale. Rental income, interest and other income are recognized on an accrual basis. Income earned from admissions, membership dues, fundraising, and donations are recorded in the period in which the payment is received.

(i) Government grants
Government grants are recognized and accrued quarterly. Certain grants cover staff costs and related expenditures of the Museum. Grant income and expenditures are recorded gross in the financial statements.

(j) Foreign currency translation
Transactions during the year and assets and liabilities at the statement of financial position dates denominated in United States dollars are translated into Cayman Islands dollars at a fixed rate of US$1.00 = CI$0.80. Gains and losses on foreign currencies, if any, are included in administration and other expenses.

(k) Collections, exhibits and artefacts
Consistent with the practice followed by many museums, collections, exhibits (excluding permanent exhibits) and artefacts purchased and donated are not recorded in the Statement of Financial Position. The costs of all objects purchased are recorded as an expense in the Statement of Financial Performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation of these items.

(l) Contributed services
During the course of the period covered by these financial statements, unpaid volunteers made contributions of their time and resources to support the Museum's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(m) Financial assets and liabilities

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

(ii) Recognition
The Museum recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and liabilities measured at amortised cost are recognised in the Statement of Financial Performance. Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

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

(iv) Offsetting
Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Museum has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis. At December 31 2020 and December 31 2019, there were no assets or liabilities reported on a net basis.

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

(vi) Derecognition
Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Museum has transferred all the risks and rewards of ownership. Financial liability is derecognized when it is discharged, cancelled or expires.

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

(n) Restricted funds
Restricted funds are derived from gifts, grants, and contracts received by the Museum for operating purposes but restricted by donors, grantors, and outside agencies as to the specific purpose for which the funds may be expended. As these funds have traditionally not been reimbursable, and the Museum does not consider there to be a legal or constructive obligation to do so, they form a part of the Museum's equity position as reflected on the Statement of Financial Position. Contributions that are restricted for specific purposes by the donor must be used as intended and cannot fund other activities or general operations without the proper consent of the original donor.

(o) Operating leases
Operating lease payments are recognized as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

(l)Contributed services
During the course of the period covered by these financial statements, unpaid volunteers made contributions of their time and resources to support the Museum's activities. The value of these

Contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(p) Financial assets and liabilities

(i) Classification
A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favorable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

(ii) Recognition
The Museum recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and liabilities measured at amortized cost are recognized in the Statement of Financial Performance.
Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

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

(iv) Offsetting
Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Museum has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis. At December 31, 2020 and December 31, 2019, there were no assets or liabilities reported on a net basis.

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

(vi) Derecognition
Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Museum has transferred all the risks and rewards of ownership. Financial liability is derecognized when it is discharged, cancelled or expires.

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

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(r) Operating leases
Operating lease payments are recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
1,162,986	Cash and cash equivalents	1	1,227,372	1,293,757
-	Marketable securities and deposits		-	-
231,980	Trade receivables	2	231,980	231,980
-	Other receivables	2	-	-
64,325	Inventories	3	64,325	64,325
-	Investments	4	-	-
35,115	Prepayments	5	35,115	35,115
-	Loans	6	-	-
1,494,406	**Total Current Assets**		**1,558,792**	**1,625,177**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
1,512,168	Property, plant and equipment	7	1,482,094	1,452,020
-	Intangible Assets	8	-	-
1,512,168	**Total Non-Current Assets**		**1,482,094**	**1,452,020**
3,006,574	**Total Assets**		**3,040,885**	**3,077,197**
	Current Liabilities			
16,687	Trade payables	9	16,687	16,687
21,232	Other payables and accruals	9	21,232	21,232
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
37,920	**Total Current Liabilities**		**37,920**	**37,920**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
37,920	**Total Liabilities**		**37,920**	**37,920**
2,968,655	**Net Assets**		**3,002,966**	**3,039,277**
	NET WORTH			
2,289,211	Contributed capital		2,319,211	2,349,211
337,081	Other Reserves		337,081	337,081
-	Revaluation reserve		-	-
342,362	Accumulated surpluses/(deficits)		346,674	352,985
2,968,655	**Total Net Worth**		**3,002,966**	**3,039,277**

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
1,128,836	Sale of goods and services	**15**	1,218,046	1,218,046
450	Investment revenue	**16**	450	450
17,871	Donations	**17**	25,000	27,000
-	Other revenue		-	-
1,147,157	**Total Revenue**		**1,243,496**	**1,245,496**
	Expenses			
465,918	Personnel costs	**18**	661,250	661,250
574,503	Supplies and consumables	**19**	517,261	517,261
60,074	Depreciation and Amortisation	**7**	60,074	60,074
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
600	Other (Gains)/losses	**22**	600	600
-	Other Operating expenses		-	-
1,101,095	**Total Expenses**		**1,239,185**	**1,239,185**
46,061	**Surplus or (Deficit) for the period**		**4,311**	**6,311**

CAYMAN ISLANDS NATIONAL MUSEUM

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Notes	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
891,920	Sale of goods and services to Cabinet		891,920	891,920
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
244,161	Sale of goods and services - third party		306,281	306,281
450	Interest received		450	450
17,871	Donations / Grants		25,000	27,000
19,845	Other receipts		19,845	19,845
	Payments			
(465,918)	Personnel costs		(661,250)	(661,250)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(574,503)	Supplies and consumables - third party		(517,861)	(517,861)
-	Interest paid		-	-
(31,448)	Other payments		-	-
102,377	**Net cash flows from operating activities**	**23**	**64,385**	**66,385**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(1,080,224)	Purchase of property, plant and equipment		(30,000)	(30,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(1,080,224)	**Net cash flows from investing activities**		**(30,000)**	**(30,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
804,001	Equity Investment from Cabinet		30,000	30,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
804,001	**Net cash flows from financing activities**		**30,000**	**30,000**
(173,846)	**Net increase/(decrease) in cash and cash equivalents**		**64,385**	**66,385**
1,336,832	Cash and cash equivalents at beginning of period		1,162,987	1,227,372
1,162,987	**Cash and cash equivalents at end of period**		**1,227,372**	**1,293,757**

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	1,213,311	337,272	-	287,482	1,838,065
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	1,213,311	337,272	-	287,482	1,838,065
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	271,900	(191)	-	-	271,709
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	271,900	(191)	-	-	271,709
Surplus/(deficit)for the period 2022	-	-	-	8,819	8,819
Total recognised revenues and expenses for the period	271,900	(191)	-	8,819	280,528
Balance at 31 December 2022	1,485,211	337,081	-	296,301	2,118,593
Balance at 31 December 2022 brought forward	1,485,211	337,081	-	296,301	2,118,593
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	1,485,211	337,081	-	296,301	2,118,593
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	804,000	-	-	-	804,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	804,000	-	-	-	804,000
Surplus/(deficit)for the period 2023	-	-	-	46,061	46,061
Total recognised revenues and expenses for the period	804,000	-	-	46,061	850,061
Balance at 31 December 2023 carried forward	2,289,211	337,081	-	342,362	2,968,655

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	2,289,211	337,081	-	342,362	2,968,655
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	2,289,211	337,081	-	342,362	2,968,655
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	30,000	-	-	-	30,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	30,000	-	-	-	30,000
Surplus/(deficit)for the period 2024	-	-	-	4,311	4,311
Total recognised revenues and expenses for the period	30,000	-	-	4,311	34,311
Balance at 31 December 2024 carried forward	2,319,211	337,081	-	346,674	3,002,966
Balance at 31 December 2024 brought forward	2,319,211	337,081	-	346,674	3,002,966
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	2,319,211	337,081	-	346,674	3,002,966
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	30,000	-	-	-	30,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	30,000	-	-	-	30,000
Surplus/(deficit)for the period 2025	-	-	-	6,311	6,311
Total recognised revenues and expenses for the period	30,000	-	-	6,311	36,311
Balance at 31 December 2025	2,349,211	337,081	-	352,985	3,039,277

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,302	Cash on hand	1,302	1,302
-	Cash in transit	-	-
838,185	CI$ Account	902,570	968,955
45,000	US$ Account	45,000	45,000
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
278,500	Short-Term Fixed Deposits	278,500	278,500
1,162,986	**TOTAL**	**1,227,372**	**1,293,757**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
222,980	Sale of goods and services to Cabinet	222,980	222,980
5,500	Sale of goods and services to Ministries/Portfolios	5,500	5,500
3,000	Sale of goods and services to Statutory Agencies and Government Conpanies	3,000	3,000
500	Sale of goods and services - third party	500	500
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
231,980	**Total trade receivables**	**231,980**	**231,980**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
231,980	Past due 1-30 days	231,980	231,980
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
231,980	**Total**	**231,980**	**231,980**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
65,331	Inventory held for sale	65,331	65,331
-	Inventory Other	-	-
(1,006)	Impairment of Inventory	(1,006)	(1,006)
64,325	**INVENTORIES - Current**	**64,325**	**64,325**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
64,325	**TOTAL INVENTORIES**	**64,325**	**64,325**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
35,115	Prepaid Expenses - CINM	35,115	35,115
35,115	**Prepayments - Current**	**35,115**	**35,115**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
35,115	**Total Prepayments**	**35,115**	**35,115**

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY PLANT AND EQUIPMENT

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	728,643	405,177	228,316	50,200	435,749	-	1,848,085
Additions	-	13,000	768	9,319	-	39,214	-	62,301
Disposals and Derecognisation	-	-	-	-	(24,900)	-	-	(24,900)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	741,643	405,945	237,635	25,300	474,963	-	1,885,486

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	741,643	405,945	237,635	25,300	474,963	-	1,885,486
Additions	-	330,640	6,431	-	-	-	770,373	1,107,444
Disposals and Derecognisation	-	-	-	(9,784)	-	(17,436)	-	(27,220)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	1,072,283	412,376	227,851	25,300	457,528	770,373	2,965,710

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	1,072,283	412,376	227,851	25,300	457,528	770,373	2,965,710
Additions	-	-	-	-	30,000	-	-	30,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	30,000	-	-	13,000	-	-	(43,000)	-
Balance as at 31 December 2024	30,000	1,072,283	412,376	240,851	55,300	457,528	727,373	2,995,710

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	30,000	1,072,283	412,376	240,851	55,300	457,528	727,373	2,995,710
Additions	30,000	-	-	-	-	-	-	30,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	60,000	1,072,283	412,376	240,851	55,300	457,528	727,373	3,025,710

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	525,884	400,864	226,876	42,192	173,683	-	1,369,499
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	25,330	587	2,334	5,055	15,564	-	48,870
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	(24,900)	-	-	(24,900)
Balance as at 31 December 2022	-	551,214	401,451	229,210	22,347	189,247	-	1,393,469

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	551,214	401,451	229,210	22,347	189,247	-	1,393,469
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	37,976	2,000	996	2,952	16,150	-	60,074
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	589,190	403,451	230,206	25,299	205,397	-	1,453,543

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	589,190	403,451	230,206	25,299	205,397	-	1,453,543
Transfers	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	37,976	2,000	996	2,952	16,150	-	60,074
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	627,166	405,451	231,202	28,251	221,547	-	1,513,617

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	627,166	405,451	231,202	28,251	221,547	-	1,513,617
Transfers	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	37,976	2,000	996	2,952	16,150	-	60,074
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	665,142	407,451	232,198	31,202	237,698	-	1,573,691

Net Book value 31 December 2022	-	190,429	4,494	8,425	2,953	285,717	-	492,018

Net Book value 31 December 2023	-	483,093	8,925	(2,355)	1	252,131	770,373	1,512,168

Net Book value 31 December 2024	30,000	445,117	6,925	9,649	27,049	235,980	727,373	1,482,094

Net Book value 31 December 2025	60,000	407,141	4,925	8,653	24,098	219,830	727,373	1,452,020

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
16,687	Creditors Third party	16,687	16,687
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
17,867	Accrued Expenses	17,867	17,867
3,365	Other payables	3,365	3,365
-	Dividends/Surplus Payable	-	-
37,920	**Trade payables other payables and accruals - Current**	**37,920**	**37,920**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
37,920	**Total trade payables other payables and accruals**	**37,920**	**37,920**

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
82,000	Fees and Charges	82,000	82,000
135,071	General Sales	224,281	224,281
19,845	Rentals	19,845	19,845
-	Other Goods & Services Revenue	-	-
891,920	Sale of goods and services to Cabinet	891,920	891,920
-	Sale of goods and services to Other Ministries and Portfolios	-	-
1,128,836	**Total sales of goods and services**	**1,218,046**	**1,218,046**

NOTE 15A: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
70,000	Outputs to others:Admissions	70,000	70,000
12,000	Outputs to others:Membership	12,000	12,000
82,000	**Total Fees & Charges**	**82,000**	**82,000**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
108,071	Outputs to others:Gift shop sales	124,281	124,281
2,000	Outputs to others:Service Sales	2,000	2,000
25,000	Outputs to others:Merchandise Sales	98,000	98,000
135,071	**Total General Sales**	**224,281**	**224,281**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
19,845	Outputs to others:Rental income	19,845	19,845
19,845	**Total Rentals**	**19,845**	**19,845**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	-	-
	Sales of Outputs to Cabinet		
891,920	Sales of Outputs to Cabinet	891,920	891,920
-	Other Outputs	-	-
891,920	**Total Sales of Outputs to Cabinet**	**891,920**	**891,920**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
1,128,836	**Total Goods and Services**	**1,218,046**	**1,218,046**

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Interest on deposits	-	-
450	Interest on cash balances	450	450
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
450	**Total Investment revenue**	**450**	**450**

NOTE 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
11,871	**Outputs to others:Donations**	15,000	15,000
6,000	**Outputs to others:Fundraising**	10,000	12,000
17,871	**Total donations**	**25,000**	**27,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
357,000	Salaries, wages and allowances	522,000	522,000
78,818	Health care CINICO	102,000	102,000
-	Health care other	-	-
17,850	Pension	25,000	25,000
-	Leave	-	-
12,250	Other personnel related costs	12,250	12,250
465,918	**Total Personnel Costs**	**661,250**	**661,250**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
154,931	Supplies and Materials	193,931	193,931
142,367	Purchase of services	164,367	164,367
167,261	Lease of Property and Equipment	49,019	49,019
73,387	Utilities	73,387	73,387
35,000	General Insurance	35,000	35,000
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
1,557	Other	1,557	1,557
574,503	**Total Supplies & consumables**	**517,261**	**517,261**

NOTE 22: OTHER GAINS/ (LOSSES)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
-	Net (gain) / loss on derecognition and revaluation of assets	-	-
600	Net (gain) / loss on foreign exchange Transactions	600	600
600	**Total gains/ (losses)**	**600**	**600**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
46,061	**Surplus/(deficit) from ordinary activities**	4,311	6,311
	Non-cash movements		
60,074	Depreciation & Amortisation	60,074	60,074
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(3,758)	(Increase/(decrease) in current liabilities - Other	-	-
102,377	**Net cash flows from operating activities**	**64,385**	**66,385**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
357,000	Salaries & other short-term employee benefits	357,000	357,000
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
357,000	**Total**	**357,000**	**357,000**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS STOCK EXCHANGE

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Stock Exchange have agreed the Cayman Islands Stock Exchange will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Stock Exchange Ltd activities involve establishing and operating a securities market for the listing and trading of securities in the Cayman Islands.

SCOPE OF ACTIVITIES

The scope of The Cayman Islands Stock Exchange Ltd. activities is as follows:

To operate the Exchange for the trading of securities, including the operation of an electronic trading platform and related trading and clearance tracking processes and the operation of a crossing market.

- To admit persons (brokers) as Exchange members;
- To list securities on the Exchange and to appoint Listing Agents;
- To regulate listed issuers and broker members through the establishment and monitoring of Listing Rules and Membership Rules; and
- To promote listing, membership and use of the Exchange.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Islands Stock Exchange Ltd. are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Stock Exchange for the 2024 and 2025 financial years are as follows:

1. Continue to be financially self-sufficient and not require capital injections or loans from the Cayman Islands Government;

2. Continue to produce an operating profit and continue to pay a dividend to the Cayman Islands Government;

3. Increase the number of issuers of equity securities listed on the Exchange; and

4. Examine potential co-operations and synergies with regional and other offshore exchanges.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Stock Exchange for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	3,813	4,003	3,632
OPERATING EXPENSES	2,320	2,389	2,333
OPERATING SURPLUS/DEFICIT	**1,493**	**1,614**	**1,299**
NET WORTH	**8,336**	**9,951**	**7,589**
CASH FLOWS FROM OPERATING ACTIVITIES	1,600	1,773	1,419
CASH FLOWS FROM INVESTING ACTIVITIES	-	(616)	-
CASH FLOWS FROM FINANCING ACTIVITIES	(802)	(769)	(539)
CHANGE IN CASH BALANCES	799	387	880

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2021 %**	**2025 1 Jan to 31 Dec 2025 %**	**2023 12-Month Forecast %**
CURRENT ASSETS: CURRENT LIABILITIES	8.51:1	20.03:1	7.72:1
TOTAL ASSETS: TOTAL LIABILITIES	3.33:1	4.55:1	3.09:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	7	7	7
STAFF TURNOVER (%)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	11,910	12,756	11,218
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
TECHNOLOGY – EQUIPMENT, SOFTWARE, SECURITY	-	816	-
TOTAL	**-**	**816**	**-**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss of key personnel	Risk unchanged	Creating incentives to retain such personnel	Unquantifiable
Loss of international reputation	Risk unchanged	Active programme to maintain reputation including management of suitability of applications for listing and broker membership, monitoring of ongoing compliance with listing and membership rules and gaining and maintaining international recognitions	Potentially equal to the total assets of the Exchange
Loss of listed issuers	Risk unchanged	Establishment and maintenance of relationships with issuers and listing agents and a programme of diversification into different types of products	Loss of turnover
Inability to obtain international recognitions	Risk unchanged	Active programme to persuade international regulatory bodies to grant recognitions and diversification into different geographical markets	Unquantifiable
Loss of CUSIP agency	Risk unchanged	Programme of diversification into different business activities and growth of the core listing business	Loss of turnover

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	3,813	4,003	3,632
OPERATING EXPENSES	2,320	2,389	2,333
NET SURPLUS/(DEFICIT)	1,493	1,614	1,299

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	11,910	12,756	11,218
LIABILITIES	3,574	2,805	3,629
NET WORTH	8,336	9,951	7,589

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	1,600	1,773	1,419
CASH FLOWS FROM INVESTING ACTIVITIES	-	(616)	-
CASH FLOWS FROM FINANCING ACTIVITIES	(802)	(769)	(540)

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS STOCK EXCHANGE	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS STOCK EXCHANGE	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS STOCK EXCHANGE	749	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS STOCK EXCHANGE	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS STOCK EXCHANGE	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[17]	144	144
REMUNERATION[18] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	823	848
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	823	848

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	6	6
NUMBER OF KEY SENIOR MANAGEMENT (MD)	4	4

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

[18] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Stock Exchange will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP
Minister for Financial Services and Commerce
On behalf of Cabinet



Chairman of the Board
Cayman Islands Stock Exchange

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman Islands Stock Exchange for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands Stock Exchange

31 December 2023

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CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Cash and cash equivalents

The Company considers cash and short-term deposits with an original maturity of three months or less to be cash and cash equivalents.

Translation of foreign currencies

Assets and liabilities denominated, or accounted for, in currencies other than Cayman Islands dollars are translated into Cayman Islands dollars at the applicable exchange rate ruling at the Statement of Financial Position date. Foreign currency income and expense transactions are translated at the appropriate exchange rate ruling at the transaction date. Realised and unrealised gains and losses arising from such transactions are included in the Statement of Comprehensive Income. Cayman Islands dollars is the functional and reporting currency.

Property, plant and equipment recognition and valuation

Property, plant and equipment is initially recognised, at the date on which it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Subsequently, property, plant and equipment shall be carried at its cost less any accumulated depreciation and accumulated impairment losses.

Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated using the straight-line method over their estimated useful lives as follows:

Type of non-current asset	***Estimated useful life***
Leasehold improvements	Remainder of current lease
Computer hardware	3 years
Office furniture and	10 years
Intangible assets	5 years

Leases (IFRS 16)

The Company initially applied IFRS 16 from 1 January 2019. IFRS 16 sets out requirements for companies to recognize right-of-use assets and lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. IFRS 16 introduces a single, on-balance sheet lease accounting model. A lessee recognises a right-of-use asset respecting its right to use the underlying asset and a lease liability respecting its obligation to make lease payments. The right-of-use asset is depreciated over the lease term, being 10 years. Finance charges are incurred over the remainder of the lease payments, which, reduce the lease liability balance. See Note 8.

Financial assets and liabilities

IFRS 9 *Financial Instruments* ("IFRS 9") sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Company initially adopted IFRS 9 from 1 January 2018.

Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value through Profit or Loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Under IFRS 9, the Company classifies its financial assets as Cash, Trade receivables and Other receivables. Trade receivables are held at amortised cost. IFRS 9 divides all financial assets into two classifications - those measured at amortized cost and those measured at fair value. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Cash and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's cash and receivables comprise trade and other receivables, short term deposits and cash and cash equivalents in the balance sheet.

Financial assets are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income.

The Company classifies its financial liabilities as accounts payables and accrued liabilities. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or obligations to the Cayman Islands Government for dividends based on net income and comprehensive income. Accounts payable and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

The “expected credit loss” (“ECL”) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company only has financial assets carried at amortised cost.

Allowance for credit losses

An allowance for credit losses (“ACL”) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Financial assets carried at amortized cost are presented net of ACL on the Statement of Financial Position. The Company measures the ACL on each reporting date according to a three-stage expected credit loss impairment model, with Stages 1 and 2 for performing financial assets, and Stage 3 for impaired financial assets.

Stage 1 – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date.

Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining lifetime of the asset.

Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognised equal to credit losses expected over the remaining lifetime of the asset.

The ECL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon.

Increases or decreases in the required ACL attributable to derecognitions and remeasurements due to changes in loss expectations or stage migrations are recorded in provision for credit losses. Write- off and recoveries are recorded against allowance for credit losses. The ACL represents an unbiased estimate of expected credit losses on financial assets as at the reporting date. Judgement is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward-looking information. The underlying assumptions and estimates could result in changes to the allowances from period to period that significantly affects the results of operations.

The stages don't apply to accounts receivable as lifetime losses are considered within the ECL calculation.

Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected credit losses is based primarily on the product of the instrument's probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") discounted to the reporting date. The main difference between Stage 1 and Stage 2 expected credit losses for performing financial assets is the respective calculation horizon. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

Expected credit losses are discounted to the reporting period date using the effective interest rate.

The Company has adopted a "simplified approach" for trade receivables. The simplified approach, as permitted by IFRS 9, allows entities to recognise lifetime expected losses without the need to identify significant increases in credit risk (see Note 7).

Expected life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgement or estimation are with regard to the recoverability of trade receivables. Trade receivables are considered to be recoverable in full by the Company after taking into consideration the age of the receivable, the financial stability of the debtors, and the post period-end receipts to the date of the report. Otherwise an impairment allowance is recognised against the trade receivable.

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
9,908,212	Cash and cash equivalents	1	10,706,907	11,094,409
-	Marketable securities and deposits		-	-
585,332	Trade receivables	2	585,332	585,332
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
53,264	Prepayments	5	53,264	53,264
-	Loans	6	-	-
10,546,808	**Total Current Assets**		**11,345,503**	**11,733,005**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
397,095	Investments	4	345,486	293,877
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
274,496	Property, plant and equipment	7	219,456	729,501
-	Intangible Assets	8	-	-
671,591	**Total Non-Current Assets**		**564,942**	**1,023,378**
11,218,399	**Total Assets**		**11,910,445**	**12,756,383**
	Current Liabilities			
528,875	Trade payables	9	528,875	528,875
56,808	Other payables and accruals	9	56,808	56,808
779,722	Dividends/Surplus Payable	9	746,836	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
1,365,405	**Total Current Liabilities**		**1,332,519**	**585,683**
	Non-Current Liabilities			
1,881,653	Trade payables	9	1,881,653	1,881,653
381,788	Other payables and accruals	9	359,884	337,980
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
2,263,441	**Total Non-Current Liabilities**		**2,241,537**	**2,219,633**
3,628,846	**Total Liabilities**		**3,574,056**	**2,805,316**
7,589,553	**Net Assets**		**8,336,389**	**9,951,067**
	NET WORTH			
100,000	Contributed capital		100,000	100,000
71,926	Other Reserves		71,926	71,926
-	Revaluation reserve		-	-
7,417,627	Accumulated surpluses/(deficits)		8,164,463	9,779,141
7,589,553	**Total Net Worth**		**8,336,389**	**9,951,067**

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 December 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
3,632,455	Sale of goods and services	**15**	3,813,349	4,003,286
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
3,632,455	**Total Revenue**		**3,813,349**	**4,003,286**
	Expenses			
1,255,412	Personnel costs	**18**	1,255,412	1,293,074
1,009,224	Supplies and consumables	**19**	1,009,225	1,009,225
68,145	Depreciation and Amortisation	**7**	55,040	86,309
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
2,332,781	**Total Expenses**		**2,319,677**	**2,388,608**
1,299,674	**Surplus or (Deficit) for the period**		**1,493,672**	**1,614,678**

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
3,617,866	Sale of goods and services - third party		3,778,760	3,988,697
2,289	Interest received		2,289	2,289
-	Donations / Grants		-	-
12,300	Other receipts		12,300	12,300
	Payments		-	-
(1,255,412)	Personnel costs		(1,255,412)	(1,293,074)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(48,376)	Supplies and consumables - third party		(48,376)	(48,376)
-	Interest paid		-	-
(909,239)	Other payments		(889,239)	(889,315)
1,419,428	**Net cash flows from operating activities**	**23**	**1,600,322**	**1,772,521**
	CASH FLOWS FROM INVESTING ACTIVITIES			
-	Purchase of property, plant and equipment		-	(616,278)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
-	**Net cash flows from investing activities**		**-**	**(616,278)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(518,152)	Repayment of Surplus/Dividends or Capital withdrawal		(779,722)	(746,836)
(21,554)	Borrowings		(21,905)	(21,905)
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(539,706)	**Net cash flows from financing activities**		**(801,627)**	**(768,741)**
879,722	**Net increase/(decrease) in cash and cash equivalents**		**798,695**	**387,502**
9,028,490	Cash and cash equivalents at beginning of period		9,908,212	10,706,907
9,908,212	**Cash and cash equivalents at end of period**		**10,706,907**	**11,094,409**

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	100,000	71,926	-	5,602,096	5,774,022
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	100,000	71,926	-	5,602,096	5,774,022
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(518,141)	(518,141)
Net revenue / expenses recognised directly in net worth	-	-	-	(518,141)	(518,141)
Surplus/(deficit)for the period 2022	-	-	-	1,813,720	1,813,720
Total recognised revenues and expenses for the period	-	-	-	1,295,579	1,295,579
Balance at 31 December 2022	100,000	71,926	-	6,897,675	7,069,601
Balance at 31 December 2022 brought forward	100,000	71,926	-	6,897,675	7,069,601
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	100,000	71,926	-	6,897,675	7,069,601
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(779,722)	(779,722)
Net revenue / expenses recognised directly in net worth	-	-	-	(779,722)	(779,722)
Surplus/(deficit)for the period 2023	-	-	-	1,299,674	1,299,674
Total recognised revenues and expenses for the period	-	-	-	519,952	519,952
Balance at 31 December 2023 carried forward	100,000	71,926	-	7,417,627	7,589,553

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	100,000	71,926	-	7,417,627	7,589,553
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	100,000	71,926	-	7,417,627	7,589,553
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(746,836)	(746,836)
Net revenue / expenses recognised directly in net worth	-	-	-	(746,836)	(746,836)
Surplus/(deficit)for the period 2024	-	-	-	1,493,672	1,493,672
Total recognised revenues and expenses for the period	-	-	-	746,836	746,836
Balance at 31 December 2024 carried forward	100,000	71,926	-	8,164,463	8,336,389
Balance at 31 December 2024 brought forward	100,000	71,926	-	8,164,463	8,336,389
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	100,000	71,926	-	8,164,463	8,336,389
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	1,614,678	1,614,678
Total recognised revenues and expenses for the period	-	-	-	1,614,678	1,614,678
Balance at 31 December 2025	100,000	71,926	-	9,779,141	9,951,067

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
200	Cash on hand	200	200
-	Cash in transit	-	-
77,798	CI$ Account	77,798	77,798
4,709,768	US$ Account	5,508,463	5,895,965
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
5,120,446	Short-Term Fixed Deposits	5,120,446	5,120,446
9,908,212	**TOTAL**	**10,706,907**	**11,094,409**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
585,332	Sale of goods and services - third party	585,332	585,332
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
585,332	**Total trade receivables**	**585,332**	**585,332**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
585,332	Past due 1-30 days	585,332	585,332
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
585,332	**Total**	**585,332**	**585,332**

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 4: INVESTMENTS

12-Month Forecast 2023	Investments - at the lower of cost or market value	12-Month Budget 2024	12-Month Budget 2025
	Current Investments		
-	**Investments - Current**	-	-
	Non-Current Investments		
397,095	Right of Use Asset	345,486	293,877
397,095	**Investments -Non-Current**	**345,486**	**293,877**
397,095	**Total Investments**	**345,486**	**293,877**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
53,264	Prepayments	53,264	53,264
53,264	**Prepayments - Current**	**53,264**	**53,264**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
53,264	**Total Prepayments**	**53,264**	**53,264**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	427,569	892,938	73,252	1,393,759
Additions	-	9,464	3,970	13,434
Disposals and Derecognisation	-	-	(2,035)	(2,035)
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2022	427,569	902,402	75,187	1,405,158

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	427,569	902,402	75,187	1,405,158
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2023	427,569	902,402	75,187	1,405,158

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2024	427,569	902,402	75,187	1,405,158
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2024	427,569	902,402	75,187	1,405,158

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2025	427,569	902,402	75,187	1,405,158
Additions	441,821	100,000	74,457	616,278
Disposals and Derecognisation	-	-	(75,187)	(75,187)
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2025	869,390	1,002,402	74,457	1,946,249

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	99,766	869,684	24,922	994,372
Transfers	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-
Depreciation Expense 2022	42,757	15,284	12,139	70,180
Eliminate on Disposal or Derecognisation 2022	-	-	(2,035)	(2,035)
Balance as at 31 December 2022	142,523	884,968	35,026	1,062,517

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	142,523	884,968	35,026	1,062,517
Transfers	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-
Depreciation Expense 2023	42,757	15,284	10,104	68,145
Eliminate on Disposal or Derecognisation 2023	-	-	-	-
Balance as at 31 December 2023	185,280	900,252	45,130	1,130,662

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2024	185,280	900,252	45,130	1,130,662
Transfers	-	-	-	-
Impairment change 2024	-	-	-	-
Depreciation Expense 2024	42,757	2,150	10,133	55,040
Eliminate on Disposal or Derecognisation 2024	-	-	-	-
Balance as at 31 December 2024	228,037	902,402	55,263	1,185,702

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2025	228,037	902,402	55,263	1,185,702
Transfers	-	-	-	-
Impairment change 2025	-	-	-	-
Depreciation Expense 2025	64,135	10,000	12,174	86,309
Eliminate on Disposal or Derecognisation 2025	-	-	(55,263)	(55,263)
Balance as at 31 December 2025	292,172	912,402	12,174	1,216,748

Net Book value 31 December 2022	285,046	17,434	40,161	342,641

Net Book value 31 December 2023	242,289	2,150	30,057	274,496

Net Book value 31 December 2024	199,532	-	19,924	219,456

Net Book value 31 December 2025	577,218	90,000	62,283	729,501

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2024	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2025	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	6,560	6,560

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	6,560	6,560
Transfers	-	-
Impairment Reserve 2022 (closing balance)	-	-
Depreciation Expense 2022	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	6,560	6,560
Transfers	-	-
Impairment Reserve 2023 (closing balance)	-	-
Depreciation Expense 2023	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2024	6,560	6,560
Transfers	-	-
Impairment change 2024	-	-
Depreciation Expense 2024	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2025	6,560	6,560
Transfers	-	-
Impairment change 2025	-	-
Depreciation Expense 2025	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2025	6,560	6,560

Net Book value 31 December 2022	-	-
Net Book value 31 December 2023	-	-
Net Book value 31 December 2024	-	-
Net Book value 31 December 2025	-	-

CAYMAN ISLANDS STOCK EXCHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
528,875	Creditors Third party	528,875	528,875
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
56,808	Operating Lease	56,808	56,808
-	Accrued Expenses	-	-
-	Other payables	-	-
779,722	Dividends/Surplus Payable	746,836	-
1,365,405	**Trade payables other payables and accruals - Current**	**1,332,519**	**585,683**
	Non-Current Trade payables other payables and accruals		
1,881,653	Creditors Third party	1,881,653	1,881,653
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
381,788	Operating Lease	359,884	337,980
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
2,263,441	**Trade payables other payables and accruals - Non-Current**	**2,241,537**	**2,219,633**
3,628,846	**Total trade payables other payables and accruals**	**3,574,056**	**2,805,316**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue Type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
3,632,455	Other Goods & Services Revenue	3,813,349	4,003,286
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
3,632,455	**Total sales of goods and services**	**3,813,349**	**4,003,286**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
3,081,820	Operations	3,235,911	3,397,706
536,046	CUSIP	562,849	590,991
12,300	Consultancy & miscellaneous	12,300	12,300
2,289	Interest	2,289	2,289
3,632,455	**Total Other Goods & Services Revenue**	**3,813,349**	**4,003,286**
	Sales of Outputs to Cabinet		
-	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
-	**Total Sales of Outputs to Cabinet**	**-**	**-**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
3,632,455	**Total Goods and Services**	**3,813,349**	**4,003,286**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,255,412	Salaries, wages and allowances	1,255,412	1,293,074
-	Health care CINICO	-	-
-	Health care other	-	-
-	Pension	-	-
-	Leave	-	-
-	Other personnel related costs	-	-
1,255,412	**Total Personnel Costs**	**1,255,412**	**1,293,074**

CAYMAN ISLANDS STOCK EXCHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
11,128	Supplies and Materials	11,128	11,128
-	Purchase of services	-	-
21,904	Lease of Property and Equipment	21,904	21,904
48,828	Utilities	48,828	48,828
7,465	General Insurance	7,465	7,465
-	Interdepartmental expenses	-	-
100,000	Travel and Subsistence	100,000	100,000
40,000	Recruitment and Training	40,000	40,000
779,899	Other	779,900	779,900
1,009,224	**Total Supplies & consumables**	**1,009,225**	**1,009,225**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,299,674	**Surplus/(deficit) from ordinary activities**	1,493,672	1,614,678
	Non-cash movements		
68,145	Depreciation & Amortisation	55,040	86,309
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
51,608	(Increase/(decrease) in current liabilities - Other	51,609	71,534
1,419,427	**Net cash flows from operating activities**	**1,600,321**	**1,772,521**

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
823,206	Salaries & other short-term employee benefits	823,206	847,902
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
823,206	**Total**	**823,206**	**847,902**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN NATIONAL CULTURAL FOUNDATION

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman National Cultural Foundation have agreed the Cayman National Cultural Foundation will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

The Cayman National Cultural Foundation mission is to stimulate, facilitate and preserve cultural and artistic expression generally, particularly the preservation and exploration of Caymanian performing, visual and literary arts.

The CNCF is a non-profit organisation regulated by the Government of the Cayman Islands. The Foundation was formed on 9 October 1984 in accordance with the Cayman National Cultural Foundation Act, 1984. The Cayman National Cultural Foundation Act 2013 was enacted on 9 August of that year. The work of the Foundation covers the full scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts – and incorporates cultural preservation, the presentation of cultural festivals, artistic development, youth arts, and special projects.

CNCF manages two of Cayman's most significant cultural properties. At the FJ Harquail Cultural Centre, theatrical events, exhibitions, conferences, and cultural gatherings are produced year-round by the Foundation, as well as by others. The World Heritage Fund-recognised site, Mind's Eye–the VisionaryWorld of Gladwyn Bush, is the historic home of Cayman's renowned intuitive artist, which the Foundation has been responsible for conserving since it took stewardship in 2009. The Foundation is funded primarily by an annual grant from the Cayman Islands Government Ministry of Culture.

SCOPE OF ACTIVITIES

The scope of CNCF activities (per the CNCF Act, 2013) are as follows:

1. The stimulation and facilitation of culture generally;
2. The development, maintenance and management of theatres and other cultural facilities, in particular the F.J. Harquail Cultural Centre;
3. Organising cultural festivals;
4. Stimulation of the development of local talent by means of training, workshops, competitions, exhibitions, pageants, parades, displays and other such activities;
5. Assisting persons in developing cultural and artistic expression, including the preservation and exploration of Caymanian cultural heritage.

Customers and Location of Activities

CNCF is housed across four separate facilities over 10 acres that is made up the F J Harquail Cultural Centre (FJHCC) and Mind's Eye–the Visionary World of Gladwyn K. Bush (ME). Due to their specificity of purpose—over and above their distinct architecture (tangible cultural heritage)—the facilities are designated for the preservation and celebration of intangible cultural heritage (time-honoured customs), culture and the arts. The majority of CNCF's regular programming is carried out at one of these venues while annual festivals like Gimistory are hosted as satellite venues across Grand Cayman and the Sister Islands.

The CNCF Programme department works at various locations across the Cayman Islands including public and private schools in Grand Cayman, Cayman Brac and Little Cayman, as well as at other locations on demand.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman National Cultural Foundation for the 2024 and 2025 financial years are carried out across the following Outputs:

- Arts and Cultural Preservation, Documentation and Promotion [NCF 1]: CNCF is charged with managing the ongoing conservation and promotion of the Mind's Eye Centre (Gladwyn K. "Miss Lassie's" Bush Cottage and Duplex), which contains her hundred-year-old cottage as a unique cultural heritage site that is an exceptional example of both traditional Caymanian architecture and of internationally recognised home-grown artistic talent. In addition, CNCF cares for the 130+ pieces of artwork in her collection, held in Trust for the people of the Cayman Islands. This includes exhibiting the work three times per annum, upon invitation.

  CNCF's Cultural and Heritage Library provides hundreds of resources relating to our cultural history which are accessible via video and audio recordings, prints, photographs, books, magazines, as well as other literature on or about art / culture.

  Under this output, CNCF also produces the annual National Arts and Culture Awards presentation to recognise individuals or groups whose work, or work with others, has made a meaningful contribution to the exploration, promotion or preservation of Caymanian cultural heritage and the development of Caymanian arts.

- Cultural Festivals, International Exchange/ Local Partnerships [NCF 2]: Each year CNCF produces a number of community events and festival that aim to support the Caymanian arts and cultural experience, such as the Cayman Islands International Storytelling Festival: GIMISTORY; the Cayman Islands National Festival of Arts: CAYFEST; Red Sky at Night; and/or at overseas arts and culture festivals/conferences/seminars. Under this output CNCF also administrates CIG-approved funding for other Government-funded festivals and carnivals, including the Cayman Carnival (Batabano, CayMas, and Braccanal, and formerly Pirates Week).

- Management of Operations and Maintenance of FJ Harquail Cultural Centre (FJHCC) [NCF 3]: CNCF manages the nine-acre F.J. Harquail Cultural Centre. This houses the Harquail Theatre which fulfils the function of the national theatre of the Cayman Islands, the Studio Theatre, and the CNCF Offices. This output includes the management of the physical plant to a high standard, as well as the busy rental programme of 90+ plays, concerts, conferences, receptions, and other events each year. In addition, CNCF also produces its own theatrical productions and performing arts events throughout the year from these venues, notably Rundown.

- Training and Support for Artistic Development [NCF 4]: CNCF's mission to preserve and develop Caymanian arts and culture includes an active annual training programme in the performing, visual and literary arts. Every year we host workshops, screenings, seminars or residencies for local performers, teachers and students. CNCF also manages the largest creative grant programme in the Cayman Islands

titled ‘Grants for the Arts’, which over the years has funded numerous creative projects, productions, publications, and training opportunities. The mission of the grant is to facilitate opportunities for artists (and creative groups).

- Youth Arts Programming [NCF 5]: CNCF provides school and teacher cultural resources as well as a variety of youth programmes involving the artistic disciplines of drama, dance, traditional arts and crafts, storytelling and music. This is executed via the Young-At-Arts extra-curricular classes, performances and field trips, which culminates in work-shows to showcase to a public audience the participants’ progress over the course of the workshops.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman National Cultural Foundation for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	1,160	1,160	1,210
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	265	318	265
OPERATING EXPENSES	1,778	1,827	1,566
OPERATING SURPLUS/DEFICIT	**(353)**	**(349)**	**(91)**
NET WORTH	16,224	16,075	16,392
CASH FLOWS FROM OPERATING ACTIVITIES	(30)	(49)	(346)
CASH FLOWS FROM INVESTING ACTIVITIES	(185)	(200)	3,141
CASH FLOWS FROM FINANCING ACTIVITIES	185	200	90
CHANGE IN CASH BALANCES	(30)	(49)	2,795

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	4.89	4.81	5.08
TOTAL ASSETS: TOTAL LIABILITIES	25.28	25.05	26.12

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	12	12	8
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	16,893	16,743	17,045
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
Conservation and Maintenance of National Art Collection and Mind's Eye (Miss Lassie's House)	-	-	90
CNCF/NGCI driveway completion and lighting	75	-	-
Miss Lassie Cottage conservation	60	-	-
Carpark resurfacing and site electrical upgrades	50	-	-
Harquail Theatre upgrades	-	200	-
TOTAL	**185**	**200**	**90**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Vulnerability to winds and storm surge form Hurricanes and Tropical Storms	Ongoing	Act of God	10,000,000
Vulnerability to fire damage from nearby Landfill	Ongoing	Act of God	10,000,000
Vulnerability to flooding due to high water table	Ongoing	CNCF will be conducting a storm water management survey to determine recommended actions	50,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	1,425	1,478	1,475
OPERATING EXPENSES	1,778	1,827	1,566
NET SURPLUS/(DEFICIT)	**(353)**	**(349)**	**(91)**

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	16,892	16,743	17,045
LIABILITIES	668	668	653
NET WORTH	16,224	16,075	16,392

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(30)	(49)	(346)
CASH FLOWS FROM INVESTING ACTIVITIES	(185)	(200)	3,141
CASH FLOWS FROM FINANCING ACTIVITIES	185	200	90

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN NATIONAL CULTURAL FOUNDATION	125	200
CAPITAL WITHDRAWALS FROM CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[19]	-	-
REMUNERATION[20] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	231	236

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2	2

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

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

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman National Cultural Foundation will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Dwayne Seymour, MP
Minister for Border Control, Labour and Culture
On behalf of Cabinet



Chairman of the Board
Cayman National Cultural Foundation

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN NATIONAL CULTURAL FOUNDATION

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman National Cultural Foundation for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Cayman National Cultural Foundation

31 December 2023

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CAYMAN NATIONAL CULTURAL FOUNDATION

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Significant Accounting Policies

1. Basis of preparation
The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis.

2. Budget amounts
The original budget amounts for the financial period are as presented in the 2020 Annual Budget Statement and approved by the Minister for Culture on 31 December 2019.

3. Judgments and estimates
The preparation of financial statements is in conformity with IPSAS that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions. Depreciation and the calculation of the estimated useful lives of Property, Plant and Equipment is considered to be a key judgement made by management in the preparation of the financial statements.

4. Reporting period
The reporting period is for the 12 months commencing 1 January 2020 and ending 31 December 2020.

5. Revenue from exchange transactions
Revenue is generally recognised when earned by the Foundation. The revenue recognised is the fair value of the consideration received for the sale of goods and services. Revenue from exchange transactions includes theatre rentals and ticket sales presented within other revenue in the statement of financial performance.

6. Revenue from non-exchange transactions - government grants
Revenue from non-exchange transactions is generally recognised when the event occurs, and the resulting asset's recognition criteria are met. Revenue from non-exchange transactions includes donations and government grants.

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

8. Cash and cash equivalents
Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months from the date of acquisition.

9. Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Items of property and equipment are initially recorded at cost. 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 period in which the asset is acquired. Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property and equipment (other than land and heritage assets); less any estimated residual value, over its estimated useful life.

Asset Type	***Estimated Useful life***
Building	50 years
Land improvements	3-10 years
Furniture and other equipment	7 years
Motor Vehicles	5 years
Property Improvements	7-10 years

Heritage assets

IPSAS 17 *Property, Plant and Equipment* provides optional recognition of heritage assets. Works of art are considered to be heritage assets.

Disposals

Gains and losses on disposals of property and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the period are included in the statement of financial performance.

10. Impairment of assets

The Foundation considers all assets held to be non-cash generating assets, as the primary objective of holding the assets is not to generate a commercial return, but rather to fulfil the Foundation's objectives. The Foundation assesses whether there is any indication that non-cash generating assets may be impaired at each reporting date. If any such indication exists, the Foundation shall make a formal estimate of the recoverable service amount of the asset.

Impairment losses are recognized in the statement of financial performance.

11. Employee benefits

Employee entitlements to salaries and wages, annual 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 period end are reported as current liabilities at the amount expected to be paid. Pension contributions for employees of the Foundation are paid to the Silver Thatch Pension Fund (the "Fund"). The Fund is a defined contribution fund. Employees have a mandatory contribution of 5% of their salary, which is matched by the Foundation.

12. Financial instruments

The Foundation is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, government grant and other receivables, trade payables, other payables and accruals and advance donations, all of which are recognised in the statement of financial position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, government grant and other receivables and other financial assets. 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 payables, other payables and accruals and advanced donations.

Recognition

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

Loans and receivables are recognised on the day they are granted by the Foundation.

Measurement

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

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount (i.e. the effective interest method).

De-recognition

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

13. Contingent Liabilities and Assets

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

14. 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 period the following exchange rates are used to translate foreign currency balances: -

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
2,962,264	Cash and cash equivalents	1	2,932,486	2,884,011
-	Marketable securities and deposits		-	-
345,493	Trade receivables	2	324,003	322,003
-	Other receivables	2	-	-
8,780	Inventories	3	8,780	8,780
-	Investments	4	-	-
630	Prepayments	5	330	930
-	Loans	6	-	-
3,317,167	**Total Current Assets**		**3,265,599**	**3,215,724**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
13,727,838	Property, plant and equipment	7	13,626,938	13,527,538
-	Intangible Assets	8	-	-
13,727,838	**Total Non-Current Assets**		**13,626,938**	**13,527,538**
17,045,005	**Total Assets**		**16,892,537**	**16,743,262**
	Current Liabilities			
603,085	Trade payables	9	611,285	611,285
32,500	Other payables and accruals	9	38,000	38,000
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
17,000	Unearned revenue	10	19,000	19,000
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
652,585	**Total Current Liabilities**		**668,285**	**668,285**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
652,585	**Total Liabilities**		**668,285**	**668,285**
16,392,420	**Net Assets**		**16,224,252**	**16,074,977**
	NET WORTH			
3,899,558	Contributed capital		4,084,558	4,284,558
3,147,859	Other Reserves		3,147,859	3,147,859
9,258,940	Revaluation reserve		9,258,940	9,258,940
86,063	Accumulated surpluses/(deficits)		(267,105)	(616,380)
16,392,420	**Total Net Worth**		**16,224,252**	**16,074,977**

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
1,340,250	Sale of goods and services	**15**	1,290,250	1,318,250
-	Investment revenue	**16**	-	-
135,000	Donations	**17**	135,000	160,000
-	Other revenue		-	-
1,475,250	**Total Revenue**		**1,425,250**	**1,478,250**
	Expenses			
554,670	Personnel costs	**18**	826,861	843,398
737,484	Supplies and consumables	**19**	665,657	684,727
273,600	Depreciation and Amortisation	**7**	285,900	299,400
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
	Other Operating expenses			
1,565,754	**Total Expenses**		**1,778,418**	**1,827,525**
(90,504)	**Surplus or (Deficit) for the period**		**(353,168)**	**(349,275)**

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,220,250	Sale of goods and services to Cabinet		1,156,740	1,160,250
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
92,000	Sale of goods and services - third party		92,000	120,000
-	Interest received		-	-
-	Donations / Grants		-	-
173,000	Other receipts		173,000	198,000
	Payments			
(553,358)	Personnel costs		(826,861)	(843,398)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(1,277,871)	Supplies and consumables - third party		(624,657)	(683,327)
-	Interest paid		-	-
-	Other payments		-	-
(345,979)	**Net cash flows from operating activities**	**23**	**(29,778)**	**(48,475)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(90,000)	Purchase of property, plant and equipment		(185,000)	(200,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
3,140,911	Proceeds from sale of investments		-	-
3,050,911	**Net cash flows from investing activities**		**(185,000)**	**(200,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
90,000	Equity Investment from Cabinet		185,000	200,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
90,000	**Net cash flows from financing activities**		**185,000**	**200,000**
2,794,932	**Net increase/(decrease) in cash and cash equivalents**		**(29,778)**	**(48,475)**
167,332	Cash and cash equivalents at beginning of period		2,962,264	2,932,486
2,962,264	**Cash and cash equivalents at end of period**		**2,932,486**	**2,884,011**

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	3,569,558	3,147,859	9,258,940	553,920	16,530,277
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	3,569,558	3,147,859	9,258,940	553,920	16,530,277
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	240,000	-	-	-	240,000
Capital withdrawals by Cabinet	-	-	-	(326,616)	(326,616)
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	240,000	-	-	(326,616)	(86,616)
Surplus/(deficit)for the period 2022	-	-	-	(50,737)	(50,737)
Total recognised revenues and expenses for the period	240,000	-	-	(377,353)	(137,353)
Balance at 31 December 2022	3,809,558	3,147,859	9,258,940	176,567	16,392,924
Balance at 31 December 2022 brought forward	3,809,558	3,147,859	9,258,940	176,567	16,392,924
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	3,809,558	3,147,859	9,258,940	176,567	16,392,924
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	90,000	-	-	-	90,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	90,000	-	-	-	90,000
Surplus/(deficit)for the period 2023	-	-	-	(90,504)	(90,504)
Total recognised revenues and expenses for the period	90,000	-	-	(90,504)	(504)
Balance at 31 December 2023 carried forward	3,899,558	3,147,859	9,258,940	86,063	16,392,420

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 20242 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	3,899,558	3,147,859	9,258,940	86,063	16,392,420
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	3,899,558	3,147,859	9,258,940	86,063	16,392,420
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	185,000	-	-	-	185,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	185,000	-	-	-	185,000
Surplus/(deficit)for the period 2024	-	-	-	(353,168)	(353,168)
Total recognised revenues and expenses for the period	185,000	-	-	(353,168)	(168,168)
Balance at 31 December 2024 carried forward	4,084,558	3,147,859	9,258,940	(267,105)	16,224,252
Balance at 31 December 2024 brought forward	4,084,558	3,147,859	9,258,940	(267,105)	16,224,252
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	4,084,558	3,147,859	9,258,940	(267,105)	16,224,252
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	200,000	-	-	-	200,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	200,000	-	-	-	200,000
Surplus/(deficit)for the period 2025	-	-	-	(349,275)	(349,275)
Total recognised revenues and expenses for the period	200,000	-	-	(349,275)	(149,275)
Balance at 31 December 2025	4,284,558	3,147,859	9,258,940	(616,380)	16,074,977

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
500	Cash on hand	500	500
-	Cash in transit	-	-
51,764	CI$ Account	77,986	65,291
2,910,000	US$ Account	2,854,000	2,818,220
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
2,962,264	**TOTAL**	**2,932,486**	**2,884,011**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
286,553	Sale of goods and services to Cabinet	290,063	290,063
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
73,000	Sale of goods and services - third party	50,000	50,000
-	Other	-	-
(14,060)	**Less: provision for doubtful debts**	(16,060)	(18,060)
345,493	**Total trade receivables**	**324,003**	**322,003**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
345,493	Past due 1-30 days	324,003	322,003
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
345,493	**Total**	**324,003**	**322,003**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(11,060)	Balance at begining oF period	(14,060)	(16,060)
(3,000)	Additional provisions made during the year	(2,000)	(2,000)
-	Receivables written off during the period	-	-
(14,060)	**Balance at 31st December**	**(16,060)**	**(18,060)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
8,780	Inventory Other	8,780	8,780
-	Impairment of Inventory	-	-
8,780	**INVENTORIES - Current**	**8,780**	**8,780**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
8,780	**TOTAL INVENTORIES**	**8,780**	**8,780**

NOTE 3: PREPAYMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
630		330	930
630	**Prepayments - Current**	**330**	**930**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
630	**Total Prepayments**	**330**	**930**

CAYMAN NATIONAL CULTURAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	6,700,000	6,225,245	195,975	473,958	114,188	-	23,611	402,397	-	14,135,374
Additions	-	154,345	1,525	10,496	7,815	-	-	9,840	188,597	372,618
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	(95,802)	(43,494)	-	-	-	-	(139,296)
Balance as at 31 December 2022	6,700,000	6,379,590	197,500	388,652	78,509	-	23,611	412,237	188,597	14,368,696

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	6,700,000	6,379,590	197,500	388,652	78,509	-	23,611	412,237	188,597	14,368,696
Additions	-	90,000	-	-	-	-	-	-	-	90,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Transfers	-	188,597	-	-	-	-	-	-	188,597	377,194
Balance as at 31 December 2023	6,700,000	6,658,187	197,500	388,652	78,509	-	23,611	412,237	377,194	14,835,890

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	6,700,000	6,658,187	197,500	388,652	78,509	-	23,611	412,237	377,194	14,835,890
Additions	-	60,000	-	-	-	125,000	-	-	-	185,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	6,700,000	6,718,187	197,500	388,652	78,509	125,000	23,611	412,237	377,194	15,020,890

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	6,700,000	6,718,187	197,500	388,652	78,509	125,000	23,611	412,237	377,194	15,020,890
Additions	-	200,000	-	-	-	-	-	-	-	200,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	6,700,000	6,918,187	197,500	388,652	78,509	125,000	23,611	412,237	377,194	15,220,890

CAYMAN NATIONAL CULTURAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	196,349	39,957	346,428	112,542	-	23,611	-	-	718,887
Transfers	-	-	-	(93,718)	(43,494)	-	-	-	-	(137,212)
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	198,499	18,914	33,584	1,780	-	-	-	-	252,777
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	394,848	58,871	286,294	70,828	-	23,611	-	-	834,452

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	394,848	58,871	286,294	70,828	-	23,611	-	-	834,452
Transfers	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	217,100	19,000	35,500	2,000	-	-	-	-	273,600
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	611,948	77,871	321,794	72,828	-	23,611	-	-	1,108,052

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	611,948	77,871	321,794	72,828	-	23,611	-	-	1,108,052
Transfers	-	-	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	229,400	19,000	35,500	2,000	-	-	-	-	285,900
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	841,348	96,871	357,294	74,828	-	23,611	-	-	1,393,952

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Roads and Sidewalks*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	841,348	96,871	357,294	74,828	-	23,611	-	-	1,393,952
Transfers	-	-	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	242,900	19,000	35,500	2,000	-	-	-	-	299,400
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	1,084,248	115,871	392,794	76,828	-	23,611	-	-	1,693,352

Net Book value 31 December 2022	6,700,000	5,984,742	138,629	102,358	7,681	-	-	412,237	188,597	13,534,244

Net Book value 31 December 2023	6,700,000	6,046,239	119,629	66,858	5,681	-	-	412,237	377,194	13,727,838

Net Book value 31 December 2024	6,700,000	5,876,839	100,629	31,358	3,681	125,000	-	412,237	377,194	13,626,938

Net Book value 31 December 2025	6,700,000	5,833,939	81,629	(4,142)	1,681	125,000	-	412,237	377,194	13,527,538

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
190,000	Creditors Third party	200,000	200,000
403,085	Creditors Ministries/Portfolios	403,085	403,085
10,000	Creditors other Statutory Agencies and Government Conpanies	8,200	8,200
7,000	Payroll Deductions	7,000	7,000
-	Operating Lease	-	-
25,000	Accrued Expenses	30,000	30,000
500	Other payables	1,000	1,000
-	Dividends/Surplus Payable	-	-
635,585	**Trade payables other payables and accruals - Current**	**649,285**	**649,285**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
635,585	**Total trade payables other payables and accruals**	**649,285**	**649,285**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
14,000	Donations, Advance Payments	15,000	15,000
3,000	Rental Deposits	4,000	4,000
17,000	**Total current portion**	**19,000**	**19,000**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
17,000	**Total Unearned Revenue**	**19,000**	**19,000**

CAYMAN NATIONAL CULTURAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue Type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	-	-
92,000	Rentals	92,000	120,000
38,000	Other Goods & Services Revenue	38,000	38,000
1,210,250	Sale of goods and services to Cabinet	1,160,250	1,160,250
-	Sale of goods and services to Other Ministries and Portfolios	-	-
1,340,250	**Total sales of goods and services**	**1,290,250**	**1,318,250**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
92,000	Theatre Rentals	92,000	120,000
92,000	**Total Rentals**	**92,000**	**120,000**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
15,000	Program Revenue	15,000	15,000
23,000	Theatre Concessions/Retail	23,000	23,000
38,000	**Total Other Goods & Services Revenue**	**38,000**	**38,000**
	Sales of Outputs to Cabinet		
1,210,250	Sales of Outputs to Cabinet	1,160,250	1,160,250
-	Other Outputs	-	-
1,210,250	**Total Sales of Outputs to Cabinet**	**1,160,250**	**1,160,250**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
1,340,250	**Total Goods and Services**	**1,290,250**	**1,318,250**

NOTE 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
135,000	Donations / Fundraising	135,000	160,000
135,000	**Total donations**	**135,000**	**160,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
496,890	Salaries, wages and allowances	726,228	726,228
-	Health care CINICO	-	-
35,658	Health care other	64,368	64,368
22,123	Pension	36,265	36,265
-	Leave	-	-
-	Other personnel related costs	-	16,537
554,670	**Total Personnel Costs**	**826,861**	**843,398**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
596,037	Supplies and Materials	519,657	533,407
-	Purchase of services	-	-
-	Lease of Property and Equipment	-	-
84,104	Utilities	90,000	92,700
54,343	General Insurance	54,000	55,620
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
3,000	Other	2,000	3,000
737,484	**Total Supplies & consumables**	**665,657**	**684,727**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(90,504)	**Surplus/(deficit) from ordinary activities**	(353,168)	(349,275)
	Non-cash movements		
273,600	Depreciation & Amortisation	285,900	299,400
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	21,790	1,400
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	15,700	-
183,096	**Net cash flows from operating activities**	**(29,778)**	**(48,475)**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Turtle Conservation and Education Centre Ltd. have agreed the Cayman Turtle Conservation and Education Centre Ltd. will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Turtle Conservation and Education Centre Ltd. is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Turtle Conservation and Education Centre Ltd activities involve sustainable aquaculture, the rearing of marine turtles for conservation, research, and education reasons, as well as the self-sustaining renewable supply of turtle meat to the resident population as a means of minimising poaching of turtles from the wild, known as consumption conservation. From its early days, the facility also doubled as a tourist attraction, including a gift shop. Commencing in fiscal year 2004, the "Boatswain's Beach" project increased the scope of operations to that of a Family Entertainment Centre (FEC), boasting saltwater and freshwater artificial lagoons, a free-flight Caribbean aviary, a nature trail, and a restaurant with a bar, as well as a gift shop. The major portion of the company's revenues is derived from the tourist attraction components of the business. In 2010 the company changed its trading name back to "Cayman Turtle Farm" with the tagline "Island Wildlife Encounter" to portray the primary activity of the company. The official company name was changed from "Cayman Turtle Farm (1983) Ltd" to "Cayman Turtle Conservation and Education Centre Ltd" (herein abbreviated to "CTCEC") in 2017 following Cabinet approval. Its conservation, education, research and tourist attraction functions now trade as "Cayman Turtle Centre: Island Wildlife Encounter" (hereinafter referred to as "CTC"). Turtle meat products are sold under the trade name "Cayman Turtle Products".

SCOPE OF ACTIVITIES

The scope of Cayman Turtle Conservation and Education Centre Ltd activities is as follows:

- Conservation of sea turtles, with education and research on those and other related animals;
- Operation of an FEC tourist attraction, providing island wildlife encounters with marine and terrestrial animal species endemic to Cayman, and bird species endemic to the Caribbean;
- Operation of a gift-shop on site, and a kiosk at Royal Watler Terminal (when international cruise borders are open);
- Operation of a restaurant and bar, plus a snack shop and a café on site;
- Hosting of events;
- Sale of aqua cultured green sea turtle meat to the local population, which contributes significantly to sea turtle conservation by eliminating the need to take turtles from the wild to sustain those popular traditions, conservation through consumption, and in turn enables sustenance of popular local culinary traditions without the need to negatively impact wild turtle populations;
- Leasing of space to another marine theme park facility offering dolphin encounters.

CUSTOMERS AND LOCATION OF ACTIVITIES

The revenue-earning services provided by Cayman Turtle Conservation and Education Centre Ltd. (CTCEC) are provided mainly to tourists, as well as residents. Services are provided in Grand Cayman, the main site being at 786 North West Point Road, West Bay, Grand Cayman. Normally, when borders are open and cruise ships are in, the company operates a kiosk comprising a small gift shop at the Royal Watler Terminal. Turtle meat sales, aimed

at satisfying the demand from residents and local restaurants, take place at the company's site in a separate retail outlet on the north side of the property.

The largest portion of revenues for CTCEC are derived from sales of admission to the park, the majority of this being as the main feature of an "island tour" shore excursion, the primary customers of which are day-visitors arriving on cruise ships. Other important customer segments for park admissions are stay-over visitors, and residents.

Some of the tourist attraction service packages are sold wholesale to cruise lines, which in turn sell to their passengers online and on-board, at a mark-up. Those packages include bus transportation from and to the cruise ship terminal, and some packages also include a boat trip to Stingray Sandbar, or visits to other attractions. The bus and boat transportation for those packages is provided to CTCEC by local industry partners under wholesale pricing arrangements.

CTCEC also sells admissions wholesale to independent tour operators who typically offer tours of the western part of the island, on buses that pick up and drop off passengers at the cruise terminals. Some of their tours also include a visit to Stingray Sandbar. In most cases those independent tour operators have also sold the tour packages wholesale to the cruise lines, which in turn sell to their passengers online and on-board, at a mark-up.

Customer segments for the bar and restaurant and the gift-shop are the same segments as for admissions.
Customer segments for turtle meat products are individual residents, and local restaurants.

In keeping with the CITES conventions and related regulations, products derived from sea turtles cannot be exported.

The tenant for the dolphinarium which is on the company's property adjacent to the car park across the street from the Company's main site is Dolphin Discovery (Cayman) Ltd. That same company currently owns both dolphinariums in Grand Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Turtle Conservation and Education Centre Ltd. for the 2024 and 2025 financial years are as follows:

The following key strategic goals and objectives are predicated on Cabinet approval of the Sea Turtle Species Conservation Plan that CTCEC has already produced and submitted or, an equivalent Plan that merges the plan submitted by the National Conservation Council/Doe with that from the CTCEC, and that the resulting "collaborative plan" is in force by the start of the budget period.

Turtle Conservation, Sustainable Tourism and Eco-tourism

- Continue annual releases of "head-started" sea turtles into the wild:
    - Pre-release quarantine tests and protocols to be sustained to continue to support clinical health status of "head-started" turtles for release;
    - Collaborate with beach-front tourist accommodation properties in Grand Cayman, and when feasible in Cayman Brac and Little Cayman as sites for turtle release events in various months and seasons of the year, so as to:
        - Create sustainable and eco-tourism experiences, promotional and educational opportunities, thereby supporting development and enhancement of our country's sustainable tourism industry while raising conservation awareness;
        - Encourage properties to adopt a marine friendly and sustainable approach of ocean awareness, such as installing "turtle-friendly" beach-front lighting, beach grooming, and beach furniture placement thereby enhancing the likelihood and success rate of sea turtles attempting to nest on tourist-zone beaches;
- Continue at least one annual translocation of captive-bred sea turtle eggs into the wild:
    - Collaborate with a select and limited number of scientifically data-driven and qualified "turtle friendly" beach-front properties in Grand Cayman as potential sites for turtle nest implantation and hatchling emergence events using translocated captive-bred sea turtle eggs during turtle breeding season each year, so as to:
        - Create sustainable and eco-tourism experiences, promotional and educational opportunities, thereby supporting development and enhancement of our country's sustainable tourism industry while raising conservation awareness;
        - Encourage properties to adopt a marine friendly and sustainable approach of ocean awareness, such as installing "turtle-friendly" beach-front lighting, beach grooming, and beach furniture placement thereby enhancing the likelihood and success rate of sea turtles attempting to nest on tourist-zone beaches;
- Thereby release a combined total of at least 500 sea turtle hatchlings and "head-starts" per annum into Cayman Islands waters. CTCEC commits to further sustainable tourism by releasing as many turtles to the wild as is sustainably possible, while encouraging turtle consumption limited to special occasions.

- Develop, document, and implement strategies aimed at restoring endangered indigenous sea turtle species.

SPS alignment: *These initiatives contribute to achievement of:*
- *2024/26 SPS Specific Outcome 7: Improve our tourism, as an industry, product and economic driver.*
- *2024/26 SPS Specific Outcome 19: Supporting climate change resilience and sustainable development*

Turtle Conservation and Cultural Traditions
- Contribute to the conservation of sea turtles in the wild around the Cayman Islands, and to sustaining local culinary traditions practiced by residents, by making available from self-sustaining closed-cycle aquaculture a stock of green sea turtle meat for local consumption thus suppressing the risk of turtles being poached from the wild.

    - Production Rate: Maintain turtle meat products production capacity of at least 40,000 pounds per annum (equivalent to at least approx. 900 turtles per annum), unless and until demand for such products is reduced below that level.

SPS alignment: *This program contributes to achievement of:*
- *2024/26 SPS Specific Outcome 16: Providing solutions to improve the well-being of our people so they can achieve their full potential*

Research and Education
- Continue participation in research on sea turtles in-house and in collaboration with overseas researchers.

- Host students from local and overseas schools, educating them on sea turtles and other island wildlife.

    - Host at least 1,500 students and chaperones per year.
    - Host interns where possible.
    - Host Masters and PhD level university students conducting research where possible.

SPS alignment: *This program contributes to achievement of:*
- *2024/26 SPS Specific Outcome 8: Improving education to promote lifelong learning and greater economic mobility*

Tourist Attraction
- Provide a high-quality Family Entertainment Centre attraction for visitors to Grand Cayman offering educational display and visual interaction with sea turtles and other island wildlife along with the opportunity to experience a unique snorkeling experience with up-close encounters with sea turtles and 100's of other Caribbean fish.

    - Sustain market shares of stay-over and cruise visitors to the island to above 10% of the visitors per annum in each category for CTC admissions.

- Collaborate with other entities and entrepreneurs in the tourism industry to offer visitors "packages" incorporating a visit to CTC together with other products and services (e.g. transportation, visits to other attractions) thereby producing additional positive impact on the islands' economy and employment. The

below accomplishments are reliant on how successful the reopening plan is implemented, and the number of visitors coming by air and cruise, which would allow for these relationships to come to fruition.

- Maintain and develop relations with tour bus companies, watersports companies, other attractions and other tourism service providers to offer "combination" packages for cruise shore excursions.

- Maintain relations with independent car rental companies, hotels and tourist condos to promote CTC visitation by stay-over visitors.

- Maintain relations with taxis that have a high percentage of tourist clientele, to promote visitation to CTC by offering CTC admission discount vouchers to their patrons.

SPS alignment: These initiatives contribute to achievement of:

- 2024/26 SPS Specific Outcome 7: Improve our tourism, as an industry, product and economic driver

- 2024/26 SPS Specific Outcome 10: Increasing social justice in the workforce

- This also supports continued achievement of 2016/17 SPS Outcome 1 (d): Encourage collaboration between the Cayman Turtle Centre and other local attractions, with entities and entrepreneurs in the tourism industry (such as tour bus companies, watersports companies, hotels) to offer visitors "packages" thereby producing additional *positive impact on the island's* economy and employment (advice on whether to keep this in or not?)

Revenue goals:

Tours:

- Increase CTC admissions sold to "stay-over" guests by at least a factor of 50% of the percentage increase in air arrivals per annum (Year-on-Year for the fiscal period).

Gift Shop:

- Increase Retail (gift shop sales) Contribution per annum by at least a factor of 50% of the same percentage as annual increase in cruise tourist arrivals (Year-on-Year for the fiscal period).

Food and Beverage:

- Increase Food and Beverage Contribution per annum by at least a factor of 50% of the same percentage as annual increase in cruise tourist arrivals (Year-on-Year for the fiscal period).

SPS alignment: *These initiatives contribute to achievement of:*

- 2024/26 SPS Specific Outcome 7: Improve our tourism, as an industry, product and economic driver

- 2024/26 SPS Specific Outcome 10: Increasing social justice in the workforce

Events Hosting

- Offer the park as a venue for various corporate, social and community events, including catering of food and beverages.

Employment

- Continue employing and developing Caymanians:
  - Maintain ratio at 5% or less of employees on Work Permits

SPS alignment: *This program contributes to achievement of:*

- 2024/26 SPS Specific Outcome 10: Increasing social justice in the workforce

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Turtle Conservation and Education Centre Ltd. for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	6,664	5,940	7,481
OPERATING EXPENSES	(14,382)	(14,218)	(14,785)
OPERATING SURPLUS/DEFICIT	**(7,718)**	**(8,278)**	**(7,304)**
NET WORTH			
CASH FLOWS FROM OPERATING ACTIVITIES	(5,251)	(5,916)	(4,818)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,255)	(255)	(63)
CASH FLOWS FROM FINANCING ACTIVITIES	8,355	5,255	5,400
CHANGE IN CASH BALANCES	(151)	(916)	519

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	197.7	123.5	210
TOTAL ASSETS: TOTAL LIABILITIES	595.8	553.3	605.8

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	109	109	109
STAFF TURNOVER (%)			
MANAGERS	1.83%	1.83%	0.92%
PROFESSIONAL AND TECHNICAL STAFF	2.75%	3.67%	0.92%
CLERICAL AND LABOURER STAFF	3.67%	2.75%	1.83%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	11.42	12.42	10.42
PROFESSIONAL AND TECHNICAL STAFF	9.53	10.53	8.53
CLERICAL AND LABOURER STAFF	5.51	6.51	4.51
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	67,763	62,930	68,895
ASSET REPLACEMENTS: TOTAL ASSETS	5%	1%	1%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	80%	75%	87%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	130%	1,636%	6,730%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
UPGRADES ON AQUATIC LIFE SUPPORT SYSTEM	330	-	-
SALT WATER PIPE LINES REPLACEMENT FROM SEASIDE PUMPING STATION TO TURTLE TANKS	2,305	255	-
ADDITIONAL TURTLE TANKS AND CONCRETE PADS AND STRUCTURES	-	-	-
KIDS SPLASH PARK	80	-	-
RENOVATION OF CHANGE ROOMS FOR LAGOON AND POOL SIDE	500	-	-
ACCOUNTING SOFTWARE UPGRADE	-	-	50
MOTOR VEHICLES	-	-	13
MEDICAL EQUIPMENT VETERINARY -ANIMAL PROGRAMS	40	-	-
TOTAL	**3,255**	**255**	**63**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss of wholesale shore excursion sales relationships with one or more cruise lines Economic downturn in visitor home countries causing reduction in visitor arrivals and in turn reduction in guests coming to CTC.	Not changed.	Maintain Executive and Manager level dialogue and responsiveness with cruise line shore excursion executives. Attend FCCA Annual Conference to network and hold face-to-face meetings with cruise line representatives. Quality control of shore excursions done by Tours and Quality Control Manager.	+/- CI$5,000,000
Various liabilities arising from loss, damage, or injury to customers or staff	Not changed.	Various safety procedures and protocols are in place. Lifeguards monitor guest activities and enforce safety rules in snorkelling lagoon, swimming lagoon, wading pool and turtle touch tanks, and render first-aid assistance. Incidents with cruise passengers are reported same day to the cruise ship shore excursion team. Liability insurance is maintained under the umbrella Government policy, and under secondary insurance carrier for cruise guests.	Various
Multiple turtle mortalities due to outbreak of infectious disease	Not changed.	Maintain biosecurity protocols and preventative medicine program. Daily observations of each turtle tank by Turtle Husbandry team.	+/- CI$2,000,000

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Multiple turtle mortalities due to extended loss of sea water supply	Not changed.	Security Guards notify Infrastructure/ALSS team in the event of pump failures after operating hours. Contingency procedures in place for managing emergency water supplies to tanks in event of sea water supply breakdown (pipes or pumps). All turtle tanks are now partially shaded, which reduces the risk of daytime overheating of turtles in event of lowered water in tanks.	+/- CI$2,000,000
Extreme weather events and natural disasters	Not changed.	The Company has a Hurricane Preparedness Plan which also covers recovery. It is revised and updated annually. Property damage/losses covered by CIG insurance policy.	+/- CI$12,000,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Turtle Conservation and Education Centre Ltd. is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	6,664	5,940	7,481
OPERATING EXPENSES	14,382	14,218	14,785
NET SURPLUS/(DEFICIT)	(7,718)	(8,278)	(7,304)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	67,763	62,930	68,895
LIABILITIES	11,373	11,373	11,373
NET WORTH	56,390	51,557	57,552

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(5,161)	(5,826)	(4,728)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,255)	(255)	(63)
CASH FLOWS FROM FINANCING ACTIVITIES	8,355	5,255	5,400

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	8,355	5,255
CAPITAL WITHDRAWALS FROM CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[21]	-	-
REMUNERATION[22] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	690	690
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	678	678

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	13	13
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

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

[22] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Turtle Conservation and Education Centre Ltd. undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Turtle Conservation and Education Centre Ltd. will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Kenneth Bryan, MP
Minister for Tourism and Ports
On behalf of Cabinet



Chairman of the Board
Cayman Turtle Conservation and Education Centre Limited

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Cayman Turtle Conservation and Education Centre Ltd. for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Turtle Conservation and Education Centre Limited

31 December 2023

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CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Basis of preparation

These financial statements are prepared under the historical cost convention, modified by the valuation of biological assets at fair value, and in accordance with International Financial Reporting Standards ("IFRS"). The continued existence of the Company is contingent on the ongoing support from the Company's shareholder and the maintenance of the credit facilities provided by the Company's bankers. As management consider that this support will be ongoing and there are no indications which suggest otherwise, management consider the preparation of the forecast financial statements under the going concern assumption to be appropriate.

The preparation of forecast financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these forecast financial statements, relate to management's assessment of whether an impairment provision is required in respect of property, plant, equipment and exhibits, the valuation of biological assets and the provisions for pensions payable and severance payable. Unless otherwise disclosed, these forecast financial statements are presented in Cayman Islands dollars ("CI$").

The significant accounting policies adopted in the preparation of these financial statements are:

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand, balances with banks (including overdrafts) on demand and at short notice, and short-term highly liquid investments with original maturity dates of less than 90 days.

Accounts receivable

Accounts receivable comprise receivables from customers and are reduced by any allowance for doubtful accounts where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Biological assets - Secondary herd

The secondary herd, which is reared for the purpose of selling the herd's meat and by-product to satisfy local market demand, is valued at fair value calculated using market prices and expected yields of each type of product based on historical data.

Changes in the carrying amount attributable to physical change in such biological assets and changes attributable to price change are recognized as income or expense in the statement of comprehensive loss.

Biological assets - Breeder herd

It is management's policy to differentiate between turtles which were acquired from the wild and will be released at the end of their breeding lives, and farm bred turtles which may be harvested at the end of their breeding lives. Mature turtles (i.e. those that have reached breeding age) acquired from the wild have been fully depreciated over their useful lives of 20 years and have a zero carrying value. Mature farm-bred turtles have an estimated net realisable value that exceeds cost and are not depreciated.

The direct costs of maintaining the farm-bred turtles are allocated between the mature turtles and those that have not yet reached maturity.

Property, plant, equipment and exhibits

Property, plant, equipment and exhibits are recorded at cost and, with the exception of land which is not depreciated, are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings and lagoons	10 - 20 years
Plant and equipment	4 - 10 years
Motor vehicles	3 - 4 years
Furniture and office equipment	4 - 5 years
Exhibits	6 years
Computer hardware and software	3 years

The estimated useful lives, residual values and depreciation method are reviewed at year-end and the effect of any changes in the estimate is accounted for on a prospective basis.

Cost comprises the purchase price of an asset plus any directly attributable costs of bringing the asset to working condition for its intended use such as import duties (if/when applicable), site preparation, initial delivery and handling cost, installation cost and professional fees (e.g. architects and engineers). Certain borrowing costs are also included in the cost basis of the related asset; see “borrowing costs” below. Costs of improvements are included in the cost of the applicable asset.

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
1,707,884	Cash and cash equivalents	1	1,557,309	641,386
-	Marketable securities and deposits		-	-
215,786	Trade receivables	2	215,786	215,786
-	Other receivables	2	-	-
641,733	Inventories	3	641,733	641,733
-	Investments	4	-	-
25,439	Prepayments	5	25,439	25,439
-	Loans	6	-	-
2,590,842	**Total Current Assets**		**2,440,267**	**1,524,344**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
66,303,745	Property, plant and equipment	7	65,322,745	61,405,745
-	Intangible Assets	8	-	-
66,303,745	**Total Non-Current Assets**		**65,322,745**	**61,405,745**
68,894,587	**Total Assets**		**67,763,012**	**62,930,089**
	Current Liabilities			
432,723	Trade payables	9	432,723	432,723
800,972	Other payables and accruals	9	800,972	800,972
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
1,233,695	**Total Current Liabilities**		**1,233,695**	**1,233,695**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
138,871	Employee entitlements	11	138,871	138,871
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
10,000,000	Long Term portion of Borrowings	12	10,000,000	10,000,000
10,138,871	**Total Non-Current Liabilities**		**10,138,871**	**10,138,871**
11,372,566	**Total Liabilities**		**11,372,566**	**11,372,566**
57,522,021	**Net Assets**		**56,390,446**	**51,557,523**
	NET WORTH			
146,398,684	Contributed capital		154,753,684	160,008,684
-	Other Reserves		-	-
62,007,941	Revaluation reserve		62,007,941	62,007,941
(150,884,604)	Accumulated surpluses/(deficits)		(160,371,179)	(170,459,102)
57,522,021	**Total Net Worth**		**56,390,446**	**51,557,523**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
7,456,022	Sale of goods and services	**15**	6,629,458	5,904,726
-	Investment revenue	**16**	-	-
25,189	Donations	**17**	35,000	35,000
1	Other revenue		-	-
7,481,212	**Total Revenue**		**6,664,458**	**5,939,726**
	Expenses			
6,237,574	Personnel costs	**18**	6,358,374	6,384,048
6,037,652	Supplies and consumables	**19**	5,532,659	5,447,601
4,240,124	Depreciation and Amortisation	**7**	4,236,000	4,172,000
-	Impairment of Inventory,property, plant and equipment		-	-
24,000	Finance costs & overdraft interest	**20**	24,000	24,000
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
16,539,350	**Total Expenses**		**16,151,033**	**16,027,649**
(9,058,138)	**Surplus or (Deficit) for the period**		**(9,486,575)**	**(10,087,923)**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FORECAST CASH FLOW STATEMENT

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
7,456,024	Sale of goods and services - third party		6,629,458	5,904,726
-	Interest received		-	-
25,188	Donations / Grants		35,000	35,000
-	Other receipts		-	-
	Payments			
(6,237,574)	Personnel costs		(6,358,374)	(6,384,048)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(6,037,652)	Supplies and consumables - third party		(5,532,659)	(5,447,601)
(24,000)	Interest paid		(24,000)	(24,000)
-	Other payments		-	-
(4,818,014)	**Net cash flows from operating activities**	**23**	**(5,250,575)**	**(5,915,923)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(63,000)	Purchase of property, plant and equipment		(3,255,000)	(255,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(63,000)	**Net cash flows from investing activities**		**(3,255,000)**	**(255,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
2,500,000	Equity Investment from Cabinet		8,355,000	5,255,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
2,900,001	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
5,400,001	**Net cash flows from financing activities**		**8,355,000**	**5,255,000**
518,987	**Net increase/(decrease) in cash and cash equivalents**		**(150,575)**	**(915,923)**
1,188,897	Cash and cash equivalents at beginning of period		1,707,884	1,557,309
1,707,884	**Cash and cash equivalents at end of period**		**1,557,309**	**641,386**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	141,398,160	-	-	(132,275,329)	9,122,831
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	141,398,160	-	-	(132,275,329)	9,122,831
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	62,007,941	-	62,007,941
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	2,500,524	-	-	-	2,500,524
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	2,500,524	-	62,007,941	-	64,508,465
Surplus/(deficit)for the period 2022	-	-	-	(9,551,137)	(9,551,137)
Total recognised revenues and expenses for the period	2,500,524	-	62,007,941	(9,551,137)	54,957,328
Balance at 31 December 2022	143,898,684	-	62,007,941	(141,826,466)	64,080,159
Balance at 31 December 2022 brought forward	143,898,684	-	62,007,941	(141,826,466)	64,080,159
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	143,898,684	-	62,007,941	(141,826,466)	64,080,159
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	2,500,000	-	-	-	2,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	2,500,000	-	-	-	2,500,000
Surplus/(deficit)for the period 2023	-	-	-	(9,058,138)	(9,058,138)
Total recognised revenues and expenses for the period	2,500,000	-	-	(9,058,138)	(6,558,138)
Balance at 31 December 2023 carried forward	146,398,684	-	62,007,941	(150,884,604)	57,522,021

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	146,398,684	-	62,007,941	(150,884,604)	57,522,021
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	146,398,684	-	62,007,941	(150,884,604)	57,522,021
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	8,355,000	-	-	-	8,355,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	8,355,000	-	-	-	8,355,000
Surplus/(deficit)for the period 2024	-	-	-	(9,486,575)	(9,486,575)
Total recognised revenues and expenses for the period	8,355,000	-	-	(9,486,575)	(1,131,575)
Balance at 31 December 2024 carried forward	154,753,684	-	62,007,941	(160,371,179)	56,390,446
Balance at 31 December 2024 brought forward	154,753,684	-	62,007,941	(160,371,179)	56,390,446
Prior Year Adjustments	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	154,753,684	-	62,007,941	(160,371,179)	56,390,446
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	5,255,000	-	-	-	5,255,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	5,255,000	-	-	-	5,255,000
Surplus/(deficit)for the period 2025	-	-	-	(10,087,923)	(10,087,923)
Total recognised revenues and expenses for the period	5,255,000	-	-	(10,087,923)	(4,832,923)
Balance at 31 December 2025	160,008,684	-	62,007,941	(170,459,102)	51,557,523

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
22,466	Cash on hand	22,466	22,466
-	Cash in transit	-	-
229,169	CI$ Account	78,594	78,594
1,456,249	US$ Account	1,456,249	540,326
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
1,707,884	**TOTAL**	**1,557,309**	**641,386**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
765,429	Sale of goods and services - third party	765,429	765,429
317,852	Other	317,852	317,852
(867,495)	**Less: provision for doubtful debts**	(867,495)	(867,495)
215,786	**Total trade receivables**	**215,786**	**215,786**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
212,757	Past due 1-30 days	212,757	212,757
-	Past due 31-60 days	-	-
3,029	Past due 61-90 days	3,029	3,029
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
215,786	**Total**	**215,786**	**215,786**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(867,495)	Balance at begining oF period	(867,495)	(867,495)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	-	-
(867,495)	**Balance at 31st December**	**(867,495)**	**(867,495)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
464,528	Inventory held for use in the provision of goods and services	464,528	464,528
177,205	Inventory held for sale	177,205	177,205
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
641,733	**INVENTORIES - Current**	**641,733**	**641,733**
	Non-Current Inventories		
-	**INVENTORIES - Non-Current**	**-**	**-**
641,733	**TOTAL INVENTORIES**	**641,733**	**641,733**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
10,956	Retail, Marketing, Admin	10,956	10,956
14,483	**IT Support**	14,483	14,483
25,439	**Prepayments - Current**	**25,439**	**25,439**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
25,439	**Total Prepayments**	**25,439**	**25,439**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	1,251,349	2,351,977	49,630,090	283,168	1,374,319	174,004	437,715	91,545	55,594,167
Additions	-	14,713	3,653	6,519	42,621	695	-	-	68,201
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	17,348,651	-	5,970,257	-	-	-	-	-	23,318,908
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	18,600,000	2,366,690	55,604,000	289,687	1,416,940	174,699	437,715	91,545	78,981,276

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	18,600,000	2,366,690	55,604,000	289,687	1,416,940	174,699	437,715	91,545	78,981,276
Additions	-	-	-	-	50,000	-	13,000	-	63,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	18,600,000	2,366,690	55,604,000	289,687	1,466,940	174,699	450,715	91,545	79,044,276

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	18,600,000	2,366,690	55,604,000	289,687	1,466,940	174,699	450,715	91,545	79,044,276
Additions	-	370,000	580,000	-	-	-	-	2,305,000	3,255,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	18,600,000	2,736,690	56,184,000	289,687	1,466,940	174,699	450,715	2,396,545	82,299,276

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	18,600,000	2,736,690	56,184,000	289,687	1,466,940	174,699	450,715	2,396,545	82,299,276
Additions	-	-	-	-	-	-	-	255,000	255,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	18,600,000	2,736,690	56,184,000	289,687	1,466,940	174,699	450,715	2,651,545	82,554,276

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	2,015,165	38,689,033	273,037	1,334,986	92,925	401,865	-	42,807,011
Transfers	-	-	(38,689,033)	-	-	-	-	-	(38,689,033)
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	216,558	4,076,000	20,526	34,555	27,290	7,500	-	4,382,429
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	2,231,723	4,076,000	293,563	1,369,541	120,215	409,365	-	8,500,407

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	2,231,723	4,076,000	293,563	1,369,541	120,215	409,365	-	8,500,407
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	110,000	4,076,000	(3,876)	26,000	16,000	16,000	-	4,240,124
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	2,341,723	8,152,000	289,687	1,395,541	136,215	425,365	-	12,740,531

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	2,341,723	8,152,000	289,687	1,395,541	136,215	425,365	-	12,740,531
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	110,000	4,076,000	-	31,000	16,000	3,000	-	4,236,000
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	2,451,723	12,228,000	289,687	1,426,541	152,215	428,365	-	16,976,531

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	2,451,723	12,228,000	289,687	1,426,541	152,215	428,365	-	16,976,531
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	53,000	4,076,000	-	31,000	9,000	3,000	-	4,172,000
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	2,504,723	16,304,000	289,687	1,457,541	161,215	431,365	-	21,148,531

Net Book value 31 December 2022	18,600,000	134,967	51,528,000	(3,876)	47,399	54,484	28,350	91,545	70,480,869

Net Book value 31 December 2023	18,600,000	24,967	47,452,000	-	71,399	38,484	25,350	91,545	66,303,745

Net Book value 31 December 2024	18,600,000	284,967	43,956,000	-	40,399	22,484	22,350	2,396,545	65,322,745

Net Book value 31 December 2025	18,600,000	231,967	39,880,000	-	9,399	13,484	19,350	2,651,545	61,405,745

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
432,723	Creditors Third party	432,723	432,723
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
844,595	Accrued Expenses	844,595	844,595
(43,623)	Other payables	(43,623)	(43,623)
-	Dividends/Surplus Payable	-	-
1,233,695	**Trade payables other payables and accruals - Current**	**1,233,695**	**1,233,695**
	Non-Current Trade payables other payables and accruals		
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
1,233,695	**Total trade payables other payables and accruals**	**1,233,695**	**1,233,695**

NOTE 12: BORROWINGS

12-Month Forecast 2023	*Local Currency Debt*	12-Month Budget 2024	12-Month Budget 2025
-	Not later than one year	-	-
-	Between one and two years	-	-
-	Between two and five years	-	-
10,000,000	Later than five Years	10,000,000	10,000,000
10,000,000	**Total Local Currency Debt**	**10,000,000**	**10,000,000**
	Foreign Currency Debt (state in $CI)		
-	Not later than one year	-	-
-	Between one and two years	-	-
-	Between two and five years	-	-
-	Later than five years	-	-
-	**Total Foreign Currency Debt**	**-**	**-**
10,000,000	**Total Outstanding Debt**	**10,000,000**	**10,000,000**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
7,249,422	General Sales	6,422,858	5,698,126
206,600	Rentals	206,600	206,600
-	Other Goods & Services Revenue	-	-
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
7,456,022	**Total sales of goods and services**	**6,629,458**	**5,904,726**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
926,635	Food & Beverage	810,806	709,455
1,489,871	Retail	1,303,637	1,140,682
4,209,617	Tours	3,683,415	3,222,989
623,299	Meat Sales	625,000	625,000
7,249,422	**Total General Sales**	**6,422,858**	**5,698,126**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
206,600		206,600	206,600
206,600	**Total Rentals**	**206,600**	**206,600**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	-	-
	Sales of Outputs to Cabinet		
-	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
-	**Total Sales of Outputs to Cabinet**	-	-
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
7,456,022	**Total Goods and Services**	**6,629,458**	**5,904,726**

NOTE 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
25,189	Sales - Animal Programs (Release)	35,000	35,000
-	Turtle Sponsorships- General	-	-
-	Scientific Research Fund Donations	-	-
25,189	**Total donations**	**35,000**	**35,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
5,591,627	Salaries, wages and allowances	5,668,367	5,668,367
-	Health care CINICO	-	-
216,873	Health care other	256,732	282,406
342,374	Pension	346,575	346,575
-	Leave	-	-
86,700	Other personnel related costs	86,700	86,700
6,237,574	**Total Personnel Costs**	**6,358,374**	**6,384,048**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
2,228,905	Supplies and Materials	1,675,243	1,540,056
2,129,440	Purchase of services	2,129,440	2,129,440
-	Lease of Property and Equipment	-	-
1,383,600	Utilities	1,425,108	1,467,861
247,707	General Insurance	254,868	262,244
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
48,000	Recruitment and Training	48,000	48,000
-	Other	-	-
6,037,652	**Total Supplies & consumables**	**5,532,659**	**5,447,601**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Interest on borrowings	-	-
-	Other borrowing costs	-	-
24,000	Interest on overdraft	24,000	24,000
24,000	**Total Finance cost**	**24,000**	**24,000**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(9,058,138)	**Surplus/(deficit) from ordinary activities**	(9,486,575)	(10,087,923)
	Non-cash movements		
4,240,124	Depreciation & Amortisation	4,236,000	4,172,000
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
(4,818,014)	**Net cash flows from operating activities**	**(5,250,575)**	**(5,915,923)**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CHILDREN AND YOUTH SERVICES FOUNDATION

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Children and Youth Services (CAYS) Foundation have agreed the Children and Youth Services Foundation will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Children and Youth Services (CAYS) Foundation is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Children and Youth Services (CAYS) Foundation activities involve providing 24-hour residential care to youth who have been committed by the Courts in to residential treatment due to care and protection needs and/or offending behaviours. The programme adopts a strength-based approach to decision making and self-awareness.

SCOPE OF ACTIVITIES

- Operate Bonaventure Boys' Home and Frances Bodden *Children's* Home; twenty-four hour residential facilities for youth who require residential care due to being deemed in need of care and protection, as well as youth exhibiting offending behaviours that have been Court ordered.

- Provide administration and supervision of the programmes offered.

- Provide policy advice to the Minister for Investment, Innovation and Social Development on the direction of youth rehabilitation and effective interventions to assist in their integration back into society. The therapeutic process will utilise a strength-based approach and positive youth development to foster change in the lives of its participants. The programme will also seek to engage families and community in the rehabilitative process.

- Develop and deliver specific programmes to address the behaviour problems (including drug and alcohol misuse, promiscuity, and other risky behaviours) and the educational needs of the youth. This will include individual and group counselling.

- Prepare residents for independent living including pre-employment preparation, and life skills training.

- Maintain the government owned residential facilities, namely the Frances Bodden Children's Home and Bonaventure Boys' Home, to facilitate programmes and treatment principles of the highest standards.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the Foundation are youth who have been committed by the Courts into the residential facility. The services of the Children and Youth Services (CAYS) Foundation are primarily provided on behalf of the Ministry of Investment, Innovation and Social Development. The services cater to the youth, their parents/families and other Government Departments and agencies, i.e., Department of Children and Family Services (DCFS), the Court, the Family Support Unit (FSU) Department of Counselling Services (DCS), and the Department of Education Services to facilitate care and reintegration into society.

The location of the activities is in the Cayman Islands, with the physical location of the residential Homes being in Grand Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Children and Youth Services (CAYS) Foundation for the 2024 and 2025 financial years are as follows:

- CAYS implements programmes that address the care needs and the anti-social attitudes, beliefs and behaviours of its residents in a safe nurturing therapeutic environment. They will focus on changing resident's attitudes and behaviours by working to build trusting relationships between them and their peers and a trusting relationship with their parents. This will assist residents to develop appropriate behaviours and coping skills that will assist with their reintegration into their family, school and community.

- CAYS implements programmes that promote the principles of individual growth, personal development and peer accountability. The programmes will assist residents in setting and meeting educational and vocational goals.

- CAYS assist residents with reintegration into the mainstream education system. This is accomplished by a treatment team meeting to develop a comprehensive plan. This team will consist of key stakeholders.

- CAYS address the vocational issues for residents and partners with the public and private sector to afford the residents every opportunity to participate in some form of vocational training.

- CAYS develops comprehensive treatment plans to address core issues, issues relating to drug and alcohol use, also education and vocational issues, family issues and aftercare plans.

- CAYS provides on-going training to staff to facilitate the delivery of strength-based, individualized treatment in order to ensure that the best practices are maintained.

- CAYS provide training to staff on treatment planning, to include emphasis on family treatment and aftercare planning.

- CAYS will enhance services to families by providing family education groups to help improve family dynamics and create more supportive and productive relationships.

- CAYS will continue to enhance relationships with private sector entities for fundraising and programme support.

Government Obligations

- Nominate one of its officers to be the primary contact for the Government with the Foundation for the purpose of the programmes.
- Provide the Foundation with any policies, operational guidelines and documents held by the Government, which may be reasonably required by the Foundation to perform the services.
- Pay to the Foundation throughout the term of the agreement (so long as the Foundation shall continue to perform the services) the operational budget specified in the Budget.
- Evaluate and monitor the programmes provided by the Foundation.

CAYS Obligations

- Shall perform the services agreed with the Government.
- Nominate a member of the Board who will be the primary contact with the Government for the Foundation.
- Provide the Government with any policies, operational guidelines and documents held by the Foundation which may be reasonably required by the Government to evaluate the services.
- Provide such appropriate trained staff to meet the demands of the programmes.
- Inspect the facilities to ensure that it upholds therapeutic principles, structure, cleanliness and order.
- Staff with the necessary skills and expertise as may be required to perform the services in accordance with recognised professional standards.
- Cooperate fully in the performance of the services with the Government and with any other party, Foundation, consultant or agency identified by Government.
- Ensure that all supplies and materials required for the performance of the services are obtained at the lowest practical cost.
- Perform the services within the financial limits specified in the Budget.
- Not assign or sub-contract any part of the services without prior written approval of the Government.
- Not recruit or hire staff without the prior written approval of the Board and Government.
- Keep all books and records and other documents as may be necessary to evaluate the performance indicators set out in the Purchase Agreement.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Children and Youth Services Foundation for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	3,100	3,100	3,100
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	-	-	-
OPERATING EXPENSES	3,514	3,715	3,018
OPERATING SURPLUS/DEFICIT	**(414)**	**(615)**	**82**
NET WORTH	**1,735**	**1,120**	**2,150**
CASH FLOWS FROM OPERATING ACTIVITIES	(345)	(553)	133
CASH FLOWS FROM INVESTING ACTIVITIES	(12)	(12)	(50)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(356)	(564)	83

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024**	**2025 1 Jan to 31 Dec 2025**	**2023 12-Month Forecast**
CURRENT ASSETS: CURRENT LIABILITIES	15:1	8.7:1	27:1
TOTAL ASSETS: TOTAL LIABILITIES	21:1	14:1	27:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	62	62	50
STAFF TURNOVER (%)			
MANAGERS	0%	0%	0%
PROFESSIONAL AND TECHNICAL STAFF	0%	0%	0%
CLERICAL AND LABOURER STAFF	0%	0%	0%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	10 years
PROFESSIONAL AND TECHNICAL STAFF	-	-	33 years
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM			

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	1,821	1,206	2,233
ASSET REPLACEMENTS: TOTAL ASSETS	0.24:1	0.32:1	0.22:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.43:1	0.37:1	0.49:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	5.9:1	5.5:1	1.3:1
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
	-	-	-
TOTAL	**NIL**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Personnel - High Staff Turnovers which would affect the Therapeutic Services that we provide to our youth. It also diverts valuable resources and management time to recruit and train specialist staff. Affects therapeutic relationships between residents and staff and re traumatize residents with trauma and attachment issues.	-	Personnel - High Retention - Competitive Compensation Packages to attract qualified Caymanians	-
Supplies and Consumables- Increased due to age of facilities. - need for professional cleaning services for Residents' living areas and the Head Office. -Proper servicing of Electronic Machines such as printers and computers - Increased costs of regular servicing and maintenance of aging vehicles (will likely need to replace some vehicles by 2023) - Cost of Living Increases on Food, Utilities and Fuel	-	Jeopardizing the safe and hygienic living and working conditions for Residents and Staff respectively. Compromising the safety and security of the Homes by not properly maintaining and servicing equipment and vehicles Compromising the nutritional health, well-being and living standards of the Residents	-
Capital budget expenses increased due to the need to upgrade and repair facilities, appliances and equipment for the Homes.	-	-	-

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Children and Youth Services Foundation is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	3,100	3,100	3,100
OPERATING EXPENSES	3,514	3,715	3,018
NET SURPLUS/(DEFICIT)	(414)	(615)	82

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	1,821	1,206	2,233
LIABILITIES	86	86	83
NET WORTH	1,735	1,120	2,150

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(345)	(553)	132
CASH FLOWS FROM INVESTING ACTIVITIES	(12)	(12)	(50)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CHILDREN AND YOUTH SERVICES FOUNDATION		
CAPITAL WITHDRAWALS FROM CHILDREN AND YOUTH SERVICES FOUNDATION		
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CHILDREN AND YOUTH SERVICES FOUNDATION		
GOVERNMENT LOANS TO BE MADE TO CHILDREN AND YOUTH SERVICES FOUNDATION		
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CHILDREN AND YOUTH SERVICES FOUNDATION		
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[23]		
REMUNERATION[24] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL		
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT		

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)		
NUMBER OF KEY SENIOR MANAGEMENT (MD)		

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

[24] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Children and Youth Services Foundation will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP
Minister for Investment, Innovation and Social Development
On behalf of Cabinet



Chairman of the Board
Children and Youth Services Foundation

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

NATIONAL DRUG COUNCIL FOUNDATION

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Children and Youth Services Foundation for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Children and Youth Services Foundation

31 December 2023

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CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Significant Accounting Policies

Cash and cash equivalents – For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks, net of overdrafts.

Income recognition – Income and expenses are recorded on the accrual basis.

Government grants – Grants relating to income are presented as a credit in the income statements. Grants relating to assets are presented as a credit in the income statement and an increase in assets.

Fixed assets – Fixed assets are recorded at cost. Depreciation, which is based on the cost of the asset, is computed using the straight-line method at the following annual rates:

Office equipment	25%
Computer equipment	33%
Motor vehicles	25%
Leasehold improvements	25%

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
1,411,781	Cash and cash equivalents	1	1,055,565	491,387
-	Marketable securities and deposits			-
258,333	Trade receivables	2	258,333	258,333
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
5,000	Prepayments	5	5,000	5,000
-	Loans	6	-	-
1,675,114	**Total Current Assets**		**1,318,898**	**754,720**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
59,000	Investments	4	60,000	61,000
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
498,461	Property, plant and equipment	7	442,410	390,664
-	Intangible Assets	8	-	-
557,461	**Total Non-Current Assets**		**502,410**	**451,664**
2,232,575	**Total Assets**		**1,821,308**	**1,206,384**
	Current Liabilities			
20,000	Trade payables	9	20,000	20,000
38,000	Other payables and accruals	9	38,000	38,000
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
25,000	Employee entitlements	11	28,000	28,000
-	Current Portion of Borrowings	12	-	-
83,000	**Total Current Liabilities**		**86,000**	**86,000**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
83,000	**Total Liabilities**		**86,000**	**86,000**
2,149,575	**Net Assets**		**1,735,308**	**1,120,384**
	NET WORTH			
466,667	Contributed capital		466,667	466,667
-	Other Reserves		-	-
-	Revaluation reserve		-	-
1,682,908	Accumulated surpluses/(deficits)		1,268,641	653,717
2,149,575	**Total Net Worth**		**1,735,308**	**1,120,384**

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
3,100,000	Sale of goods and services	**15**	3,100,000	3,100,000
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
3,100,000	**Total Revenue**		**3,100,000**	**3,100,000**
	Expenses			
2,553,062	Personnel costs	**18**	3,066,798	3,262,236
321,899	Supplies and consumables	**19**	339,329	347,813
65,616	Depreciation and Amortisation	**7**	67,551	63,246
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
77,390	Other Operating expenses		41,589	42,629
3,017,967	**Total Expenses**		**3,515,267**	**3,715,924**
82,033	**Surplus or (Deficit) for the period**		**(415,267)**	**(615,924)**

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
3,100,000	Sale of goods and services to Cabinet		3,100,000	3,100,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
-	Sale of goods and services - third party		-	-
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(2,553,062)	Personnel costs		(3,067,648)	(3,263,086)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(414,290)	Supplies and consumables - third party		(377,067)	(389,592)
-	Interest paid		-	-
-	Other payments		-	-
132,648	**Net cash flows from operating activities**	**23**	**(344,715)**	**(552,678)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(50,000)	Purchase of property, plant and equipment		(11,500)	(11,500)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(50,000)	**Net cash flows from investing activities**		**(11,500)**	**(11,500)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
82,648	**Net increase/(decrease) in cash and cash equivalents**		**(356,215)**	**(564,178)**
1,329,133	Cash and cash equivalents at beginning of period		1,411,781	1,055,565
1,411,781	**Cash and cash equivalents at end of period**		**1,055,565**	**491,387**

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	466,667	-	-	1,471,922	1,938,589
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	466,667	-	-	1,471,922	1,938,589
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments				(6,000)	(6,000)
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	(6,000)	(6,000)
Surplus/(deficit)for the period 2022	-	-	-	133,953	133,953
Total recognised revenues and expenses for the period	-	-	-	127,953	127,953
Balance at 31 December 2022	466,667	-	-	1,599,875	2,066,542
Balance at 31 December 2022 brought forward	466,667	-	-	1,599,875	2,066,542
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	466,667	-	-	1,599,875	2,066,542
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments				1,000	1,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	1,000	1,000
Surplus/(deficit)for the period 2023	-	-	-	82,033	82,033
Total recognised revenues and expenses for the period	-	-	-	83,033	83,033
Balance at 31 December 2023 carried forward	466,667	-	-	1,682,908	2,149,575

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	466,667	-	-	1,682,908	2,149,575
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	466,667	-	-	1,682,908	2,149,575
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments				1,000	1,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	1,000	1,000
Surplus/(deficit)for the period 2024	-	-	-	(415,267)	(415,267)
Total recognised revenues and expenses for the period	-	-	-	(414,267)	(414,267)
Balance at 31 December 2024 carried forward	466,667	-	-	1,268,641	1,735,308
Balance at 31 December 2024 brought forward	466,667	-	-	1,268,641	1,735,308
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	466,667	-	-	1,268,641	1,735,308
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments				1,000	1,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	1,000	1,000
Surplus/(deficit)for the period 2025	-	-	-	(615,924)	(615,924)
Total recognised revenues and expenses for the period	-	-	-	(614,924)	(614,924)
Balance at 31 December 2025	466,667	-	-	653,717	1,120,384

CHILDREN AND YOUTH SERVICES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
1,411,781	CI$ Account	1,055,565	491,387
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
1,411,781	**TOTAL**	**1,055,565**	**491,387**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
258,333	Sale of goods and services to Cabinet	258,333	258,333
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
-	Sale of goods and services - third party	-	-
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
258,333	**Total trade receivables**	**258,333**	**258,333**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
258,333	Past due 1-30 days	258,333	258,333
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
258,333	**Total**	**258,333**	**258,333**

NOTE 4: INVESTMENTS

12-Month Forecast 2023	Investments	12-Month Budget 2024	12-Month Budget 2025
	Current Investments		
-	**Investments - Current**	-	-
	Non-Current Investments		
59,000	Pension Surplus	60,000	61,000
59,000	**Investments -Non-Current**	**60,000**	**61,000**
59,000	**Total Investments**	**60,000**	**61,000**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
5,000	General expenses	5,000	5,000
5,000	**Prepayments - Current**	**5,000**	**5,000**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
5,000	**Total Prepayments**	**5,000**	**5,000**

CHILDREN AND YOUTH SERVICES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	547,226	103,454	30,432	142,114	77,310	900,536
Additions	35,338	-	900	29,598	-	65,836
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	582,564	103,454	31,332	171,712	77,310	966,372

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	582,564	103,454	31,332	171,712	77,310	966,372
Additions	-	-	20,000	20,000	10,000	50,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	582,564	103,454	51,332	191,712	87,310	1,016,372

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	582,564	103,454	51,332	191,712	87,310	1,016,372
Additions	5,000	1,500	-	5,000	-	11,500
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	587,564	104,954	51,332	196,712	87,310	1,027,872

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	587,564	104,954	51,332	196,712	87,310	1,027,872
Additions	5,000	1,500	-	5,000	-	11,500
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	592,564	106,454	51,332	201,712	87,310	1,039,372

CHILDREN AND YOUTH SERVICES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	150,490	88,182	22,100	72,098	57,324	390,194
Transfers	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2022	23,042	5,804	5,916	19,354	7,985	62,101
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-
Balance as at 31 December 2022	173,532	93,986	28,016	91,452	65,309	452,295

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	173,532	93,986	28,016	91,452	65,309	452,295
Transfers	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2023	23,042	5,804	9,916	24,354	2,500	65,616
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-
Balance as at 31 December 2023	196,574	99,790	37,932	115,806	67,809	517,911

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	196,574	99,790	37,932	115,806	67,809	517,911
Transfers	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-
Depreciation Expense 2024	24,542	4,039	6,600	25,854	6,516	67,551
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-
Balance as at 31 December 2024	221,116	103,829	44,532	141,660	74,325	585,462

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	221,116	103,829	44,532	141,660	74,325	585,462
Transfers	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-
Depreciation Expense 2025	26,042	750	6,600	27,354	2,500	63,246
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-
Balance as at 31 December 2025	247,158	104,579	51,132	169,014	76,825	648,708
	-	-	-	-	-	-
Net Book value 31 December 2022	409,032	9,468	3,316	80,260	12,001	514,077
	-	-	-	-	-	-
Net Book value 31 December 2023	385,990	3,664	13,400	75,906	19,501	498,461
	-	-	-	-	-	-
Net Book value 31 December 2024	366,448	1,125	6,800	55,052	12,985	442,410
	-	-	-	-	-	-
Net Book value 31 December 2025	345,406	1,875	200	32,698	10,485	390,664

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
20,000	Creditors Third party	20,000	20,000
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
3,000	Payroll Deductions	3,000	3,000
-	Operating Lease	-	-
35,000	Accrued Expenses	35,000	35,000
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
58,000	**Trade payables other payables and accruals - Current**	**58,000**	**58,000**
58,000	**Total trade payables other payables and accruals**	**58,000**	**58,000**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
-	Annual Leave/Comp-time	-	-
-	Retirement and long service leave	-	-
25,000	Accrued salaries	28,000	28,000
-	Travel	-	-
-	Other	-	-
25,000	**Total current portion**	**28,000**	**28,000**
25,000	**Total employee entitlements**	**28,000**	**28,000**

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2023	Revenue Type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
3,100,000	Sale of goods and services to Cabinet	3,100,000	3,100,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
3,100,000	**Total sales of goods and services**	**3,100,000**	**3,100,000**

NOTE 15A: SALE AND GOODS OF SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	-	-
	Sales of Outputs to Cabinet		
3,100,000	Sales of Outputs to Cabinet	3,100,000	3,100,000
-	Other Outputs	-	-
3,100,000	**Total Sales of Outputs to Cabinet**	**3,100,000**	**3,100,000**
	Other Interdepartmental Revenue		
-	**Total Other Interdepartmental Revenue**	-	-
3,100,000	**Total Goods and Services**	**3,100,000**	**3,100,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,906,086	Salaries, wages and allowances	2,296,853	2,451,796
405,363	Health care CINICO	425,631	446,913
-	Health care other	-	-
228,151	Pension	322,629	341,842
-	Leave	-	-
13,462	Other personnel related costs	21,685	21,685
2,553,062	**Total Personnel Costs**	**3,066,798**	**3,262,236**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Supplies and Materials	-	-
-	Purchase of services	-	-
-	Lease of Property and Equipment	-	-
161,899	Utilities	175,329	179,713
-	General Insurance	-	-
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
160,000	Other	164,000	168,100
321,899	**Total Supplies & consumables**	**339,329**	**347,813**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
82,033	**Surplus/(deficit) from ordinary activities**	(415,267)	(615,924)
-	**Non-cash movements**	**-**	**-**
65,616	Depreciation & Amortisation	67,551	63,246
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	**-**	**-**
-	**Changes in current assets and liabilities:**	**-**	**-**
4,463	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
861	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(20,325)	(Increase/(decrease) in current liabilities - Other	3,001	-
132,648	**Net cash flows from operating activities**	**(344,715)**	**(552,678)**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CIVIL AVIATION AUTHORITY

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Civil Aviation Authority of the Cayman Islands (CAACI) have agreed the Civil Aviation Authority of the Cayman Islands will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Civil Aviation Authority of the Cayman Islands is to operate during the financial years ending 2024 and 2025.

GENERAL NATURE OF ACTIVITIES

The Civil Aviation Authority activities involve regulatory oversight of all civil aviation services provided throughout the Cayman Islands, and of aircraft registered on the Cayman Islands Aircraft Register and operate globally.

SCOPE OF ACTIVITIES

The scope of The Civil Aviation Authority activities is as follows:

Local Aviation Industry – Regulation to International Civil Aviation Organisation (ICAO) safety standards

- Certification, licensing and regulation of airports, air navigation facilities and air traffic control services
- Economic regulation of services provided by airports, airlines and air transport operators
- Certification, licensing and regulation of Air Operator Certificate holders and aircraft maintenance facilities
- Registration and certification of locally based aircraft for airworthiness and flight operations
- Personnel licensing for pilot, air traffic control and aircraft maintenance engineers

Cayman Islands Aircraft Registry- Regulation to International Civil Aviation Organisation (ICAO) safety standards

- Registration and certification of globally based aircraft for airworthiness and flight operations
- Certification, licensing and regulation of aircraft maintenance organisations to support safe operation of Cayman Islands registered aircraft.
- Validation of flight crew licenses to operate Cayman Islands registered aircraft.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Civil Aviation Authority are provided to:

- The Cayman Islands Airports Authority with respect to Owen Roberts International and Charles Kirkconnell International Airports
- The Cayman Islands Government in respect of Edward Bodden Airfield, Little Cayman
- The Cayman Islands Government in respect of the RCIPS Police Air Support Unit and Mosquito Research Control Unit aerial spraying operations
- The Cayman Islands Government in respect of economic regulatory services
- Cayman Airways Ltd., Cayman Express Ltd., and Cayman Islands Helicopters
- All Cayman Islands registered aircraft operated worldwide.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Civil Aviation Authority for the 2024 and 2025 financial years are as follows:

a) To achieve the financial results of the approved annual budgets herein.
b) To recruit and retain qualified personnel required to meet the Authority's oversight obligations.
c) To continue staff succession planning initiatives to achieve optimal staffing as a means of ensuring the Authority's business continuity.
d) To maintain financial independence and continue making dividend contributions to CIG.
e) To retain full designation by the Governor for safety oversight of all functional areas.
f) To continue promoting aviation safety through collaborative efforts with industry and key stakeholders throughout the three Cayman Islands.
g) To continue promoting local and global awareness of the Cayman Islands Aircraft Registry by execution of an annual integrated communication plan.

These objectives are aligned with the strategic priorities approved by the CAACI Board of Directors through 2025 as follows:



4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Civil Aviation Authority of the Cayman Islands for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	1,654	1,654	1,654
REVENUE FROM OTHERS	8,598	8,799	8,277
OPERATING EXPENSES	7,017	7,298	6,642
OPERATING SURPLUS/DEFICIT	**3,235**	**3,155**	**3,289**
NET WORTH	**13,164**	**13,953**	**12,356**
CASH FLOWS FROM OPERATING ACTIVITIES	3,945	3,875	4,295
CASH FLOWS FROM INVESTING ACTIVITIES	(268)	(284)	(190)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,467)	(2,426)	(4,808)
CHANGE IN CASH BALANCES	1,210	1,165	(703)

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	4.65:1	4.92:1	4.36:1
TOTAL ASSETS: TOTAL LIABILITIES	2.56:1	2.62:1	2.50:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	32	32	32
STAFF TURNOVER (%)			
MANAGERS	-	20	-
PROFESSIONAL AND TECHNICAL STAFF	17	-	-
CLERICAL AND LABOURER STAFF	7	-	13
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	20	21	19
PROFESSIONAL AND TECHNICAL STAFF	8	7	7
CLERICAL AND LABOURER STAFF	10	10	12
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	4,158	4,222	4,099
ASSET REPLACEMENTS: TOTAL ASSETS	0.625%	0.711%	0.634%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	85%	85%	84%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	23%	26%	71%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
BESPOKE SOFTWARE DEVELOPMENT (VP-C ONLINE)	158	148	37
TOTAL	**158**	**148**	**37**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Contingent liabilities – potential lawsuits for action or inaction, aircraft accident investigation costs, vehicle accidents	None/Medium	Adequate professional indemnity, accident investigation, vehicle and general insurance policies are in place	
Internal or external fraud perpetrated due to inadequate internal controls (unauthorised payments from bank account)	None/Low	Adequate internal controls are in place surrounding security of cheques and cash and authorisation of payments. Controls have been audited by the Office of the Auditor General as well Government Internal Audit Office and have been found to comply with International Accounting Standards	
Loss of control of funds - Inadequate fiscal controls, or insufficient information provided to CAA managers, leading to excess spending in approved budget	None/Low	Annual budgets are prepared with department heads to provide sufficient resources to obtain optimal performance in all departments with long term sustainability of the Authority being a primary strategic objective. Budgets are approved by CAA Board of Directors. Comparisons of actual financial results to the budget are prepared and reported to Senior Management and Board of Directors on a quarterly basis	
Not achieving financial targets due to competition and global market force	Steady year over year growth is becoming harder to achieve/High	Closely monitoring Key Performance Indicators and researching related market activity to analyse and determine possible correlations to revise internal policies to respond to market requirements	
Not achieving financial targets due global economic downturns	High	Being innovative about creating new revenue streams to supplement reduced revenue in legacy revenue streams (e.g. the transition/leased aircraft register introduced in 2020)	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Bad debt exposure - being exposed to a client's liquidity problems	Medium	Procedures are in place to prompt clients to pay their outstanding invoices in a timely manner or services and documents are withheld. Prepayments required for certain services where there is no recourse after service is rendered. Adequate due diligence is conducted on all new clients and KYC information on current clients is updated every 2 years. International media is monitored for possible client activity	
Potential clients to the Aircraft Register submitting false information to be accepted. Clients turn out to be a legal, financial and reputational risk.	None/Low	Adherence to local and global Anti-Money Laundering (AML) Regulations and Standards which includes use of due diligence tools for all new client background checks For current clients – bi-annual review of due diligence files for updated client information	
Online banking fraud	None/Low	Strict internal control and monitoring policies by bank and CAA	

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	10,252	10,453	9,931
OPERATING EXPENSES	7,017	7,298	6,642
NET SURPLUS/(DEFICIT)	3,235	3,155	3,289

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	21,611	22,547	20,584
LIABILITIES	8,446	8,594	8,228
NET WORTH	13,164	13,953	12,356

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	3,945	3,875	4,295
CASH FLOWS FROM INVESTING ACTIVITIES	(268)	(284)	(190)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,467)	(2,426)	(4,808)

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	2,467	2,426
GOVERNMENT LOANS TO BE MADE TO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS (CAACI)	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[25]	-	-
REMUNERATION[26] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	7	7
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	990	996

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

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

[26] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Civil Aviation Authority of the Cayman Islands will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP
Minister for Financial Services and Commerce
On behalf of Cabinet



Chairman of the Board
Civil Aviation Authority

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Civil Aviation Authority for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Civil Aviation Authority

31 December 2023

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CIVIL AVIATION AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

1. Significant Accounting Policies

a) Basis of Presentation

Pursuant to the Public Management and Finance Act (PMFL) (Amendment) 2015, the Authority was required to prepare its financial statements for the year ended 31 December 2017 and for each calendar year ending thereafter on 31 December. As a result, the corresponding amounts presented in these financial statements are at 31 December.

The financial statements of the Authority are prepared under the historic cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. Actual results could differ from those estimates, the impact of which would be recorded in future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b) Property, plant and equipment

Capital assets (property, plant and equipment) are recorded at their historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the straight-line method at the following rates estimated to allocate the cost of the assets over their estimated useful lives:

Computer hardware and licensed software	3 years
Leasehold improvements	3 years
Office equipment and vehicles	5 years
Developed computer software	6 years
Furniture and fixtures	10 years
Land	Not depreciated

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' in the statement of comprehensive income.

c) Foreign currency translation

i) Functional and presentation currency - Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Cayman Islands dollars, which is the entity's functional and presentation currency.

ii) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Assets and liabilities recorded in currencies other than Cayman Islands Dollars are translated at exchange rates in effect at the statement of financial position date.

d) Cash and cash equivalents

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

Significant Accounting Policies (continued)

a) Short-term deposits

Short-term deposits represent term deposits with banks or other financial institutions, including the CIG, with original maturities of greater than three months but less than twelve months. Impairment of short-term deposits has been considered on a 12-month expected credit loss basis and reflects the short maturities of the exposures, the Authority deems any exposure to be immaterial due to the low credit risk based on the external credit ratings of the counterparties.

b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sale of goods and services stated net of discounts. The Authority recognizes revenue when the amount of revenue can be reliably measured and when performance has been completed; and when specific criteria have been met for each of the Authority's activities as described in Note 12. Contract liabilities in the Statement of Financial Position represent unearned revenue where performance obligations have yet to be fully completed. Refer to Note 8 for details on contract liabilities.

c) Financial assets and liabilities

Under IFRS 9, the Authority classifies its financial assets, cash and cash equivalents, short-term deposits and trade and other receivables, as amortised cost.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Cash and cash equivalents, short term deposits and trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. The Authority's financial assets are carried at amortised cost using the effective interest method.

The Authority classifies its financial liabilities as other financial liabilities. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or obligations to the Cayman Islands Government for dividends based on comprehensive net income. Accounts payable and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Authority or the counterparty.

e) Employee benefits

The Authority operates various post-employment schemes, including a post-employment healthcare plan, and defined benefit and defined contribution pension plans.

Significant Accounting Policies (continued)

(i) Pension obligations

A defined contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Authority pays contributions to publicly administered pension insurance plans on a mandatory, contractual or voluntary basis. The Authority has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated United States Dollars (USD), a currency pegged to in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the Statement of Comprehensive Income.

(i) Post-employment healthcare plan

Certain employees are eligible for post-employment healthcare under the 1987 CIG General Orders and the CAA Act 2004. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

2. Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) **Employee benefits – post-employment pension and healthcare**

The present value of the obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit pensions and healthcare include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The Authority determines the appropriate discount rate at the end of each year in conjunction with the actuary. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations.

In determining the appropriate discount rate, the Authority in conjunction with the actuary considers the interest rates of high-quality corporate bonds that are denominated in the United States Dollars (USD), a currency pegged to the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 10.

CIVIL AVIATION AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
15,038,692	Cash and cash equivalents	**1**	16,248,827	17,413,651
-	Marketable securities and deposits		-	-
1,446,000	Trade receivables	**2**	1,182,090	930,516
200,000	Other receivables	**2**	86,000	46,000
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	136,000	135,000
-	Loans	**6**	-	-
16,684,692	**Total Current Assets**		**17,652,917**	**18,525,167**
	Non-Current Assets			
38,000	Trade receivables	**2**	38,500	39,000
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
3,764,278	Property, plant and equipment	**7**	3,615,278	3,469,278
97,008	Intangible Assets	**8**	304,008	514,008
3,899,286	**Total Non-Current Assets**		**3,957,786**	**4,022,286**
20,583,978	**Total Assets**		**21,610,703**	**22,547,453**
	Current Liabilities			
126,500	Trade payables	**9**	133,000	140,000
425,000	Other payables and accruals	**9**	405,000	410,000
2,841,750	Dividends/Surplus Payable	**9**	2,801,250	2,741,250
-	Bank Overdraft	**1**	-	-
330,000	Unearned revenue	**10**	342,000	350,000
105,000	Employee entitlements	**11**	115,000	123,000
-	Current Portion of Borrowings	**12**	-	-
3,828,250	**Total Current Liabilities**		**3,796,250**	**3,764,250**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
-	Other payables and accruals	**9**	-	-
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
1,200,000	Unfunded pension liability	**13**	1,400,000	1,500,000
3,200,000	Unfunded post retirement health care	**14**	3,250,000	3,330,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	**12**	-	-
4,400,000	**Total Non-Current Liabilities**		**4,650,000**	**4,830,000**
8,228,250	**Total Liabilities**		**8,446,250**	**8,594,250**
12,355,728	**Net Assets**		**13,164,453**	**13,953,203**
	NET WORTH			
-	Contributed capital		-	-
-	Other Reserves		-	-
-	Revaluation reserve		-	-
12,355,728	Accumulated surpluses/(deficits)		13,164,453	13,953,203
12,355,728	**Total Net Worth**		**13,164,453**	**13,953,203**

CIVIL AVIATION AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
9,866,000	Sale of goods and services	**15**	10,182,000	10,381,000
65,000	Investment revenue	**16**	70,000	72,000
-	Donations	**17**	-	-
-	Other revenue		-	-
9,931,000	**Total Revenue**		**10,252,000**	**10,453,000**
	Expenses			
3,644,978	Personnel costs	**18**	3,717,099	3,900,000
2,297,000	Supplies and consumables	**19**	2,590,000	2,678,000
200,000	Depreciation and Amortisation	**7**	210,000	220,000
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
500,000	Other (Gains)/losses	**22**	500,000	500,000
-	Other Operating expenses		-	-
6,641,978	**Total Expenses**		**7,017,099**	**7,298,000**
3,289,022	**Surplus or (Deficit) for the period**		**3,234,901**	**3,155,000**

CIVIL AVIATION AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
40,000	Sale of goods and services to Ministries/Portfolios		40,000	40,000
1,614,000	Sale of goods and services to Statutory Agencies and Government Conpanies		1,614,000	1,614,000
8,212,000	Sale of goods and services - third party		8,528,000	8,727,000
65,000	Interest received		70,000	72,000
-	Donations / Grants		-	-
305,770	Other receipts		-	-
	Payments		-	-
(3,645,000)	Personnel costs		(3,717,099)	(3,900,000)
(12,000)	Supplies and consumables - Ministries/Portfolios		(13,500)	(15,000)
(95,000)	Supplies and consumables - Statutory Agencies and Government Conpanies		(97,000)	(100,000)
(2,190,000)	Supplies and consumables - third party		(2,479,500)	(2,563,000)
-	Interest paid		-	-
-	Other payments		-	-
4,294,770	**Net cash flows from operating activities**	**23**	**3,944,901**	**3,875,000**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(190,000)	Purchase of property, plant and equipment		(268,000)	(284,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(190,000)	**Net cash flows from investing activities**		**(268,000)**	**(284,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(4,807,682)	Repayment of Surplus/Dividends or Capital withdrawal		(2,466,767)	(2,426,176)
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(4,807,682)	**Net cash flows from financing activities**		**(2,466,767)**	**(2,426,176)**
(702,912)	**Net increase/(decrease) in cash and cash equivalents**		**1,210,135**	**1,164,824**
15,741,604	Cash and cash equivalents at beginning of period		15,038,692	16,248,827
15,038,692	**Cash and cash equivalents at end of period**		**16,248,827**	**17,413,651**

CIVIL AVIATION AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	-	-	-	9,930,808	9,930,808
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	-	-	-	9,930,808	9,930,808
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(4,807,682)	(4,807,682)
Net revenue / expenses recognised directly in net worth	-	-	-	(4,807,682)	(4,807,682)
Surplus/(deficit)for the period 2022	-	-	-	6,410,346	6,410,346
Total recognised revenues and expenses for the period	-	-	-	1,602,664	1,602,664
Balance at 31 December 2022	-	-	-	11,533,472	11,533,472
Balance at 31 December 2022 brought forward	-	-	-	11,533,472	11,533,472
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	-	-	-	11,533,472	11,533,472
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(2,466,767)	(2,466,767)
Net revenue / expenses recognised directly in net worth	-	-	-	(2,466,767)	(2,466,767)
Surplus/(deficit)for the period 2023	-	-	-	3,289,022	3,289,022
Total recognised revenues and expenses for the period	-	-	-	822,256	822,256
Balance at 31 December 2023 carried forward	-	-	-	12,355,728	12,355,728

CIVIL AVIATION AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	-	-	-	12,355,728	12,355,728
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	-	-	-	12,355,728	12,355,728
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(2,426,176)	(2,426,176)
Net revenue / expenses recognised directly in net worth	-	-	-	(2,426,176)	(2,426,176)
Surplus/(deficit)for the period 2024	-	-	-	3,234,901	3,234,901
Total recognised revenues and expenses for the period	-	-	-	808,725	808,725
Balance at 31 December 2024 carried forward	-	-	-	13,164,453	13,164,453
Balance at 31 December 2024 brought forward	-	-	-	13,164,453	13,164,453
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	-	-	-	13,164,453	13,164,453
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(2,366,250)	(2,366,250)
Net revenue / expenses recognised directly in net worth	-	-	-	(2,366,250)	(2,366,250)
Surplus/(deficit)for the period 2025	-	-	-	3,155,000	3,155,000
Total recognised revenues and expenses for the period	-	-	-	788,750	788,750
Balance at 31 December 2025	-	-	-	13,953,203	13,953,203

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
450	Cash on hand	500	500
-	Cash in transit	-	-
105,000	CI$ Account	152,143	111,000
2,761,000	US$ Account	2,594,410	3,076,484
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
85,000	Bank Accounts held at other financial institutions		90,000
12,087,242	Short-Term Fixed Deposits	13,501,774	14,135,667
15,038,692	**TOTAL**	**16,248,827**	**17,413,651**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
20,000	Sale of goods and services to Ministries/Portfolios	25,000	28,000
410,000	Sale of goods and services to Statutory Agencies and Government Conpanies	415,000	418,000
1,479,000	Sale of goods and services - third party	1,230,590	988,516
	Other		
(425,000)	**Less: provision for doubtful debts**	(450,000)	(465,000)
1,484,000	**Total trade receivables**	**1,220,590**	**969,516**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
746,000	Past due 1-30 days	474,590	213,516
270,000	Past due 31-60 days	273,000	276,000
185,000	Past due 61-90 days	187,000	190,000
245,000	Past due 90 and above	247,500	251,000
	Non-Current		
38,000	Past due 1 year and above	38,500	39,000
1,484,000	**Total**	**1,220,590**	**969,516**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
200,000	Other	86,000	46,000
-	**Less: provision for doubtful debts**	-	-
200,000	**Total other receivables**	**86,000**	**46,000**

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
200,000	Past due 1-30 days	86,000	46,000
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
200,000	**Total**	**86,000**	**46,000**

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(451,641)	Balance at begining oF period	(425,000)	(450,000)
(15,000)	Additional provisions made during the year	(39,000)	(35,000)
41,641	Receivables written off during the period	14,000	20,000
(425,000)	**Balance at 31st December**	**(450,000)**	**(465,000)**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
-		136,000	135,000
-	**Prepayments - Current**	**136,000**	**135,000**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
-	**Total Prepayments**	**136,000**	**135,000**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	582,693	3,188,487	291,237	83,079	62,736	71,754	4,279,986
Additions	-	199,603	7,280	17,886	11,457	-	236,226
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	582,693	3,388,090	298,517	100,965	74,193	71,754	4,516,212

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	582,693	3,388,090	298,518	100,965	74,193	71,754	4,516,213
Additions	-	55,000	10,000	26,000	10,000	-	101,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	582,693	3,443,090	308,518	126,965	84,193	71,754	4,617,213

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	582,693	3,443,090	308,518	126,965	84,193	71,754	4,617,213
Additions	-	-	12,000	26,000	13,000	-	51,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2024	582,693	3,443,090	320,518	152,965	97,193	71,754	4,668,213

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	582,693	3,443,090	320,518	152,965	97,193	71,754	4,668,213
Additions	-	-	14,000	30,000	16,000	-	60,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2025	582,693	3,443,090	334,518	182,965	113,193	71,754	4,728,213

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	-	70,059	13,490	64,963	13,587	71,754	233,853
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2022	-	169,460	29,712	13,464	13,329	-	225,965
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	239,519	43,202	78,427	26,916	71,754	459,818

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	-	239,519	43,202	78,427	26,916	71,754	459,818
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2023	-	136,508	29,712	13,464	13,433	-	193,117
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	376,027	72,914	91,891	40,349	71,754	652,935

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	-	376,027	72,914	91,891	40,349	71,754	652,935
Transfers	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-
Depreciation Expense 2024	-	140,000	30,000	15,000	15,000	-	200,000
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	516,027	102,914	106,891	55,349	71,754	852,935

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	-	516,027	102,914	106,891	55,349	71,754	852,935
Transfers	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-
Depreciation Expense 2025	-	142,000	32,000	16,000	16,000	-	206,000
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	658,027	134,914	122,891	71,349	71,754	1,058,935

Net Book value 31 December 2022	582,693	3,148,571	255,315	22,538	47,277	-	4,056,394

Net Book value 31 December 2023	582,693	3,067,063	235,604	35,074	43,844	-	3,964,278

Net Book value 31 December 2024	582,693	2,927,063	217,604	46,074	41,844	-	3,815,278

Net Book value 31 December 2025	582,693	2,785,063	199,604	60,074	41,844	-	3,669,278

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	237,993	237,993
Additions	19,804	19,804
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	(54,415)	(54,415)
Balance as at 31 December 2022	203,382	203,382

	Computer Software	*Total*
Balance as at 1 January 2023	203,382	203,382
Additions	89,000	89,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	292,382	292,382

	Computer Software	*Total*
Balance as at 1 January 2024	292,382	292,382
Additions	217,000	217,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	509,382	509,382

	Computer Software	*Total*
Balance as at 1 January 2025	509,382	509,382
Additions	224,000	224,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	733,382	733,382

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2022	179,844	179,844
Transfers	-	-
Impairment Reserve 2022 (closing balance)	-	-
Depreciation Expense 2022	8,647	8,647
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	188,491	188,491

	Computer Software	*Total*
Balance as at 1 January 2023	188,491	188,491
Transfers	-	-
Impairment Reserve 2023 (closing balance)	-	-
Depreciation Expense 2023	6,883	6,883
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	195,374	195,374

	Computer Software	*Total*
Balance as at 1 January 2024	195,374	195,374
Transfers	-	-
Impairment change 2024	-	-
Depreciation Expense 2024	10,000	10,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	205,374	205,374

	Computer Software	*Total*
Balance as at 1 January 2025	205,374	205,374
Transfers	-	-
Impairment change 2025	-	-
Depreciation Expense 2025	14,000	14,000
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2025	219,374	219,374

Net Book value 31 December 2022	14,891	14,891
Net Book value 31 December 2023	97,008	97,008
Net Book value 31 December 2024	304,008	304,008
Net Book value 31 December 2025	514,008	514,008

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
120,000	Creditors Third party	125,000	130,000
6,500	Creditors Ministries/Portfolios	8,000	10,000
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
225,000	Accrued Expenses	200,000	200,000
200,000	Other payables	205,000	210,000
2,841,750	Dividends/Surplus Payable	2,801,250	2,741,250
3,393,250	**Trade payables other payables and accruals - Current**	**3,339,250**	**3,291,250**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
3,393,250	**Total trade payables other payables and accruals**	**3,339,250**	**3,291,250**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
330,000	Prepayments for aircraft certificates (fees)	342,000	350,000
330,000	**Total current portion**	**342,000**	**350,000**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
330,000	**Total Unearned Revenue**	**342,000**	**350,000**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
105,000	Annual Leave/Comp-time	115,000	123,000
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
105,000	**Total current portion**	**115,000**	**123,000**
	Non-current employee entitlements		
-	**Total non-current portion**	**-**	**-**
105,000	**Total employee entitlements**	**115,000**	**123,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Value of pension fund allocated asstes	-	-
(1,200,000)	Past service liability	(1,400,000)	(1,500,000)
(1,200,000)	**Fund (deficiency)/Surplus**	**(1,400,000)**	**(1,500,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-3,200,000		-3,250,000	-3,330,000
(3,200,000)	**Total Unfunded Health Care Liability**	**(3,250,000)**	**(3,330,000)**

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
8,212,000	Other Goods & Services Revenue	8,528,000	8,727,000
-	Sale of goods and services to Cabinet	-	-
1,654,000	Sale of goods and services to Other Ministries and Portfolios	1,654,000	1,654,000
9,866,000	**Total sales of goods and services**	**10,182,000**	**10,381,000**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
7,683,000	Aircraft Registry Revenue - third party (non CIG)	7,998,000	8,196,000
529,000	Operating permits -third party into GCM	530,000	531,000
8,212,000	**Total Other Goods & Services Revenue**	**8,528,000**	**8,727,000**
	Sales of Outputs to Cabinet		
-	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
-	**Total Sales of Outputs to Cabinet**	**-**	**-**
	Other Interdepartmental Revenue		
40,000	Revenue from Ministries/Portfolios	40,000	40,000
1,614,000	Revenue from Statutory Authorities and Government Companies	1,614,000	1,614,000
1,654,000	**Total Other Interdepartmental Revenue**	**1,654,000**	**1,654,000**
9,866,000	**Total Goods and Services**	**10,182,000**	**10,381,000**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
65,000	Interest on deposits	70,000	72,000
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
65,000	**Total Investment revenue**	**70,000**	**72,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
2,413,362	Salaries, wages and allowances	2,582,987	2,710,000
-	Health care CINICO	-	-
427,644	Health care other	470,482	493,000
153,008	Pension	173,241	182,000
-	Leave	-	-
650,964	Other personnel related costs	490,389	515,000
3,644,978	**Total Personnel Costs**	**3,717,099**	**3,900,000**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
104,000	Supplies and Materials	108,000	112,000
1,360,000	Purchase of services	1,371,000	1,422,000
-	Lease of Property and Equipment	-	-
86,000	Utilities	88,000	90,000
88,000	General Insurance	96,000	105,000
-	Interdepartmental expenses	-	-
247,000	Travel and Subsistence	402,000	410,000
106,000	Recruitment and Training	165,000	155,000
306,000	Other	360,000	384,000
2,297,000	**Total Supplies & consumables**	**2,590,000**	**2,678,000**

NOTE 22: OTHER GAINS/ (LOSSES)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
500,000	Net (gain) / loss on derecognition and revaluation of assets	500,000	500,000
-	Net (gain) / loss on foreign exchange Transactions	-	-
500,000	**Total gains/ (losses)**	**500,000**	**500,000**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
3,289,022	**Surplus/(deficit) from ordinary activities**	3,234,901	3,155,000
	Non-cash movements		
200,000	Depreciation & Amortisation	210,000	220,000
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
500,000	(Gain) / loss on derecognition and revaluation of assets	500,000	500,000
-	Other Non-cash movement	-	
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
3,989,022	**Net cash flows from operating activities**	**3,944,901**	**3,875,000**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
973,948	Salaries & other short-term employee benefits	989,968	995,645
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
973,948	**Total**	**989,968**	**995,645**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

HEALTH SERVICES AUTHORITY

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Health Services Authority (HSA) have agreed the Health Services Authority will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

The **Health Services Authority** is responsible for the provision and administration of health care services in the Cayman Islands.

SCOPE OF ACTIVITIES

The **Health Services Authority** provides primary and secondary levels of healthcare services, and public health functions for the residents of the Cayman Islands in accordance with the National Strategic Plan for Health as agreed with the Ministry of Health.

The Health Services Authority provides patient care through the 127-beds at the Cayman Islands Hospital, and the 18-beds at the Faith Hospital on Cayman Brac. Primary Health care is offered at district health centres in Grand Cayman and a health centre in Little Cayman. This care is supplemented with dental and eye care services on site at the Health Service Complex in Grand Cayman.

As the nation's principal health care facility, the Cayman Islands Hospital in George Town provides a full range of inpatient and outpatient medical and specialist services.

Specialist services are available in the fields of: surgery, gynaecology and obstetrics, paediatrics, internal medicine, dermatology, anaesthesiology, public health, orthopaedics, psychiatry, cardiology, gastroenterology, radiology, neurology, ophthalmology, ear, nose and throat, periodontology, reconstructive surgery, faciomaxillary surgery, and urology.

Residents and visitors can turn to the Faith Hospital in Cayman Brac and the Little Cayman Clinic in Little Cayman for their health care needs when on those Islands. The 18-beds hospital at Faith Hospital in Cayman Brac serves both islands and provides primary, secondary and emergency care. It features a modern inpatient unit, as well as an operating theatre, maternity, accident and emergency department, outpatient clinics and a public health department.

The Health Services Authority also provides a full range of dental and ophthalmologic services.

The Little Cayman Clinic is complete with waiting and triage areas, a treatment room, doctors' office, and a dental office. A resident registered nurse is on call around-the-clock.

The Health Services Authority through the Public Health Department is responsible for public health programmes through a purchase agreement with the Ministry of Health and Wellness. A team of public health nurses, a public health surveillance officer, a health promotion officer, a genetics counsellor, a nutritionist, and administrative staff provide this service under the direction of the Medical Officer of Health.

Public Health services include:

- Health advice and vaccines for international travellers.
- Health assessment, including vision and hearing tests for children.
- Nutrition and dietary counselling.
- Child growth and development monitoring.
- Health Promotion.
- Communicable disease screening; and disease prevention and control programmes, including immunization.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the **Health Services Authority** are provided to all members of the community and visitors. It serves as the primary source of healthcare services to groups of people entitled to healthcare by the Cayman Islands' Government. This includes civil servants and their dependants, public office pensioners and their dependents, school age children, seamen and veterans, indigents and prisoners and mental ill patients.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Health Services Authority for the 2024 and 2025 financial years are as follows:

1. **Improve the patient and staff experience:**

Implement measurable and sustainable goals to ensure the HSA remains the premiere healthcare provider in the Cayman Islands through patient and staff satisfaction and loyalty.

2. Expand HSA's clinical capabilities and optimize core services

Evaluate and enhance clinical services to meet changing population growth and demographics of the Cayman Islands to increase the HSA's market share, revenue and patient outcomes.

3. Talent Attraction and Retention

Invest and focus on recruitment processes and engagement of employees.

4. Develop and expand current infrastructure

Expand current facilities to meet current needs and projected growth in patient volumes while being environmentally responsible.

5. Leverage Technology to improve access to and delivery of care

Invest in technology to promote efficiency in all areas of the HSA environment.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Health Services Authority for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	46,272	46,282	56,943
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	65,125	68,381	62,023
REVENUE FROM OTHERS	60,355	65,863	46,400
OPERATING EXPENSES	172,414	180,619	175,001
OPERATING SURPLUS/DEFICIT	**(662)**	**(93)**	**(9,635)**
NET WORTH	**32,711**	**32,804**	**32,049**
CASH FLOWS FROM OPERATING ACTIVITIES	13,214	13,233	2,839
CASH FLOWS FROM INVESTING ACTIVITIES	(10,085)	(10,895)	(4,902)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	3,129	2,338	(2,063)

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024**	**2025 1 Jan to 31 Dec 2025**	**2023 12-Month Forecast**
CURRENT ASSETS : CURRENT LIABILITIES	9.18:1	17.46:1	1.00:1
TOTAL ASSETS : TOTAL LIABILITIES	1.17:1	1.16:1	1.18:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	1,125	1,175	1,100
STAFF TURNOVER (%)			
MANAGERS	9	9	8
PROFESSIONAL AND TECHNICAL STAFF	9	9	8
CLERICAL AND LABOURER STAFF	10	10	10
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	15	18	14
PROFESSIONAL AND TECHNICAL STAFF	9	9	8
CLERICAL AND LABOURER STAFF	9	9	9
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	185,937	198,334	169,927
ASSET REPLACEMENTS : TOTAL ASSETS	5%	5%	9%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	70%	68%	73%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	84%	87%	52%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
Mental Health Facility Expansion	8,000	2,000	-
Medical Equipment Upgrade and replacement (including 50 new hospital beds)	3,500	3,500	-
Faith Hospital Improvements	2,000	2,000	2,000
IT Systems Upgrade	2,000	2,000	2,000
Camera System and Vehicle Upgrade	85	85	-
Resurfacing of back car park, hospital repainting, A&E renovations, and other construction projects	-	-	6,417
Ward expansion 11 beds	-	-	6,417
Relocation expansion of ACU	-	-	5,000
Radiology/ Blood Bank SRMC	-	-	2,700
Acquisition of Education Department Property	-	-	2,485
Plumbing system replacement	-	-	2,000
Hospital Bed Replacement (50 beds in 2023)	-	-	1,500
TOTAL	**15,585**	**9,585**	**26,102**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Lightning strike to generator rendering systems inoperable with no reliable back-up power support for critical patient care and operational functions.		•Lightening suppressant system installed. •Automatic safety switch in place which detects any system anomaly and initiates safety mode which protects the generator •Frequent rounds and checks by Security Guards and Maintenance Supervisor to ensure system is fully operational and carry out manual inspections to detect any anomalies •Redundant generator in place that powers lifesaving medical equipment	
Potential for catastrophic impact and continuity of operations from fire in the back-up generator room.		•Fire alarm system in place to detect and alert to any fire •Fire suppression system in place to immediately control the fire until fire units arrive on scene •Infrastructure is compartmentalised to protect critical systems and contain fire within the compartment •Active fire wardens in place to carry out safety checks •Main generator is in a different location	
Potential for vicarious liability exposure for claims made against underinsured privileged physicians.		•Levels of minimum med-mal insurance levels instituted. •Evidence of med mal insurance submitted annually prior to the renewal of privileges. •Medical Director's office to automate insurance laps notification in real time	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Strategic			
Potential for the inappropriate and unsolicited release of confidential material to the public.		•Staff trained and sensitized annually on Data Protection Act •Third party gap analysis and vulnerability penetration testing completed •Organisation-wide policies in place to protect and govern release of information •Media relations policy in place •All Board and Staff sign a confidentiality agreement. • Persons violating confidentiality and data protection policy will be handled according to HR policy •Robust IT Policies implemented to promote data retention and prevent loss.	
Contracts supplied which could leave the organisation exposed to consultants/vendors benefit/financial gain.		All contracts are vetted by Legal Counsel.	
Potential loss of revenue (loss of market share) from increased competition from private healthcare providers in the community.		•Annual strategic review undertaken as part of the budget and strategic planning process to identify opportunities for new services based on data and market analysis. •Periodic review undertaken to identify opportunities and implement measures to improve quality of services and patient experiences •Focus is placed on measures that will reduce waiting list and waiting time	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for cost overrun on Contracted Good and Services		•Purchase Orders required for each payment •All requests for payments on contracts appropriately supported and recorded •Verification of the budget against all IRs prior to payment, by the HSA's Decision Support and Transaction Manager. •Legal penalties incorporated in open contracts. •Negotiation of fixed cost contracts where possible. •Implement Oracle Fusion with three-way matching capability	
Potential of cost overrun for professional services and large-scale projects.		•Change order approval at the senior management level. •Contract negotiation •Legal review of contracts. •Establishment of project management office.	
Potential for unauthorized access to system for payroll and allowances.	Procurement of PDS Vista in progress	•Only HR, DSTM and Payroll Officer have access to payroll info in IRIS. •Files saved in Finance directory - only CFO, DCFO, FC, DSTM and Payroll Officer have access to this directory. •New robust HR system currently being implemented.	
Potential Overpayment of final monies upon exit	Procurement of PDS Vista in progress	•HR guidelines in place for checks and balances •Another HR Officer reviews amounts input.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for the alteration of leave forms once approved, allowing for financial advantage through employees promoting an inaccurate recording of leave.	Procurement of PDS Vista in progress	Accrued leave balances are electronically reconciled every 6 months.	
Potential for the non-declaration of leave taken thus being entitled for false allowance.	Procurement of PDS Vista in progress	Accrued leave balances are electronically reconciled every 6 months.	
Potential for the recording of false overtime entries to benefit in payroll and allowances.	Procurement of PDS Vista in progress	•Overtime policy requires preapproval of OT by senior manager. •Monthly reporting and monitoring of overtime.	
Potential for the procurement of goods or services for personal use		•All items procured require an IR, signed by relevant Section Manager and Senior Manager. •IR must be submitted to Procurement Department for review and PO creation, along with all relevant supporting documents. •Automated system checks for PO integrity •Procurement team then send final package to Finance for payment.	
Potential use of Procurement for favourable treatment of suppliers for personal gain		•Purchase Orders required for each payment •All requests for payments appropriately supported and recorded •Verification of the budget against all IRs prior to payment, by the HSA's Decision Support and Transaction Manager	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for unnecessary or excessive purchasing in return for gifts/kickbacks		Donations and Gift Register and Policy in place.	
Potential overcharging or provision of false accounts by suppliers		Procurement Policy in place to ensure comparative quotes which are reviewed by Procurement Committee and PPC.	
Potential Manipulation of accounts payable vendor master file		•All relevant support for a payment is put together by relevant cost centre manager. •Procurement team gather all relevant KYC on vendor if not already provided by requesting cost centre. •Continued implementation of Oracle Fusion	
Potential for the payment of fictitious invoices by accounts payable		Robust approval process with segregation of duties and various levels of checks performed.	
Potential for the collusion with suppliers in providing false invoices or invoices that overcharge the organisation by accounts payable.		Procurement Policy which reflects current best practices. Procurement processes follow regulatory guidelines, including open tender process for larger items which allows for some element of transparency. For smaller purchases - 2 to 3 quotes are required prior to purchases going through the Procurement process (Procurement committee review, contract creation, IR creation, PO creation, and budget review) prior to being paid for. Multiple approval levels in place for material contracts.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Cost of doing business is not reflected in our Charge Master	Charge Master Review	•Continuous review of charge master to ensure alignment with standard health insurance fees •Payment policy has been updated and monitor for compliance. •A collector/counsellor is available to assess need and encourage patients to pay at the point of service. •Close collaboration with the NAU continues to provide patients with the necessary financial assistance they need to access services •Assessment and revision of Cabinet outputs periodically	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Potential loss of supplies due to fire in Materials Management and Pharmacy Stores	Regular mandatory fire training and fire drills	•Smoke detectors are functional •Flammable items are separated and stored in safety cabinets. •Daily rounds by Fire wardens Quarterly Inspections and Risk Assessments by Health and Safety Officer •Independent Assessments •Fire suppression system installed	
Identified space issues in switchboard room.	Switch Board relocated.	Risk mitigated.	
Retention Challenges	•Implementation of Just Culture program in progress •Acquiring JCI Accreditation	•Staff survey completed to get feedback to ascertain staff issues and factors affecting morale. •Whistleblowing policy implemented and staff sensitized in staff meetings and onboarding. •Formal complaints process with staff sensitized •Staff meetings and onboarding. •Created section Managers WhatsApp group to communicate changes real time •Staff Wellness program •HR open house •Staff sensitization of relevant policies affecting work life •Select Staff allowed to work remotely	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Lack of audible warning device in EMS office and lack of portable fire extinguisher in the EMS department. The office has only one exit	•EMS room to be expanded •Fire alarm panel will be upgraded to include alert for EMS	Extinguisher provided.	
Potential improper recruitment practices	Electronic HR system being procured.	•Clear recruitment policies and procedures •Clear interviewing and selection guidelines •Disclosure Form •Recruitment manager in post	
Potential for the Inappropriate use of vehicles		•Policy for the use and maintenance of vehicles •Use of logbook to sign out and return vehicles	
Potential for the use of patient information for personal gain or influence		•Organisations policies, procedures •Privileging guidelines are in place •Monitoring of privileged physicians by MD, DMD	
Potential for bias in referral recommendations for gain/advantage with overseas medical entities	Appeals Referral Committee reviews no approvals.	Medical Director and Deputy Medical Director approve referrals.	
Potential loss of key staff in single incumbent positions due to retirement, resignation, lack of trained personnel on island and difficulty in recruiting and retaining professionals		•Development and ongoing review of recruitment and retention strategies •Development of succession plan •Funding of succession plan •Cross training of staff in these positions	900K

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Potential Security breach of IT system		•Intrusion detection assessment •Periodic audit of active directory •Scheduled audits of IT system usage logs •Security software •Ongoing training on phishing •Hired Security Information Officer •Cyber Insurance •Close collaboration with CIG's CISO	45K
Security of Staff and Facilities		•Installation of additional CCTV cameras •Access control and maintenance of alarms on exits •Issuing of ID cards to all staff •Installation of gate to rear parking lot	50K
Potential for business interruption due to natural, internal, or external disaster		Backup of critical data on site- IT to investigate and implement.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Clinical			
Potential for patient safety, quality of care issues, understaffing and staff burnout due to the difficulty in recruiting experienced nursing staff.		•Transition to practice programme instituted for new RNs •Variety of recruitment methods are being used to attract nurses, including agencies	
Potential for delays in transporting patients from Faith Hospital to CIH		•Evacuation plan with Cayman Airways •MOU with RCIPS for use of helicopter	
Potential for patient falls in the inpatient and outpatient setting.		•Fall risk assessment for each patient •Use of fall prevention interventions •Regular rounding by nurses •Quarterly monitoring of in-patient fall rates	
Potential for unauthorised entry to the Maternity Unit		•Buzzer on entry •CCTV at door entry •Totguard system in place	
Potential for patient burns from use of certain modalities in Physiotherapy.	Ongoing training and Preventative maintenance of equipment	Protocols and procedures are in place. Laser policy and protocols implemented	
Patient falls during rehab or transfers in physiotherapy.	Ongoing training and Preventative maintenance of equipment	Protocols and procedures are in place.	
Potential for inadequate Blood Supply with poor patient outcome	Ongoing marketing and blood drives to recruit new donors.	•Contracts are in place for blood and products •Organised schedule for recruiting blood donors is in place •Additional donors recruited •Change in blood donor policy	
Inadequate funding for the replacement of aging clinical equipment		•Replace equipment according to schedule •Equipment is being replaced as scheduled	

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	173,076	180,771	165,365
OPERATING EXPENSES	172,414	180,619	175,001
NET SURPLUS/(DEFICIT)	662	93	(9,635)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	224,825	232,034	214,823
LIABILITIES	192,113	199,230	182,773
NET WORTH	32,711	32,804	32,049

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	13,214	13,233	2,839
CASH FLOWS FROM INVESTING ACTIVITIES	(10,085)	(10,895)	(4,902)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO HEALTH SERVICES AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM HEALTH SERVICES AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY HEALTH SERVICES AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO HEALTH SERVICES AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO HEALTH SERVICES AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[27]	-	-
REMUNERATION[28] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	3,734	3,812
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	2,591	2,639

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	11	11
NUMBER OF KEY SENIOR MANAGEMENT (MD)	11	11

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

[28] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Health Services Authority will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Sabrina Turner, MP
Minister for Health and Wellness
On behalf of Cabinet



Chairperson of the Board
Health Services Authority

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

HEALTH SERVICES AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable.
b. Fairly reflect the forecast financial position as of 31 December 2024 and 31 December 2025 and performance for the Health Services Authority for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairperson of the Board
Cayman Islands Health Services Authority

31 December 2023

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These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted by the Health Authority are as follows:

(a) Basis of accounting

The financial statements of the Health Authority are prepared on an accrual basis under the historical cost convention except for: (1) the revaluation of land and buildings [see (d) below] and (2) employee benefits [see note 12 and note 13 below]. The financial statements are presented in Cayman Islands Dollars (CI$s) and are prepared on the accrual basis of accounting, unless otherwise stated. The statements are rounded to the nearest dollar except otherwise stated.

Changes in accounting policies

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

(b) Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from these estimates.

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

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Health Authority recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Health Authority's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through the OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. All debt instruments are classified as "Hold to collect and sell" and recognized at fair value through the OCI. The debt instruments were previously classified as available for sale under IAS 39. Accounts receivables are measured at the transaction price determined under IFRS 15

(c) Financial instruments

(i) Financial assets (continued)

Cash and Cash Equivalents classified as loans and receivables under IAS 39 have been reclassified to amortized cost at the adoption date of the standard.

The Health Authority's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Health Authority commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through the OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through the OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

All debt instruments are subsequently measured at fair value with gains and losses arising due to change in the fair value recognized in the OCI. Interest income and foreign change gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortised cost.

Derecognition

The Health Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Health Authority has transferred substantially all the risks and rewards of the asset, or (b) the Health Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Impairment of financial assets

The Health Authority recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Health Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(c) Financial instruments

(i) Financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivables, the Health Authority applies a general approach in calculating ECLs.
For debt instruments at fair value through OCI, the Health Authority applies the low credit risk simplification. At every reporting date, the Health Authority evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Health Authority reassesses the credit rating of the debt instrument. In addition, the Health Authority considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities comprise accounts payable and accrued expenses.

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

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(d) Fixed assets and depreciation

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the statement of financial position date.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in the Statement of Changes in Equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged.

A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to the statement of comprehensive income to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to statement of comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings (deficit). No transfer is made from the revaluation reserve to retained earnings (deficit) except when an asset is derecognised.

Properties in the course of construction for the main healthcare business, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Health Authority's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Medical equipment and other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to recognize the consumption of an asset, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

(d) Fixed assets and depreciation (continued)

Depreciation is charged to the statement of comprehensive income on a straight-line basis based on the following periods estimated to write off the cost of the assets over their expected useful lives:

Buildings	up to 60 years
Medical equipment	8 – 20 years
Other fixed assets	3 – 20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, were shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(e) Right-of-use assets (Leases)

(a) The Health Authority assesses whether a contract is or contains a lease, at inception of the contract. The right-of-use asset and a corresponding lease liability is recognised with respect to all lease arrangements in which the Health Authority is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as any monthly lease payment $5,000 or less). For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the organization's incremental borrowing rate is used (US prime rate + 0.25%).

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

• The amount expected to be payable by the lessee under residual value guarantees.

• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

(e) Right-of-use assets (Leases) (continued)

• Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

No such adjustments were made during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever an obligation is incurred for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the organization expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

(e) Right-of-use assets (Leases) (continued)

IAS 36 is applied to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see Note 19).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The Health Authority has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Health Authority has allocated the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(f) Impairment

The carrying amount of the Health Authority's assets other than inventory (see Note 3(j)) is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(g) Foreign currency translation

Transactions in foreign currencies are translated at the prevailing foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Cayman Islands dollars at the prevailing exchange rate at the statement of financial position date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Cayman Islands dollars at the prevailing foreign currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the prevailing foreign exchange rates at the dates that the values were determined.

(h) Allowance for doubtful debts

Health Authority uses the allowance method to record its estimated annual expense for doubtful debts. Under the allowance method, receivables are written off against the allowance for doubtful debts (a contra asset account) when management believes that the collectability of the account is unlikely. The allowance is an amount that management believes will be adequate to cover any doubtful debts, based on an evaluation of collectability and prior doubtful debts experience.

(i) Inventory

Inventory is valued at the lower of net realisable value or cost, on a moving average basis. Inventory is recorded net of obsolete, slow-moving, and expired items.

(j) Revenue recognition

Revenue including government programme is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the Health Authority expects to be entitled in exchange of goods or services. This core principle is delivered as per the IFRS 15 five-step model framework which are: (1) Identify the contract with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations in the contract; and (5) Recognize revenue when the Health Authority satisfies a performance obligation.

Other income such as donation, interest on deposits, rental and other miscellaneous income are recognized when the condition (if any) relating to a donation is met, or the agreed criteria for interest revenue has been settled or when services are provided. Grants received or receivable in recognition of specific expenses are recognized in the statement of comprehensive income in the period received.

(k) Employee benefits

The Health Authority employees and their dependants receive free medical benefits of which a portion is provided by the Health Authority within its facilities. The portion provided by the Health Authority within its facility is valued at $8,960,406 (*2021: $7,306,875*). This amount is netted against revenue as this is considered as contractual adjustments.

The Health Authority provides post-employment benefits through defined benefit and defined contribution plans.

Defined benefit plans

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

(k) Employee benefits (continued)

Defined benefit plans (continued)

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

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

In addition to employee pension benefits, the Health Authority also provides certain employee health care benefits to certain current and future retirees. To be eligible, employees must meet the following criteria at retirement: hired prior to 1 November 2010; complete 10 consecutive years with the Health Authority and the Government as principal employer; retire from the Health Authority at age 65 (statutory retirement age) or after age 50 (early retirement age) on the advice of the Medical Board; hired by Government and transferred to the Health Authority without a break in service.

In accordance with IAS 19, the Health Authority recognizes a liability when an employee has provided services in exchange for employee benefits to be paid in the future; and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. These amounts are reported in the statements of financial position and comprehensive income, respectively. They are also presented in additional details in the notes to the financial statements.

The Health Authority presently pays its post-retirement health care obligations annually from its operating expenditure budget. The Health Authority is presently considering alternative funding arrangements which will set aside funds to meet future post-retirement health care obligations as and when they fall due.

Defined Contribution Plans

The Health Authority's obligations for contributions to employee defined contribution pension plans are recognized in the statement of comprehensive income in the periods during which services are rendered by employees.

(l) Provisions

Provisions are recognised when Health Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Health Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

HEALTH SERVICES AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
38,755,896	Cash and cash equivalents	1	41,884,417	44,222,332
-	Marketable securities and deposits		-	-
37,264,387	Trade receivables	2	37,651,049	38,919,531
1,280,066	Other receivables	2	1,280,066	1,280,066
13,985,101	Inventories	3	13,385,101	13,085,101
-	Investments	4	-	-
40,822	Prepayments	5	40,822	40,822
-	Loans	6	-	-
91,326,271	**Total Current Assets**		**94,241,454**	**97,547,852**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
123,222,638	Property, plant and equipment	7	130,335,520	134,238,346
273,703	Intangible Assets	8	247,676	247,676
123,496,341	**Total Non-Current Assets**		**130,583,196**	**134,486,021**
214,822,612	**Total Assets**		**224,824,650**	**232,033,873**
	Current Liabilities			
85,337	Trade payables	9	85,337	85,337
12,381,203	Other payables and accruals	9	10,130,370	5,451,140
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
50,000	Employee entitlements	11	50,000	50,000
-	Current Portion of Borrowings	12	-	-
12,516,540	**Total Current Liabilities**		**10,265,708**	**5,586,477**
	Non-Current Liabilities			
-	Trade payables	9	-	-
860,833	Other payables and accruals	9	510,634	365,191
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
700,000	Employee entitlements	11	700,000	700,000
7,235,000	Unfunded pension liability	13	8,205,000	9,175,000
161,461,000	Unfunded post retirement health care	14	172,432,000	183,403,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
170,256,833	**Total Non-Current Liabilities**		**181,847,634**	**193,643,191**
182,773,373	**Total Liabilities**		**192,113,342**	**199,229,668**
32,049,240	**Net Assets**		**32,711,308**	**32,804,205**
	NET WORTH			
140,805,201	Contributed capital		140,805,201	140,805,201
-	Other Reserves		-	-
42,801,302	Revaluation reserve		42,801,302	42,801,302
(151,557,262)	Accumulated surpluses/(deficits)		(150,895,194)	(150,802,297)
32,049,240	**Total Net Worth**		**32,711,308**	**32,804,205**

HEALTH SERVICES AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
164,135,200	Sale of goods and services	**15**	172,422,443	180,057,505
730,000	Investment revenue	**16**	153,900	153,900
500,000	Donations	**17**	500,000	500,000
-	Other revenue		-	-
165,365,200	**Total Revenue**		**173,076,344**	**180,711,406**
	Expenses			
119,386,813	Personnel costs	**18**	113,675,035	120,489,643
35,953,106	Supplies and consumables	**19**	34,396,528	35,115,683
8,139,553	Depreciation and Amortisation	**7**	8,498,147	9,482,175
500,000	Impairment of Inventory,property, plant and equipment		600,000	300,000
-	Finance costs & overdraft interest	**20**	750,000	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
11,021,223	Other Operating expenses		14,494,566	15,231,007
175,000,695	**Total Expenses**		**172,414,276**	**180,618,509**
(9,635,496)	**Surplus or (Deficit) for the period**		**662,068**	**92,897**

HEALTH SERVICES AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
66,203,966	Sale of goods and services to Ministries/Portfolios		72,812,010	76,792,702
66,196,542	Sale of goods and services to Statutory Agencies and Government Conpanies		80,154,585	84,223,516
25,128,755	Sale of goods and services - third party		27,641,631	29,023,712
-	Interest received		-	-
500,000	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(107,445,813)	Personnel costs		(115,246,203)	(123,383,746)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(26,963,016)	Supplies and consumables - third party		(28,958,733)	(29,702,035)
-	Interest paid		-	-
(20,781,465)	Other payments		(23,189,768)	(23,721,234)
2,838,969	**Net cash flows from operating activities**	**23**	**13,213,521**	**13,232,915**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(15,401,551)	Purchase of property, plant and equipment		(10,085,000)	(10,895,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
10,500,000	Proceeds from sale of investments		-	-
(4,901,551)	**Net cash flows from investing activities**		**(10,085,000)**	**(10,895,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
(2,062,582)	**Net increase/(decrease) in cash and cash equivalents**		**3,128,521**	**2,337,915**
40,818,478	Cash and cash equivalents at beginning of period		38,755,896	41,884,417
38,755,896	**Cash and cash equivalents at end of period**		**41,884,417**	**44,222,332**

HEALTH SERVICES AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	140,805,201	-	42,801,302	(192,007,564)	(8,401,062)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	140,805,201	-	42,801,302	(192,007,564)	(8,401,062)
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	54,864,000	54,864,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	54,864,000	54,864,000
Surplus/(deficit)for the period 2022	-	-	-	(5,174,477)	(5,174,477)
Total recognised revenues and expenses for the period	-	-	-	49,689,523	49,689,523
Balance at 31 December 2022	140,805,201	-	42,801,302	(142,318,041)	41,288,461
Balance at 31 December 2022 brought forward	140,805,201	-	42,801,302	(142,318,041)	41,288,461
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	140,805,201	-	42,801,302	(142,318,041)	41,288,461
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	396,274	396,274
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	396,274	396,274
Surplus/(deficit)for the period 2023	-	-	-	(9,635,496)	(9,635,496)
Total recognised revenues and expenses for the period	-	-	-	(9,239,222)	(9,239,222)
Balance at 31 December 2023 carried forward	140,805,201	-	42,801,302	(151,557,262)	32,049,240

HEALTH SERVICES AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	140,805,201	-	42,801,302	(151,557,262)	32,049,240
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	140,805,201	-	42,801,302	(151,557,262)	32,049,240
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	662,068	662,068
Total recognised revenues and expenses for the period	-	-	-	662,068	662,068
Balance at 31 December 2024 carried forward	140,805,201	-	42,801,302	(150,895,194)	32,711,308
Balance at 31 December 2024 brought forward	140,805,201	-	42,801,302	(150,895,194)	32,711,308
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	140,805,201	-	42,801,302	(150,895,194)	32,711,308
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	92,897	92,897
Total recognised revenues and expenses for the period	-	-	-	92,897	92,897
Balance at 31 December 2025	140,805,201	-	42,801,302	(150,802,297)	32,804,205

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
38,755,896	CI$ Account	41,884,417	44,222,332
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
38,755,896	**TOTAL**	**41,884,417**	**44,222,332**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
1,546,373	Sale of goods and services to Ministries/Portfolios	2,134,917	2,134,917
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
57,545,313	Sale of goods and services - third party	56,031,818	55,771,724
1,053,438	Other	1,053,438	1,053,438
(22,880,737)	**Less: provision for doubtful debts**	(21,569,124)	(20,040,547)
37,264,387	**Total trade receivables**	**37,651,049**	**38,919,531**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
15,941,321	Past due 1-30 days	15,261,830	15,410,852
14,582,631	Past due 31-60 days	15,311,763	16,077,351
2,777,250	Past due 61-90 days	2,916,112	3,061,918
3,963,184	Past due 90 and above	4,161,344	4,369,411
	Non-Current		
-	Past due 1 year and above	-	-
37,264,387	**Total**	**37,651,049**	**38,919,531**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
1,280,066	Advances (salary, Official Travel, etc)	1,280,066	1,280,066
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
1,280,066	**Total other receivables**	**1,280,066**	**1,280,066**

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
1,280,066	Past due 1-30 days	1,280,066	1,280,066
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
1,280,066	**Total**	**1,280,066**	**1,280,066**

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(23,975,386)	Balance at begining oF period	(22,880,737)	(21,569,124)
(3,905,351)	Additional provisions made during the year	(3,688,387)	(3,471,423)
5,000,000	Receivables written off during the period	5,000,000	5,000,000
(22,880,737)	**Balance at 31st December**	**(21,569,124)**	**(20,040,547)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
13,985,101	Inventory held for use in the provision of goods and services	13,385,101	13,085,101
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
13,985,101	**INVENTORIES - Current**	**13,385,101**	**13,085,101**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
13,985,101	**TOTAL INVENTORIES**	**13,385,101**	**13,085,101**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Repayment	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
40,822	Lease deposits	40,822	40,822
40,822	**Prepayments - Current**	**40,822**	**40,822**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
40,822	**Total Prepayments**	**40,822**	**40,822**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	16,043,000	24,544,571	74,241,122	5,861,189	4,729,721	9,797,157	4,304,321	139,521,080
Additions	-	2,585,008	3,992,947	-	428,752	3,421,554	570,388	10,998,649
Disposals and Derecognisation	-	(173,866)	75,958	(2,089,689)	(145,703)	7,539	-	(2,325,760)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	4,495,293	-	-	-	(4,495,293)	-
Balance as at 31 December 2022	16,043,000	26,955,713	82,805,321	3,771,500	5,012,770	13,226,250	379,415	148,193,969

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	16,043,000	26,955,713	82,805,321	3,771,500	5,012,770	13,226,250	379,415	148,193,969
Additions	2,000,000	-	20,101,551	-	-	-	-	22,101,551
Disposals and Derecognisation	-	-	-	(642,212)	-	-	-	(642,212)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	18,043,000	26,955,713	102,906,871	3,129,288	5,012,770	13,226,250	379,415	169,653,308

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	18,043,000	26,955,713	102,906,871	3,129,288	5,012,770	13,226,250	379,415	169,653,308
Additions	-	5,500,000	8,000,000	-	-	2,085,001	-	15,585,001
Disposals and Derecognisation	-	-	-	425,009	-	-	-	425,009
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	18,043,000	32,455,713	110,906,871	3,554,297	5,012,770	15,311,251	379,415	185,663,318

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	18,043,000	32,455,713	110,906,871	3,554,297	5,012,770	15,311,251	379,415	185,663,318
Additions	-	5,500,000	5,800,000	-	-	2,085,000	-	13,385,000
Disposals and Derecognisation	-	-	-	(987,812)	-	-	-	(987,812)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	18,043,000	37,955,713	116,706,871	2,566,484	5,012,770	17,396,251	379,415	198,060,506

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	17,083,236	3,555,013	1,396,212	4,084,664	5,827,766	-	31,946,892
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	1,556,415	3,962,099	953,694	480,646	581,298	-	7,534,152
Eliminate on Disposal or Derecognisation 2022	-	(162,955)	(40,530)	(473,899)	(113,615)	365,856	-	(425,143)
Balance as at 31 December 2022	-	18,476,696	7,476,582	1,876,007	4,451,695	6,774,920	-	39,055,900

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	18,476,696	7,476,582	1,876,007	4,451,695	6,774,920	-	39,055,900
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	1,556,415	4,364,130	908,399	629,243	558,794	-	8,016,982
Eliminate on Disposal or Derecognisation 2023	-	-	-	(912,257)	-	270,044	-	(642,212)
Balance as at 31 December 2023	-	20,033,111	11,840,712	1,872,150	5,080,938	7,603,759	-	46,430,670

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	20,033,111	11,840,712	1,872,150	5,080,938	7,603,759	-	46,430,670
Transfers	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	2,106,415	4,498,103	471,063	629,243	767,294	-	8,472,119
Eliminate on Disposal or Derecognisation 2024	-	-	-	154,964	-	270,044	-	425,008
Balance as at 31 December 2024	-	22,139,527	16,338,815	2,498,178	5,710,181	8,641,097	-	55,327,798

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Computer Hardware*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	22,139,527	16,338,815	2,498,178	5,710,181	8,641,097	-	55,327,798
Transfers	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	2,656,415	4,640,130	580,592	629,243	975,794	-	9,482,175
Eliminate on Disposal or Derecognisation 2025	-	-	-	(1,257,857)	-	270,044	-	(987,813)
Balance as at 31 December 2025	-	24,795,942	20,978,945	1,820,913	6,339,425	9,886,936	-	63,822,160

Net Book value 31 December 2022	16,043,000	8,479,017	75,328,738	1,895,493	561,076	6,451,330	379,415	109,138,069

Net Book value 31 December 2023	18,043,000	6,922,602	91,066,159	1,257,138	(68,168)	5,622,491	379,415	123,222,638

Net Book value 31 December 2024	18,043,000	10,316,187	94,568,056	1,056,119	(697,411)	6,670,154	379,415	130,335,520

Net Book value 31 December 2025	18,043,000	13,159,771	95,727,926	745,572	(1,326,654)	7,509,315	379,415	134,238,346

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	5,764,209	5,764,209
Additions	149,222	149,222
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2022	5,913,431	5,913,431

	Computer Software	*Total*
Balance as at 1 January 2023	5,913,431	5,913,431
Additions		-
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2023	5,913,431	5,913,431

	Computer Software	*Total*
Balance as at 1 January 2024	5,913,431	5,913,431
Additions		-
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2024	5,913,431	5,913,431

	Computer Software	*Total*
Balance as at 1 January 2025	5,913,431	5,913,431
Additions		-
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2025	5,913,431	5,913,431

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2022	5,368,560	5,368,560
Transfers		-
Impairment Reserve 2022 (closing balance)		-
Depreciation Expense 2022	148,598	148,598
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2022	5,517,158	5,517,158

	Computer Software	*Total*
Balance as at 1 January 2023	5,517,158	5,517,158
Transfers		-
Impairment Reserve 2023 (closing balance)		-
Depreciation Expense 2023	122,571	122,571
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2023	5,639,728	5,639,728

	Computer Software	*Total*
Balance as at 1 January 2024	5,639,728	5,639,728
Transfers		-
Impairment change 2024		-
Depreciation Expense 2024	26,027	26,027
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2024	5,665,756	5,665,756

	Computer Software	*Total*
Balance as at 1 January 2025	5,665,756	5,665,756
Transfers		-
Impairment change 2025		-
Depreciation Expense 2025		-
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2025	5,665,756	5,665,756

Net Book value 31 December 2022	396,274	396,274
Net Book value 31 December 2023	273,703	273,703
Net Book value 31 December 2024	247,676	247,676
Net Book value 31 December 2025	247,676	247,676

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
85,337	Creditors Third party	85,337	85,337
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
558,791	Operating Lease	350,199	145,443
6,302,944	Accrued Expenses	6,802,944	4,292,944
5,519,468	Other payables	2,977,227	1,012,753
-	Dividends/Surplus Payable	-	-
12,466,540	**Trade payables other payables and accruals - Current**	**10,215,708**	**5,536,477**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
860,833	Operating Lease	510,634	365,191
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
860,833	**Trade payables other payables and accruals - Non-Current**	**510,634**	**365,191**
13,327,373	**Total trade payables other payables and accruals**	**10,726,342**	**5,901,668**

Note 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
-	Annual Leave/Comp-time	-	-
50,000	Retirement and long service leave	50,000	50,000
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
50,000	**Total current portion**	**50,000**	**50,000**
	Non-current employee entitlements		
700,000	Retirement and long service leave	700,000	700,000
-	Other	-	-
700,000	**Total non-current portion**	**700,000**	**700,000**
750,000	**Total employee entitlements**	**750,000**	**750,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Value of pension fund allocated asstes	-	-
(7,235,000)	Past service liability	(8,205,000)	(9,175,000)
(7,235,000)	**Fund (deficiency)/Surplus**	**(8,205,000)**	**(9,175,000)**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(161,461,000)	Unfunded Defined Benefit Obligation	(172,432,000)	(183,403,000)
(161,461,000)	**Total Unfunded Health Care Liability**	**(172,432,000)**	**(183,403,000)**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
44,323,327	Fees and Charges	59,814,228	64,183,063
-	General Sales	365,421	365,421
96,000	Rentals	96,000	96,000
750,000	Other Goods & Services Revenue	750,000	750,000
56,942,501	Sale of goods and services to Cabinet	46,272,254	46,282,254
62,023,372	Sale of goods and services to Other Ministries and Portfolios	65,124,540	68,380,767
164,135,200	**Total sales of goods and services**	**172,422,443**	**180,057,505**

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
44,323,327	Net Patient Revenue	59,814,228	64,183,063
44,323,327	**Total Fees & Charges**	**59,814,228**	**64,183,063**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
-	Misc Sales	365,421	365,421
-	**Total General Sales**	**365,421**	**365,421**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
96,000	Property Rentals	96,000	96,000
96,000	**Total Rentals**	**96,000**	**96,000**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
750,000	Concession Income	750,000	750,000
750,000	**Total Other Goods & Services Revenue**	**750,000**	**750,000**
	Sales of Outputs to Cabinet		
56,942,501	Sales of Outputs to Cabinet	46,272,254	46,282,254
-	Other Outputs	-	-
56,942,501	**Total Sales of Outputs to Cabinet**	**46,272,254**	**46,282,254**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
62,023,372	Revenue from Statutory Authorities and Government Companies	65,124,540	68,380,767
62,023,372	**Total Other Interdepartmental Revenue**	**65,124,540**	**68,380,767**
164,135,200	**Total Goods and Services**	**172,422,443**	**180,057,505**

NOTE: 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
730,000	Interest on deposits	153,900	153,900
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
730,000	**Total Investment revenue**	**153,900**	**153,900**

NOTE: 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
500,000	Ministry of Health	500,000	500,000
500,000	**Total donations**	**500,000**	**500,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
89,940,938	Salaries, wages and allowances	86,198,117	92,643,326
-	Health care CINICO	-	-
16,307,184	Health care other	14,890,910	14,935,349
11,773,212	Pension	11,055,889	11,386,647
-	Leave	-	-
1,365,478	Other personnel related costs	1,530,120	1,524,320
119,386,813	**Total Personnel Costs**	**113,675,035**	**120,489,643**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
26,963,016	Supplies and Materials	25,882,203	26,445,922
2,620,696	Purchase of services	2,564,291	2,660,428
-	Lease of Property and Equipment	-	-
3,742,504	Utilities	3,442,330	3,493,987
1,711,654	General Insurance	1,545,108	1,554,492
-	Interdepartmental expenses	-	-
553,453	Travel and Subsistence	551,503	551,473
292,956	Recruitment and Training	345,527	344,066
68,828	Other	65,565	65,316
35,953,106	**Total Supplies & consumables**	**34,396,528**	**35,115,683**

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Interest on borrowings	750,000	-
-	Other borrowing costs	-	-
-	Interest on overdraft	-	-
-	**Total Finance cost**	**750,000**	**-**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(9,635,496)	**Surplus/(deficit) from ordinary activities**	636,041	92,897
	Non-cash movements	**-**	**-**
8,139,553	Depreciation & Amortisation	8,524,174	9,482,175
500,000	Impairment	600,000	300,000
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	**-**	**-**
	Changes in current assets and liabilities:		
3,905,351	(Increase)/decrease in other current assets - Cabinet	3,688,387	3,471,423
(8,316,926)	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(8,486,505)	(9,739,906)
3,480,989	(Increase)/decrease in other current assets - Ministries Portfolios	(588,544)	-
638,355	(Increase)/decrease in other current assets - Other	201,019	310,547
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
4,127,142	(Increase/(decrease) in current liabilities - Other	8,638,949	9,315,779
2,838,969	**Net cash flows from operating activities**	**13,213,521**	**13,232,915**

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget 2024	12-Month Budget 2025
Capital Commitments					
Property, plant and equipment	-	-	-	-	-
Other fixed assets	111,229	-	-	111,229	122,352
Other commitments (list separately if material)	-	-	-	-	-
Total Capital Commitments	111,229	-	-	111,229	122,352
Operating Commitments					
Non-cancellable accommodation leases	-	-	-	-	-
Other non-cancellable leases	-	-	-	-	-
Non-cancellable contracts for the supply of goods and services	6,227,749	4,955,106	2,141,400	13,324,255	14,656,680
Other operating commitments	-	-	-	-	-
Total Operating Commitments	6,227,749	4,955,106	2,141,400	13,324,255	14,656,680
Total Commitments	6,338,978	4,955,106	2,141,400	13,435,484	14,779,032

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
2,476,428	Salaries & other short-term employee benefits	2,591,001	2,639,122
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
2,476,428	**Total**	**2,591,001**	**2,639,122**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Maritime Authority of the Cayman Islands have agreed the Maritime Authority of the Cayman Islands will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

The Maritime Authority of the Cayman Islands (MACI) activities involve the national maritime administration for the Cayman Islands, MACI will facilitate the development of Cayman as an international maritime centre and help foster a dynamic environment that supports its clients' efforts to maximise their respective stakeholders' growth opportunities and returns in global shipping; whilst promoting compliance with international standards, regional agreements, and Cayman's legislation in the areas of maritime safety and security, marine environmental pollution prevention, and social responsibility.

SCOPE OF ACTIVITIES

1. The CISR's (Cayman Registry) vessel and mortgage registration, advisory, and marine survey and audit services;
2. The overall responsibility for implementing Cayman's maritime safety and security, marine pollution prevention and social responsibility obligations under international Conventions and Codes, and under Cayman Islands legislation for Cayman-flagged vessels;
3. To assist the Ministry of Financial Services and Commerce (MFSC) with the implementation of the Cayman Islands' obligations under the Caribbean Memorandum of Understanding on Port State Control (CMOU PSC) for foreign-flagged vessels entering the Cayman Islands ports;
4. To assist the MFSC with marine Casualty Investigation activities in relation to Cayman-flagged vessels;
5. To assist the MFSC with national maritime policy formulation, the provision of advice on maritime-related matters, and the development of Cayman's maritime-related legislation;
6. To support the MFSC with representing the Cayman Islands at international fora and to protect its maritime interests; and
7. To help facilitate the development of the Cayman Islands as an international maritime centre

CUSTOMERS AND LOCATION OF ACTIVITIES

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

- Vessel Owners/Operators and their Representatives
- Vessel Builders
- Yacht Designers and related Consultants
- Seafarers on Cayman flagged Vessels
- Cayman Islands Government

The Maritime Authority of the Cayman Islands is able to offer its services to its customers from 16 locations, the head office in George Town, the European Regional Office – United Kingdom, representatives in Greece, United States of America, France, Japan, Singapore, The Netherlands, Brazil, Philippines, Italy, South Africa, Germany, Panama, China and the Cayman Islands Government Office in the United Kingdom.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Maritime Authority of the Cayman Islands for the 2024 and 2025 financial years are as follows:

1. Provide services to our Cayman Islands Public Sector clients at the most economic cost;

2. Utilise our six authorised classification societies where and when it is in the best interests of the client and MACI to do so;

3. Provide on-going and responsive support to seafarers that sail on Cayman-flagged vessels and arrange for the repatriation of stranded crew members of Cayman-flagged vessels;

4. Continue to update and streamline relevant domestic legislation;

5. Provide client-focused and distinctive maritime administration and related services that add value to the operations of a select group of merchant ship owners/operators with a view to flagging-in the majority of their respective fleets;

6. Provide client-focused and distinctive large Commercial Yacht advisory services to yacht owners/managers, designers, and builders that add value to their operations with a view to obtaining the majority of the global market share in Cayman Yacht Code (CCA), Large Yacht (LY) and Passenger Yacht Code (PYC) advisory services for vessels of 30 metres and over in length;

7. Maintain a diverse, qualified, experienced global team within a learning organisation where employee rewards are based on merit;

8. Develop working alliances with other maritime administrations and their respective governments, international and regional regulatory bodies, and shipping industry organisations;

9. Develop mutually beneficial working partnerships with our clients and with other public sector bodies and non-governmental organisations in Cayman; and

10. Ensure that MACI attends each Large Commercial Yacht registered in the Cayman Islands at least once every two years.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Maritime Authority of the Cayman Islands for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	332	332	332
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	12,720	11,958	10,866
OPERATING EXPENSES	12,243	11,487	10,590
OPERATING SURPLUS/DEFICIT	**809**	**803**	**608**
NET WORTH	**6,231**	**6,684**	**5,771**
CASH FLOWS FROM OPERATING ACTIVITIES	1,496	1,410	753
CASH FLOWS FROM INVESTING ACTIVITIES	(275)	(290)	(250)
CASH FLOWS FROM FINANCING ACTIVITIES	(350)	(350)	(333)
CHANGE IN CASH BALANCES	871	770	170

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	13.60:1	14.10:1	16.57:1
TOTAL ASSETS : TOTAL LIABILITIES	1.96:1	1.00:1	1.08:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	45	45	45
STAFF TURNOVER (%)	-	-	-
MANAGERS	6%	25%	10%
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	10%	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	-	-	-
MANAGERS	6	7	5
PROFESSIONAL AND TECHNICAL STAFF	5	6	4
CLERICAL AND LABOURER STAFF	5	6	4
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	13,410	13,318	10,723
ASSET REPLACEMENTS : TOTAL ASSETS	6%	6%	11%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	55%	39%	58%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	2.15:1	1.11:1	0.21:1
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
INFORMATION TECHNOLOGY PROJECTS/ NEW PREMISES FITOUT COSTS	375	190	150
TOTAL	**375**	**190**	**150**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO/SAGC	CHANGE IN STATUS FROM 2022	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Information Technology. Lack of control over independent contractors' hardware and software (i.e., use of personal laptops).	Quality Management System in place for Safety and Compliance. Contractual declaration for Non-Disclosure for independent contractor agreements.	Develop and implement a policy and procedure for the MACI IT team to conduct random checks for MACI records on independent contractor computers, mobile devices and flash drives used to conduct MACI business. Also include requirements in IC contracts to comply with MACI Policies and Procedures.	Tolerable
Compliance. The use of contract staff operating remote from MACI locations makes the operational risks involved harder to control.	External audits and UK MCA Monitoring, IMO III Code Audits conducted. Quality Management System in place and assessed on a regular basis.	Formalised Quality Management Systems across all MACI functions/departments/sections to ensure completeness of scope.	Tolerable
External Factors. Hazards/Catastrophic Loss. Natural disasters/health epidemics (i.e., COVID, SARS, influenza, etc.).	Existing BCP (currently not implemented).	Communicate the BCP across MACI and train staff on the procedures to be performed in the event of an event. Periodically exercise and test BCP and document findings and redefine as necessary	Tolerable
External Factors. Geopolitical. Political instability.	Sanction Notices automatically sent to MACI via the Sanctions coordinator in the Financial Reporting Authority Office.	Establish Memorandums of Understanding ("MOUs") with external entities such as the Cayman Islands Monetary Authority and the Cayman Islands Airports Authority for information sharing. Changes in Legislation to allow MACI to act quickly to any sanction orders/other directives.	Tolerable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO/SAGC	CHANGE IN STATUS FROM 2022	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Planning. Knowledge Management. Failure to use appropriate tools, technologies, and methods for knowledge management.	Corporate Document for long term planning process and development, and standard metrics.	Implement a formal company wide Client Relationship Management process or tool. Establish a formal Succession Plan. Implement a mentoring programme.	Tolerable
Strategy. Business Model. Inconsistent ministerial support over time in addressing Maritime affairs.	No formal controls in place.	Support to Flag State Control ("FSC") Maritime Secretariat (to be formed by the Ministry), i.e., providing resources, subject matter expertise, etc.	Tolerable
Information Technology. Change Management. Ineffective change control processes.	No formal controls in place.	Create and implement a Change Management Policy and Procedures. System/tool for tracking and managing changes to MACI environment. Staff training.	Tolerable
Compliance. Risk Assessment. Failure to establish controls to mitigate identified risks.	No formal controls in place.	Establish and implement a system to identify risks including key risk indicators. Establish and implement a system to monitor track and report progress in mitigating identified risks to Management and Board.	Tolerable
Compliance. Compliance Information Management. Lack of data integrity of the information relied upon for ongoing compliance management.	Quality Management System in place and assessed on a regular basis. Internal and external audits conducted periodically.	Investigate tools that can be used to mitigate this risk. Move to an electronic Register Book. Perform a gap analysis to identify any data integrity weaknesses.	Tolerable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	13,052	12,290	11,198
OPERATING EXPENSES	12,243	11,487	10,590
NET SURPLUS/(DEFICIT)	809	803	608

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	12,727	13,281	10,723
LIABILITIES	6,496	6,598	9,955
NET WORTH	6,231	6,684	5,771

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	1,496	1,410	753
CASH FLOWS FROM INVESTING ACTIVITIES	(275)	(290)	(250)
CASH FLOWS FROM FINANCING ACTIVITIES	(350)	(350)	(333)

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[29]	-	-
REMUNERATION[30] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	899	926
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	885	912

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	4	4

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

[30] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Maritime Authority of the Cayman Islands will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Andre Ebanks, MP
Minister for Financial Services and Commerce
On behalf of Cabinet



Chairman of the Board
Maritime Authority of the Cayman Islands

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable.
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Maritime Authority of the Cayman Islands for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Maritime Authority of the Cayman Islands

31 December 2023

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MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

a) Going concern

As explained in Note 23, the coronavirus outbreak has caused significant disruption in both global and local economies. However, on the basis of management assessment and forecasts, management believes that the risk that the Authority would not be able to meet its obligation as they become due is low and that the Authority will continue as going concern for the foreseeable future.

b) Financial assets and liabilities

i) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets in the Authority's financial statements comprise of cash and cash equivalents, accounts receivable and other receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities in the Authority's financial statements comprise long and short-term liabilities.

ii) Recognition

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

iii) De-recognition

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

iv) Measurement

Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are measured at their estimated fair value.

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

b) Financial assets and liabilities (continued)

v) Measurement (continued)

MACI uses an allowance matrix to measure the expected credit losses ("ECLs") of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

c) Foreign currency translation

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at the historical exchange rate i.e. at the date of transaction.

d) Revenue recognition

The Authority recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for good or services. IFRS 15 - Revenue from contracts with customers provides a single, principles based five-step model to be applied to all contracts with customers.

To determine whether to recognise revenue, the Authority follows the standard's 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

See note 15 for IFRS 15 application done by the Authority during the years ended 31 December 2020 and 2019.

f) Purchase agreement

MACI operates on a fee for service basis with the CIG. The annual purchase agreement sets out the service which the Authority agrees to deliver to CIG based on quantity, quality, location and cost of services. These fees form part of the overall Authority revenue stream which equates to 5% in 2020 (2019: 3%). The full amount of the purchase agreement is treated as income in the year which it is earned.

g) Expenses

Expenses are recognised when incurred.

h) Receivables and prepaids

Receivables and prepaids are stated at the amounts expected to be ultimately collected in cash.

i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on a straight-line method of 20% per annum for furniture and fixtures, leasehold improvements and Vehicle; and 33.33% for computer hardware and other computer equipment at 12.5% and 20% respectively, software and other assets which are sufficient to write-off the cost of the assets over their estimated useful lives.

j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of current and call deposit and fixed deposit maturing within 90 days from the date of acquisition. Cash accounts are held in Euro ("EUR"), Great Britain Pounds ("GBP"), United States Dollars ("USD") and Cayman Islands Dollars ("KYD").

k) Accounts payable

Account payables are recorded on an accrual basis at the amount owing after allowing for credit notes and other adjustments.

l) Employee entitlements and benefits

Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability. See also Note 10.

m) Employee benefits

Obligation for contribution to defined benefit healthcare and defined benefit pension plans are recognised as an expense in the statement of comprehensive income as incurred (see Notes 12 and 11 respectively). Defined benefit scheme surpluses and deficits are measured at fair value of plan assets at the reporting date; less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus unrecognised past service cost; less the effect of minimum funding requirements agreed with scheme trustees. Re-measurements of the net defined obligation are recognised through other comprehensive income and include actuarial gains and losses, return on plan assets (interest exclusive) and any asset ceiling effects (interest exclusive). Service cost and net interest expense (income) are recognised in net operating income.

n) Use of estimates and judgements

IFRS requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the period. Specifically, the key areas requiring estimation include the recoverability of trade receivables, lease liability, return of assets, anticipated credit losses and the measurement of the defined benefit pension and healthcare obligation. Actual results may differ from these estimates.

Trade receivables are considered to be recoverable in full by the Authority after taking into consideration the age of the receivable, the financial stability of the debtors, and the post period-end receipts to the date of the report. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions."

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
8,711,705	Cash and cash equivalents	**1**	10,746,112	11,516,112
	Marketable securities and deposits			
1,255,213	Trade receivables	**2**	951,125	894,125
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
55,000	Prepayments	**5**	130,000	120,000
-	Loans	**6**	-	-
10,021,918	**Total Current Assets**		**11,827,237**	**12,530,237**
	Non-Current Assets			
114,660	Trade receivables	**2**	-	-
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
294,785	Property, plant and equipment	**7**	591,333	430,333
291,694	Intangible Assets	**8**	308,704	320,704
701,139	**Total Non-Current Assets**		**900,037**	**751,037**
10,723,057	**Total Assets**		**12,727,274**	**13,281,274**
	Current Liabilities			
120,000	Trade payables	**9**	196,000	180,000
215,000	Other payables and accruals	**9**	103,600	112,500
-	Dividends/Surplus Payable	**9**	-	-
-	Bank Overdraft	**1**	-	-
220,000	Unearned revenue	**10**	474,000	500,000
50,000	Employee entitlements	**11**	96,000	96,000
-	Current Portion of Borrowings	**12**	-	-
605,000	**Total Current Liabilities**		**869,600**	**888,500**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
150,000	Other payables and accruals	**9**	446,000	429,100
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
2,200,000	Unfunded pension liability	**13**	769,000	780,000
7,000,000	Unfunded post retirement health care	**14**	4,412,000	4,500,000
	Currency Issued			
-	Long Term portion of Borrowings	**12**	-	-
9,350,000	**Total Non-Current Liabilities**		**5,627,000**	**5,709,100**
9,955,000	**Total Liabilities**		**6,496,600**	**6,597,600**
768,057	**Net Assets**		**6,230,674**	**6,683,674**
	NET WORTH			
1,500,000	Contributed capital		1,500,000	1,500,000
-	Other Reserves		-	-
4,098,000	Revaluation reserve		4,098,000	4,098,000
173,453	Accumulated surpluses/(deficits)		632,674	1,085,674
5,771,453	**Total Net Worth**		**6,230,674**	**6,683,674**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
11,198,321	Sale of goods and services	**15**	12,851,888	12,090,000
-	Investment revenue	**16**	200,000	200,000
-	Donations	**17**	-	-
-	Other revenue		-	-
11,198,321	**Total Revenue**		**13,051,888**	**12,290,000**
	Expenses			
5,651,198	Personnel costs	**18**	5,400,349	5,249,445
4,565,797	Supplies and consumables	**19**	5,917,900	5,347,018
79,828	Depreciation and Amortisation	**7**	282,742	309,000
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
293,280	Other Operating expenses		641,675	581,537
10,590,103	**Total Expenses**		**12,242,667**	**11,487,000**
608,218	**Surplus or (Deficit) for the period**		**809,221**	**803,000**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
332,633	Sale of goods and services to Cabinet		332,000	332,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
7,837,529	Sale of goods and services - third party		9,203,000	9,959,041
-	Interest received		-	-
-	Donations / Grants		-	-
3,028,160	Other receipts		3,422,469	2,722,958
	Payments			
(5,651,198)	Personnel costs		(5,092,000)	(5,230,000)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(4,541,870)	Supplies and consumables - third party		(5,580,000)	(5,648,000)
-	Interest paid		-	-
(252,744)	Other payments		(789,000)	(726,000)
752,510	**Net cash flows from operating activities**	**23**	**1,496,469**	**1,410,000**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(250,000)	Purchase of property, plant and equipment		(275,000)	(290,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(250,000)	**Net cash flows from investing activities**		**(275,000)**	**(290,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(332,633)	Repayment of Surplus/Dividends or Capital withdrawal		(350,000)	(350,000)
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(332,633)	**Net cash flows from financing activities**		**(350,000)**	**(350,000)**
169,877	**Net increase/(decrease) in cash and cash equivalents**		**871,469**	**770,000**
9,704,766	Cash and cash equivalents at beginning of period		9,874,643	10,746,112
9,874,643	**Cash and cash equivalents at end of period**		**10,746,112**	**11,516,112**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	1,500,000		1,142,000	(925,604)	1,716,396
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2021	1,500,000	-	1,142,000	(925,604)	1,716,396
Changes in net worth for 2022					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments			2,956,000		2,956,000
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet					-
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet					-
Net revenue / expenses recognised directly in net worth	-	-	2,956,000	-	2,956,000
Surplus/(deficit)for the period 2022				490,839	490,839
Total recognised revenues and expenses for the period	-	-	2,956,000	490,839	3,446,839
Balance at 31 December 2022	1,500,000	-	4,098,000	(434,765)	5,163,235
Balance at 31 December 2022 brought forward	1,500,000	-	4,098,000	(434,765)	5,163,235
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2022	1,500,000	-	4,098,000	(434,765)	5,163,235
Changes in net worth for 2023					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments					-
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet					-
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet					-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023				608,218	608,218
Total recognised revenues and expenses for the period	-	-	-	608,218	608,218
Balance at 31 December 2023 carried forward	1,500,000	-	4,098,000	173,453	5,771,453

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	1,500,000	-	4,098,000	173,453	5,771,453
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2023	1,500,000	-	4,098,000	173,453	5,771,453
Changes in net worth for 2024					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments					-
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet					-
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet				(350,000)	(350,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(350,000)	(350,000)
Surplus/(deficit)for the period 2024				809,221	809,221
Total recognised revenues and expenses for the period	-	-	-	459,221	459,221
Balance at 31 December 2024 carried forward	1,500,000	-	4,098,000	632,674	6,230,674
Balance at 31 December 2024 brought forward	1,500,000	-	4,098,000	632,674	6,230,674
Prior Year Adjustments					
Changes in accounting policy					-
Accounting Errors					-
Restated balance 31 December 2024	1,500,000	-	4,098,000	632,674	6,230,674
Changes in net worth for 2025					
Gain/(loss) on property revaluation					-
Gain/(loss) on revaluation of investments					-
Exchange differences on translating foreign operations					-
Equity Investment from Cabinet					-
Capital withdrawals by Cabinet					-
Dividends payable to Cabinet				(350,000)	(350,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(350,000)	(350,000)
Surplus/(deficit)for the period 2025				803,000	803,000
Total recognised revenues and expenses for the period	-	-	-	453,000	453,000
Balance at 31 December 2025	1,500,000	-	4,098,000	1,085,674	6,683,674

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
-	CI$ Account	-	-
8,711,705	US$ Account	1,746,112	2,516,112
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	9,000,000	9,000,000
8,711,705	**TOTAL**	**10,746,112**	**11,516,112**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
1,425,748	Sale of goods and services - third party	1,007,000	950,000
11,000	Other	11,000	11,000
(66,875)	**Less: provision for doubtful debts**	(66,875)	(66,875)
1,369,873	**Total trade receivables**	**951,125**	**894,125**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
716,692	Past due 1-30 days	401,834	587,798
159,033	Past due 31-60 days	162,214	81,225
263,191	Past due 61-90 days	268,455	187,467
116,297	Past due 90 and above	118,623	37,635
	Non-Current		
114,660	Past due 1 year and above	-	-
1,369,873	**Total**	**951,125**	**894,125**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(66,875)	Balance at begining oF period	(66,875)	(66,875)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	-	-
(66,875)	**Balance at 31st December**	**(66,875)**	**(66,875)**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
55,000		130,000	120,000
55,000	**Prepayments - Current**	**130,000**	**120,000**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
55,000	**Total Prepayments**	**130,000**	**120,000**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	-	-	63,945	108,891	2,595	21,900	197,331
Additions	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	-	63,945	108,891	2,595	21,900	197,331

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	-	-	63,945	108,891	2,595	21,900	197,331
Additions	-	250,000	50,000	15,000	-	-	315,000
Disposals and Derecognisation	-	-	-	-	(2,595)	-	(2,595)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	250,000	113,945	123,891	-	21,900	509,736

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	-	250,000	113,945	123,891	-	21,900	509,736
Additions	562,300	-	-	10,000	-	-	572,300
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2024	562,300	250,000	113,945	133,891	-	21,900	1,082,036

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	562,300	250,000	113,945	133,891	-	21,900	1,082,036
Additions	-	-	-	10,000	-	-	10,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2025	562,300	250,000	113,945	143,891	-	21,900	1,092,036

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	-	-	54,353	62,658	-	10,188	127,199
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2022	-	-	9,592	27,200	-	4,380	41,172
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	-	63,945	89,858	-	14,568	168,371

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	-	-	63,945	89,858	-	14,568	168,371
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2023	-	12,500	2,500	27,200	-	4,380	46,580
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	12,500	66,445	117,058	-	18,948	214,951

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	-	12,500	66,445	117,058	-	18,948	214,951
Transfers	101,000	-	-	-	-	-	101,000
Impairment change 2024	-	-	-	-	-	-	-
Depreciation Expense 2024	100,000	50,000	10,000	11,800	-	2,952	174,752
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-
Balance as at 31 December 2024	201,000	62,500	76,445	128,858	-	21,900	490,703

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	201,000	62,500	76,445	128,858	-	21,900	490,703
Transfers	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-
Depreciation Expense 2025	106,000	50,000	10,000	5,000	-	-	171,000
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	307,000	112,500	86,445	133,858	-	21,900	661,703

Net Book value 31 December 2022	-	-	-	19,033	2,595	7,332	28,960
Net Book value 31 December 2023	-	237,500	47,500	6,833	-	2,952	294,785
Net Book value 31 December 2024	361,300	187,500	37,500	5,033	-	-	591,333
Net Book value 31 December 2025	255,300	137,500	27,500	10,033	-	-	430,333

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	280,662	280,662
Additions	1,489	1,489
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	282,151	282,151

	Computer Software	*Total*
Balance as at 1 January 2023	282,151	282,151
Additions	250,000	250,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	532,151	532,151

	Computer Software	*Total*
Balance as at 1 January 2024	532,151	532,151
Additions	125,000	125,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	657,151	657,151

	Computer Software	*Total*
Balance as at 1 January 2025	657,151	657,151
Additions	150,000	150,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	807,151	807,151

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2022	173,961	173,961
Transfers	-	-
Impairment Reserve 2022 (closing balance)	-	-
Depreciation Expense 2022	33,248	33,248
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	207,209	207,209

	Computer Software	*Total*
Balance as at 1 January 2023	207,209	207,209
Transfers	-	-
Impairment Reserve 2023 (closing balance)	-	-
Depreciation Expense 2023	33,248	33,248
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	240,457	240,457

	Computer Software	*Total*
Balance as at 1 January 2024	240,457	240,457
Transfers	-	-
Impairment change 2024	-	-
Depreciation Expense 2024	107,990	107,990
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	348,447	348,447

	Computer Software	*Total*
Balance as at 1 January 2025	348,447	348,447
Transfers	-	-
Impairment change 2025	-	-
Depreciation Expense 2025	138,000	138,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2025	486,447	486,447

Net Book value 31 December 2022	74,942	74,942
Net Book value 31 December 2023	291,694	291,694
Net Book value 31 December 2024	308,704	308,704
Net Book value 31 December 2025	320,704	320,704

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
120,000	Creditors Third party	196,000	180,000
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
160,000	Operating Lease	103,600	112,500
-	Accrued Expenses	-	-
55,000	Other payables	-	-
-	Dividends/Surplus Payable	-	-
335,000	**Trade payables other payables and accruals - Current**	**299,600**	**292,500**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
150,000	Operating Lease	432,000	429,100
-	Accrued Expenses	-	-
-	Other payables	14,000	-
-	Dividends/Surplus Payable	-	-
150,000	**Trade payables other payables and accruals - Non-Current**	**446,000**	**429,100**
485,000	**Total trade payables other payables and accruals**	**745,600**	**721,600**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
220,000		474,000	500,000
220,000	**Total current portion**	**474,000**	**500,000**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
220,000	**Total Unearned Revenue**	**474,000**	**500,000**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
50,000	Annual Leave/Comp-time	96,000	96,000
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
50,000	**Total current portion**	**96,000**	**96,000**
	Non-current employee entitlements		
-	Retirement and long service leave	-	-
-	Other	-	-
-	**Total non-current portion**	**-**	**-**
50,000	**Total employee entitlements**	**96,000**	**96,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(2,200,000)	Value of pension fund allocated asstes	(769,000)	(780,000)
-	Past service liability	-	-
(2,200,000)	**Fund (deficiency)/Surplus**	**(769,000)**	**(780,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(7,000,000)		(4,412,000)	(4,500,000)
(7,000,000)	**Total Unfunded Health Care Liability**	**(4,412,000)**	**(4,500,000)**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
10,865,688	Fees and Charges	12,519,888	11,758,000
-	General Sales	-	-
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
332,633	Sale of goods and services to Cabinet	332,000	332,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
11,198,321	**Total sales of goods and services**	**12,851,888**	**12,090,000**

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
10,865,688		12,519,888	11,758,000
10,865,688	**Total Fees & Charges**	**12,519,888**	**11,758,000**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	**-**	**-**
	Sales of Outputs to Cabinet		
332,633	Sales of Outputs to Cabinet	332,000	332,000
-	Other Outputs	-	-
332,633	**Total Sales of Outputs to Cabinet**	**332,000**	**332,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
11,198,321	**Total Goods and Services**	**12,851,888**	**12,090,000**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Interest on deposits	200,000	200,000
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
-	**Total Investment revenue**	**200,000**	**200,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
3,868,241	Salaries, wages and allowances	4,386,458	4,262,003
-	Health care CINICO	-	-
876,139	Health care other	562,094	544,459
629,784	Pension	340,438	330,774
105,283	Leave	4,242	4,879
171,751	Other personnel related costs	107,116	107,331
5,651,198	**Total Personnel Costs**	**5,400,349**	**5,249,445**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
87,000	Supplies and Materials	-	-
3,000,000	Purchase of services	3,085,125	2,946,805
230,665	Lease of Property and Equipment	194,000	204,000
175,000	Utilities	78,643	76,034
65,000	General Insurance	-	-
-	Interdepartmental expenses	-	-
600,000	Travel and Subsistence	826,809	802,256
-	Recruitment and Training	-	-
408,132	Other	1,733,324	1,317,923
4,565,797	**Total Supplies & consumables**	**5,917,900**	**5,347,018**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
608,218	**Surplus/(deficit) from ordinary activities**	809,221	803,000
	Non-cash movements		
79,828	Depreciation & Amortisation	282,742	309,000
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
62,464	(Increase)/decrease in other current assets - Cabinet	404,506	298,000
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
750,510	**Net cash flows from operating activities**	**1,496,469**	**1,410,000**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL DRUG COUNCIL

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Drug Council have agreed the National Drug Council will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

National Drug Council activities involve:

- **Policy formulation, feedback and advice** (advocacy, provision of feedback and support to the development of policy and legislation aimed at reducing substance misuse and abuse). These will include but is not limited to:

    - The NDC Act (2010 Revision)
    - Liquor Licensing Act (2019) Revision and subsequent Regulations
    - Mental Health Policy development
    - Misuse of Drugs Act (2017 Revision)
    - The Pharmacy Act (1979)

- **Prevention and Education** (initiatives such as presentations, workshops, programs, public information/media campaigns etc., aimed at reducing the negative impacts of alcohol and other drugs in our communities).

    - Continued prevention and education activities in the Cayman Islands
    - Develop and implement programming for primary schools
    - Develop and implement consistent programming in Cayman Brac
    - Increase involvement in Youth to Youth
    - Deliver training for servers and sellers of alcohol in accordance with the revised liquor licencing legislation and supporting regulations.

- **Research** (instrument design, data collection (surveillance), data analysis and reporting)

    - Conduct student survey, or Primary School Pilot
    - Develop Cayman Brac specific research initiative for implementation
    - Increase data collection, facilitate the use of information required to reduce the negative impacts of alcohol and other drugs in our communities.
    - Formulate a policy for an ethics committee to support research initiatives

- **Evaluation** (coordinate/conduct program evaluations in a systematic approach of collecting and analysing programme data to answer questions about projects, policies and programmes especially about their effectiveness).

SCOPE OF ACTIVITIES

The scope of the National Drug Council activities is as follows:

- **Policy and Prevention -:** To formulate policies intended to prevent or reduce drug abuse and to promote and encourage the implementation of such policies and programmes and to advise the Minister on matters of law reform relating to the misuse of drugs.

- **Research and Information Dissemination -:** To conduct/support studies and publish reports and other documentation on drug abuse and develop and maintain a database of information on, drug abuse in the Islands; and

- **Evaluation -:** Evaluate programming related to reducing the impacts of drug and alcohol abuse in the Cayman Islands in an effort to improve activities and programming and determine effectiveness whenever possible.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the National Drug Council are provided primarily in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Drug Council for the 2024 and 2025 financial years are as follows:

- Provide ***policy advice***, advocate for policy and legislative change, and review matters as it relates to alcohol and other substance misuse and abuse in the Cayman Islands.
- Educate the public (youth, adults, special interest groups, communities as a whole) on issues of alcohol and other drug misuse and abuse with the goal ***prevention*** and of reducing the negative impacts to our society.
- Conduct ***research*** and provide information that is culturally relevant and based on scientific research and local data.
- ***Evaluate*** relevant programmes to ensure effective programming.
- Ensure best practice and adherence to relevant regional and international policies related to alcohol and other drug issues.
- Encourage and foster affiliations and exchange of information on a local, regional and international level.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Drug Council for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	862	862	715
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	30	30	25
OPERATING EXPENSES	892	892	742
OPERATING SURPLUS/DEFICIT	**-**	**-**	**(2)**
NET WORTH	**704**	**696**	**623**
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	-	-	-

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	14.27	14.71	15.36
TOTAL ASSETS : TOTAL LIABILITIES	14.40	14.78	15.41

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	8	8	8
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	12.5%	12.5%	12.5%
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	10	10	9
PROFESSIONAL AND TECHNICAL STAFF	6	7	7
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	-	-	-
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-	-
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
N/A	-	-	-
TOTAL	**NIL**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Staff Turnover	12.5%	Performance Management/Training	Increased time in lieu due to staff assuming other duties due to vacant posts.
Budget Cuts	0%	Increased opportunities for non-governmental funding	Unknown

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	862,441	862,441	739,855
OPERATING EXPENSES	892,441	892,441	741,530
NET SURPLUS/(DEFICIT)	-	-	(1,710)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	757,096	746,546	562,446
LIABILITIES	52,600	50,050	60,951
NET WORTH	704,496	696,496	622,597

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO NATIONAL DRUG COUNCIL	-	-
CAPITAL WITHDRAWALS FROM NATIONAL DRUG COUNCIL	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL DRUG COUNCIL	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL DRUG COUNCIL	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL DRUG COUNCIL	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[31]	-	-
REMUNERATION[32] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	111,432	111,432
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	77,148	77,148

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	13	13
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

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

[32] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

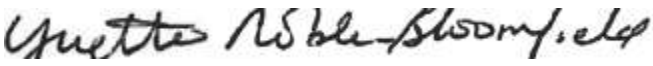
- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Drug Council will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Sabrina Turner, MP
Minister for Health and Wellness
On behalf of Cabinet



Chairman of the Board
National Drug Council

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

NATIONAL DRUG COUNCIL

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the National Drug Council for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
National Drug Council

31 December 2023

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NATIONAL DRUG COUNCIL

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

National Drug Council's ('the NDC') financial statements have been prepared in accordance with International Accounting Standards and are stated in Cayman Islands dollars. The following is a summary of the most significant accounting and reporting policies used in preparing the financial statements:

a) Use of Estimates

The preparation of the financial statements requires the Council to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

b) Fixed Assets

Depreciation is being calculated on a straight-line basis on the opening cost over the

estimated useful lives of the assets as follows:

Capital expenditures greater than $1,000.00 is capitalized as fixed assets

	Contributed Assets Years remaining at acquisition	Purchased assets Useful lives
Office equipment	-	3
Office furniture	-	6
Computer equipment	-	3
Leasehold Improvement	-	3

a) Deferred grant funds and income: Donation and grant income received for specific projects are credited to income in periods in which expenses on such projects are incurred.

b) Disclosure about Fair Value of Financial Instruments: The NDC recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains or losses arising from changes in the fair value of the assets or liabilities are recognised in the statement of operations. Financial instruments are initially measured at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are measured at their estimated fair market value. The carrying amounts of all financial instruments on the balance sheet are reasonable estimates of the fair values and no gains or losses have been recognised in the statement of operations for the changes in the fair value of the assets or liabilities.

c) Foreign Exchange: Revenue and expense transactions involving currencies other than Cayman Islands dollars are translated to Cayman Islands dollars at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the balance sheet dates. Gains and losses on exchange are taken to the statement of operations.

NATIONAL DRUG COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
506,340	Cash and cash equivalents	1	506,340	506,340
-	Marketable securities and deposits		-	-
213,965	Trade receivables	2	233,733	232,880
-	Other receivables	2	-	-
-	Inventories	3	-	-
5,500	Investments	4	5,500	5,500
13,500	Prepayments	5	5,500	6,167
-	Loans	6	-	-
739,305	**Total Current Assets**		**751,073**	**750,887**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
8,387	Property, plant and equipment	7	6,023	3,659
-	Intangible Assets	8	-	-
8,387	**Total Non-Current Assets**		**6,023**	**3,659**
747,692	**Total Assets**		**757,096**	**754,546**
	Current Liabilities			
7,762	Trade payables	9	-	-
22,500	Other payables and accruals	9	30,000	30,000
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
12,934	Employee entitlements	11	22,600	20,050
-	Current Portion of Borrowings	12	-	-
43,196	**Total Current Liabilities**		**52,600**	**50,050**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
43,196	**Total Liabilities**		**52,600**	**50,050**
704,496	**Net Assets**		**704,496**	**704,496**
	NET WORTH			
543,035	Contributed capital		543,035	543,035
-	Other Reserves		-	-
-	Revaluation reserve		-	-
161,461	Accumulated surpluses/(deficits)		161,461	161,461
704,496	**Total Net Worth**		**704,496**	**704,496**

NATIONAL DRUG COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
714,855	Sale of goods and services	15	862,441	862,441
-	Investment revenue	16	-	-
25,000	Donations	17	30,000	30,000
-	Other revenue		-	-
739,855	**Total Revenue**		**892,441**	**892,441**
	Expenses			
574,035	Personnel costs	18	631,227	631,227
164,460	Supplies and consumables	19	258,850	258,850
3,070	Depreciation and Amortisation	7	2,364	2,364
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
-	Other (Gains)/losses	22	-	-
-	Other Operating expenses		-	-
741,565	**Total Expenses**		**892,441**	**892,441**
(1,710)	**Surplus or (Deficit) for the period**		**-**	**-**

NATIONAL DRUG COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
714,855	Sale of goods and services to Cabinet		862,441	862,441
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
-	Sale of goods and services - third party		-	-
-	Interest received		-	-
25,000	Donations / Grants		30,000	30,000
-	Other receipts		-	-
	Payments			
(574,035)	Personnel costs		(648,227)	(640,227)
-	Supplies and consumables - Ministries/Portfolios		-	-
(8,500)	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
-	Supplies and consumables - third party		-	-
-	Interest paid		-	-
(159,030)	Other payments		(244,214)	(252,214)
(1,710)	**Net cash flows from operating activities**	**23**	**-**	**-**
	CASH FLOWS FROM INVESTING ACTIVITIES			
-	Purchase of property, plant and equipment		-	-
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
-	**Net cash flows from investing activities**		**-**	**-**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
(1,710)	**Net increase/(decrease) in cash and cash equivalents**		**-**	**-**
508,050	Cash and cash equivalents at beginning of period		506,340	506,340
506,340	**Cash and cash equivalents at end of period**		**506,340**	**506,340**

NATIONAL DRUG COUNCIL

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	543,035	-	-	108,374	651,409
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	543,035	-	-	108,374	651,409
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	54,797	54,797
Total recognised revenues and expenses for the period	-	-	-	54,797	54,797
Balance at 31 December 2022	543,035	-	-	163,171	706,206
Balance at 31 December 2022 brought forward	543,035	-	-	163,171	706,206
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	543,035	-	-	163,171	706,206
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023	-	-	-	(1,710)	(1,710)
Total recognised revenues and expenses for the period	-	-	-	(1,710)	(1,710)
Balance at 31 December 2023 carried forward	543,035	-	-	161,461	704,496

NATIONAL DRUG COUNCIL

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	543,035	-	-	161,461	704,496
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	543,035	-	-	161,461	704,496
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2024 carried forward	543,035	-	-	161,461	704,496
Balance at 31 December 2024 brought forward	543,035	-	-	161,461	704,496
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	543,035	-	-	161,461	704,496
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2025	543,035	-	-	161,461	704,496

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
506,340	Cash on hand	506,340	506,340
-	Cash in transit	-	-
-	CI$ Account	-	-
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
506,340	**TOTAL**	**506,340**	**506,340**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
213,965	Sale of goods and services to Cabinet	233,733	232,880
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
-	Sale of goods and services - third party	-	-
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
213,965	**Total trade receivables**	**233,733**	**232,880**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
213,965	Past due 1-30 days	233,733	232,880
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
213,965	**Total**	**233,733**	**232,880**

NATIONAL DRUG COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 4: INVESTMENTS

12-Month Forecast 2023	Investments - at the lower of cost or market value	12-Month Budget 2024	12-Month Budget 2025
	Current Investments		
5,500	Security Deposit	5,500	5,500
5,500	**Investments - Current**	**5,500**	**5,500**
	Non-Current Investments		
-	**Investments -Non-Current**	-	-
5,500	**Total Investments**	**5,500**	**5,500**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
13,500	Rent, Insurance, SPSS, & Teleform Lisc.	5,500	6,167
13,500	**Prepayments - Current**	**5,500**	**6,167**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
13,500	**Total Prepayments**	**5,500**	**6,167**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	26,440	40,993	49,098	42,469	159,000
Additions	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2022	26,440	40,993	49,098	42,469	159,000

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	26,440	40,993	49,098	42,469	159,000
Additions	-	-	900	6,984	7,884
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2023	26,440	40,993	49,998	49,453	166,884

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2024	26,440	40,993	49,998	49,453	166,884
Additions	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2024	26,440	40,993	49,998	49,453	166,884

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2025	26,440	40,993	49,998	49,453	166,884
Additions	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2025	26,440	40,993	49,998	49,453	166,884

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	25,163	37,226	47,664	42,469	152,522
Transfers	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-
Depreciation Expense 2022	807	900	1,198	-	2,905
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-
Balance as at 31 December 2022	25,970	38,126	48,862	42,469	155,427

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	25,970	38,126	48,862	42,469	155,427
Transfers	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-
Depreciation Expense 2023	470	900	536	1,164	3,070
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-
Balance as at 31 December 2023	26,440	39,026	49,398	43,633	158,497

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2024	26,440	39,026	49,398	43,633	158,497
Transfers	-	-	-	-	-
Impairment change 2024	-	-	-	-	-
Depreciation Expense 2024	-	900	300	1,164	2,364
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-
Balance as at 31 December 2024	26,440	39,926	49,698	44,797	160,861

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2025	26,440	39,926	49,698	44,797	160,861
Transfers	-	-	-	-	-
Impairment change 2025	-	-	-	-	-
Depreciation Expense 2025	-	900	300	1,164	2,364
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-
Balance as at 31 December 2025	26,440	40,826	49,998	45,961	163,225

Net Book value 31 December 2022	470	2,867	236	-	3,573

Net Book value 31 December 2023	-	1,967	600	5,820	8,387

Net Book value 31 December 2024	-	1,067	300	4,656	6,023

Net Book value 31 December 2025	-	167	-	3,492	3,659

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	19,139	19,139
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	19,139	19,139

	Computer Software	*Total*
Balance as at 1 January 2023	19,139	19,139
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	19,139	19,139

	Computer Software	*Total*
Balance as at 1 January 2024	19,139	19,139
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	19,139	19,139

	Computer Software	*Total*
Balance as at 1 January 2025	19,139	19,139
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	19,139	19,139

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2022	19,139	19,139
Transfers	-	-
Impairment Reserve 2022 (closing balance)	-	-
Depreciation Expense 2022	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	19,139	19,139

	Computer Software	*Total*
Balance as at 1 January 2023	19,139	19,139
Transfers	-	-
Impairment Reserve 2023 (closing balance)	-	-
Depreciation Expense 2023	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	19,139	19,139

	Computer Software	*Total*
Balance as at 1 January 2024	19,139	19,139
Transfers	-	-
Impairment change 2024	-	-
Depreciation Expense 2024	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	19,139	19,139

	Computer Software	*Total*
Balance as at 1 January 2025	19,139	19,139
Transfers	-	-
Impairment change 2025	-	-
Depreciation Expense 2025	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2025	19,139	19,139

Net Book value 31 December 2022	-	-
Net Book value 31 December 2023	-	-
Net Book value 31 December 2024	-	-
Net Book value 31 December 2025	-	-

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
7,762	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
22,500	Accrued Expenses	30,000	30,000
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
30,262	**Trade payables other payables and accruals - Current**	**30,000**	**30,000**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
30,262	**Total trade payables other payables and accruals**	**30,000**	**30,000**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
12,934	Annual Leave/Comp-time	22,600	20,050
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
12,934	**Total current portion**	**22,600**	**20,050**
	Non-current employee entitlements		
-	Retirement and long service leave	-	-
-	Other	-	-
-	**Total non-current portion**	**-**	**-**
12,934	**Total employee entitlements**	**22,600**	**20,050**

NATIONAL DRUG COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
714,855	Sale of goods and services to Cabinet	862,441	862,441
-	Sale of goods and services to Other Ministries and Portfolios	-	-
714,855	**Total sales of goods and services**	**862,441**	**862,441**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	**-**	**-**
	Sales of Outputs to Cabinet		
714,855	Sales of Outputs to Cabinet	862,441	862,441
-	Other Outputs	-	-
714,855	**Total Sales of Outputs to Cabinet**	**862,441**	**862,441**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
714,855	**Total Goods and Services**	**862,441**	**862,441**

NOTE 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
25,000		30,000	30,000
25,000	**Total donations**	**30,000**	**30,000**

NATIONAL DRUG COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
453,649	Salaries, wages and allowances	515,517	510,967
-	Health care CINICO	-	-
86,400	Health care other	91,000	95,550
24,986	Pension	24,210	24,210
-	Leave	-	-
9,000	Other personnel related costs	500	500
574,035	**Total Personnel Costs**	**631,227**	**631,227**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
8,000	Supplies and Materials	14,050	14,050
-	Purchase of services	-	-
66,000	Lease of Property and Equipment	66,000	74,000
19,200	Utilities	17,600	17,600
1,150	General Insurance	1,500	1,500
-	Interdepartmental expenses	-	-
15,500	Travel and Subsistence	8,190	8,190
-	Recruitment and Training	-	-
54,610	Other	151,510	143,510
164,460	**Total Supplies & consumables**	**258,850**	**258,850**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(1,710)	**Surplus/(deficit) from ordinary activities**	-	-
	Non-cash movements		
3,070	Depreciation & Amortisation	2,364	2,364
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	(11,768)	186
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	9,404	(2,550)
1,360	**Net cash flows from operating activities**	-	-

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget 2024	12-Month Budget 2025
Capital Commitments					
Property, plant and equipment	-	-	-	-	-
Other fixed assets	-	-	-	-	-
Other commitments (list separately if material)	-	-	-	-	-
Total Capital Commitments	-	-	-	-	-
Operating Commitments					
Non-cancellable accommodation leases	-	66,000	-	66,000	74,000
Other non-cancellable leases	-	-	-	-	-
Non-cancellable contracts for the supply of goods and services	-	-	-	-	-
Other operating commitments	-	-	-	-	-
Total Operating Commitments	-	66,000	-	66,000	74,000
Total Commitments	-	66,000	-	66,000	74,000

NATIONAL DRUG COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
103,606	Salaries & other short-term employee benefits	111,432	111,432
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
103,606	**Total**	**111,432**	**111,432**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL GALLERY OF THE CAYMAN ISLANDS

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Gallery of the Cayman Islands have agreed the National Gallery of the Cayman Islands will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Gallery of the Cayman Islands is to operate during the period.

GENERAL NATURE OF ACTIVITIES

The mission of the National Gallery of the Cayman Islands is to promote the appreciation and practice of the visual arts, of and in the Cayman Islands and to encourage dialogue relating to cultural heritage, national identity, Caymanian history and the history of art.

The National Gallery Act (1999) provides that the purposes of the National Gallery shall be:

a. to serve as an art gallery for the Islands and to establish in the Islands a national collection of works of art;
b. to promote and encourage the practice of the visual arts of and in the Islands and to increase knowledge and appreciation of the visual arts; and
c. to enable the interaction between the visual arts and other forms of art.

In an enriching, inclusive, environment that places Caymanian culture at the forefront while embracing the diverse cultures and traditions co-existing within the community, the Gallery seeks to serve a broad and far-reaching audience.

The functions of the National Gallery of the Cayman Islands (as per National Gallery Act 1999) are:

- To organise and maintain permanent and temporary public works of art;
- To collect and preserve significant works of art for a public collection;
- To facilitate the public exhibition of works of art or collections of works of art loaned by persons or bodies for that purpose;
- To present, or facilitate the presentation by others, of programmes of instruction in the visual arts;
- To lend works of art in the national collection to other art galleries for the purpose of promoting the culture of the Islands abroad;
- To encourage the evolution and enjoyment of the arts in the Islands;
- To promote the appreciation and interpretation of the visual arts as an integral component of education;
- To foster and encourage research in the visual arts;
- To provide facilities for the curation and restoration of works of art; and
- To perform such other functions as may be necessary to direct, manage and control the National Gallery and to fulfil its purpose specified in the National Gallery Act section 4.

The National Gallery of the Cayman Islands (NGCI, Gallery or National Gallery) is the country's leading art museum and visual art education venue, committed to providing innovative, creative programming and a multidisciplinary approach to the presentation, interpretation, and collection of the artistic expressions of our cultural heritage and current times. This mandate is achieved through a variety of activities that aim to reach all members of the Cayman Islands community and the visiting public including: outreach programmes, educational programmes, exhibitions, youth programmes, events, workshops, teacher training, school collaborations, art collections, lending library, and educational lectures.

2023 marked NGCI's eleventh year in our purpose-built home on the Esterley Tibbetts Highway. Footfall averages approximately **20,000 visitors** to our central facility, in addition to additional traffic to our satellite exhibition venues at the Owen Roberts International Airport, the Health Services Authority are the Little Cayman Museum, the Cayman Brac Beach Resort, as well as our district and community outreach programmes

The NGCI team seeks to ensure that the programmes, events, and exhibitions outlined in our Purchase and Ownership Agreements are achieved, through a public/private partnership funding model. Both our existing commitments, and the new programmes, aim to be executed professionally, in adherence with the International Council of Museums (ICOM) Code of Ethics and international museum standards, and within the agreed time allocated.

The scope of the National Gallery of the Cayman Islands (NGCI*)* activities are as follows:

- **National Art Exhibitions and Festivals [GAL 1]:** Provision of exhibitions, art festivals, and related educational programming for students, residents, and visitors.

  NGCI is committed to presenting a vibrant, challenging and culturally relevant exhibition programme that balances traditional displays with critically engaged contemporary exhibitions, both at the main Site: the Permanent Collection Gallery (1), NGCI Lower Gallery (4), our NGCI Community Gallery (5), at our two the Sister Islands venues (4), the Owen Roberts International Airport (4), and the Health Services Authority (1). Approximately one third of NGCI's resources are channeled into the exhibitions department annually to facilitate onsite exhibitions, satellite exhibitions off-site, and several NGCI Community Gallery exhibitions. NGCI also manages a virtual and online exhibition projects that was established in 2020. Our government grant and private sponsorship allows us to provide free admission to all visitors.

  The National Gallery also manages the island-wide public art project *The Blue Dragon Trail.*

  The Education Department works closely with the curatorial team to develop an extensive education programme for each exhibition. This is aimed at all ages of the community and features in-depth lectures, screenings, and workshops relating to art history, cultural heritage, national identity, Caymanian history, and the history of art.

- **National Art Collection [GAL 2]**: NGCI is charged with managing, conserving, exhibiting, and promoting the National Art Collection, in addition to actively acquiring works of art of national significance. The collection is centred on a core of quality Caymanian artworks and supplemented with additional works from the region and abroad. Collection development and related educational resources became a strategic priority following the move to the new facility. Increased resources have been driven into this area in order to increase access to the collection, and to develop related educational resources and scholarship, including cross-curricular lesson plans aimed at visual arts and cultural heritage learning. Our Art Library, Labyrinth and Sculpture Garden are also managed under this output.

- **Arts Education, Outreach and Training [GAL 3]**: The NGCI is the leading education centre for visual arts education in the Cayman Islands. Approximately one half of our resources are allotted to the outreach, education and training department. Our programme schedule is designed to be fully inclusive with programmes ranging from primary level through to senior citizens across all three islands. These include: Walkers Art Club for primary/secondary students and teens; programmes for students and adults with special needs; Art Camps and weekly art club in the Sister Islands; quarterly Family Fun Days; professional development workshops for artists; and continuing education programmes for adults. Our outreach programmes are specific to various groups of people: Art Haven (Northward, Fairbanks, and Caribbean Haven) for the incarcerated and for those struggling with substance abuse. All of the above programmes were successfully adapted in lockdown with the Education Team providing participants with a combination of filmed and digital resources.

  NGCI also offers an award-winning career development programme, called NGCI Creative Careers, which provides work experience opportunities, paid internships throughout the year, and a biannual undergraduate arts scholarship, in addition to offering career advice to arts students and participating in annual career expos to raise awareness of the breadth and depth of creative careers.

- **Art Information (Promotion, Scholarship, Publication, and Facilities) [GAL 4]:** NGCI is tasked with researching, developing, and disseminating information about Cayman Islands art and culture to local and international audiences via publications, lectures, scholarships, academic papers, traditional media outlets, social media, community events, marketing, and promotions. In addition, we support Government in matters relating to visual arts and cultural policy. Output 4 also includes the management of our 9,000 sq. ft. facility and offsite storage units; retail areas (gift shop, café, and facility rental department); annual reports and audit; and the ongoing execution, monitoring, and evaluation of the NGCI Strategic Plan.

Customers and Location of Activities

NGCI is housed in a 9,000 square foot, purpose-built museum facility with three exhibition galleries, an art studio, library, auditorium, art café, gift shop, and gardens that host temporary exhibitions by local and international artists, monthly workshops and lectures, along with a variety of annual festivals, film screenings, arts events, and private functions. The central location, which has free admission for both local and international audiences, provides a stimulating environment for learning about Cayman's unique cultural history and contemporary arts. NGCI also hosts satellite exhibitions in venues on the Sister Islands: Cayman Brac (Cayman Brac Reef Resort) and Little Cayman (Little Cayman Museum), the Cayman Catboat Club, and Owen Roberts International Airport.

The services provided by National Gallery of the Cayman Islands are intended to be accessible to all members of the Cayman Islands community including all ages of students; amateur and professional artists; targeted outreach participants - the incarcerated, the recovering institutionalised substance abuser, at-risk youth; specialised groups such as seniors, researchers, teachers; and both residents and visitors to the islands in general.

The NGCI Education Department works at various locations across the Cayman Islands including Northward and Fairbanks Prisons, Caribbean Haven, Bonaventure, seniors homes, civil centres, district libraries, and various public and private schools in Grand Cayman, Cayman Brac, and Little Cayman, as well as at other locations on demand.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the *National Gallery of the Cayman Islands* for the 2024 and 2025 financial period are as follows:

- **Strategic Goal 1 – Collections:** To develop and strengthen the National Collection by creating opportunities for acquisition and commission of artwork while ensuring its care and conservation.

- **Strategic Goal 2 – Exhibitions:** To enhance the public understanding and enjoyment of the visual arts by providing stimulating, informative, and enjoyable onsite temporary exhibition programmes, travelling exhibitions, and displays.

- **Strategic Goal 3 – Education:** To increase the understanding of, and engagement with, the visual arts as a vital component of the cultural heritage of the Cayman Islands through vibrant, stimulating, and accessible programmes of learning.

- **Strategic Goal 4 – Marketing and Communication:** To promote the National Gallery collections, exhibitions, programmes, and activities, through strategic marketing, promotions, technology, and products.

- **Strategic Goal 5 – Board Member Participation:** To take full advantage of Board Members' ability to contribute over and above their statutory obligations of supervision, and to seek ways in which individual Board Members can take effective roles to enhance the functioning and management of the Gallery and its programmes.

- **Strategic Goal 6 – Finance and Business:** To maximise the financial resources available through public (government funding) and private sector support (fundraising), trading (retail/events/membership), and through the sound management of NGCI's assets and resources.

- **Strategic Goal 7 – Human Resources:** To sustain and encourage an inclusive environment for all staff. Provide an encouraging, supportive, and equitable environment in which all staff will have the opportunity to grow professionally, whilst fulfilling their roles and responsibilities, and contributing to achieving the goals of NGCI.

- **Strategic Goal 8 - Operations and Facilities**: To establish the Gallery as an inclusive gathering place by creating an environment for all staff and visitors that has the highest standards of safety, fitness for purpose, legal compliance, and protection of the physical and intellectual assets of NGCI.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Gallery of the Cayman Islands for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	750	750	750
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	709	614	330
OPERATING EXPENSES	1,538	1,550	1,223
OPERATING SURPLUS/DEFICIT	**(79)**	**(186)**	**(143)**
NET WORTH	**6,073**	**5,967**	**6,027**
CASH FLOWS FROM OPERATING ACTIVITIES	-	(108)	(211)
CASH FLOWS FROM INVESTING ACTIVITIES	(125)	(80)	(165)
CASH FLOWS FROM FINANCING ACTIVITIES	125	80	-
CHANGE IN CASH BALANCES	-	(108)	(376)

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	32.25	31.25	32.31
TOTAL ASSETS: TOTAL LIABILITIES	54.07	53.04	53.77

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	10	10	10
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	30%	30%	30%
CLERICAL AND LABOURER STAFF	-	-	100%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	6,187	6,082	6,141
ASSET REPLACEMENTS: TOTAL ASSETS	1.25	1,27	1.36
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.66	0.66	0.73
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	2.6	2.5	7.69
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ROAD REPAIRS – GOVERNMENT GRANT GRANTED BUT FUNDS NOT YET RECEIVED	-	-	-
REPLACE A/C SYSTEM – GOVERNMENT GRANT REQUESTED	-	-	-
IRRIGATION SYSTEM – GOVERNMENT GRANT REQUESTED	-	-	-
SPRINKLER SYSTEM – GOVERNMENT GRANT REQUESTED	-	-	-
UPGRADE	125,000	80,000	180,000
TOTAL	**125,000**	**80,000**	**180,000**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Not receiving road repair grant	(150,000)	N/A – Work dependent on government grant	150,000
Not receiving A/C system grant	(70,000)	N/A – Work dependent on government grant	70,000
Not receiving Irrigation system grant	(10,000)	N/A – Work dependent on government grant	10,000
Not receiving Sprinkler system grant	(70,000)	N/A – Work dependent on government grant	70,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	1,459	1,364	1,080
OPERATING EXPENSES	1,538	1,550	1,223
NET SURPLUS/(DEFICIT)	(79)	(186)	(143)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	6,187	6,082	6,141
LIABILITIES	114	115	114
NET WORTH	6,073	5,967	6,027

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	-	(108)	(211)
CASH FLOWS FROM INVESTING ACTIVITIES	(125)	(80)	(164)
CASH FLOWS FROM FINANCING ACTIVITIES	125	80	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO NATIONAL GALLERY OF THE CAYMAN ISLANDS	125	80
CAPITAL WITHDRAWALS FROM NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[33]	-	-
REMUNERATION[34] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	198	198

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	12	12
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2	2

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

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

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Gallery of the Cayman Islands will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Isaac Rankine, MP
Minister for Youth, Sports and Heritage
On behalf of Cabinet



Chairman of the Board
National Gallery of the Cayman Islands

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the National Gallery of the Cayman Islands for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
National Gallery of the Cayman Islands

31 December 2023

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NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF ACCOUNTING POLICIES

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

1. Background information

The National Gallery of the Cayman Islands (the "Gallery") was established on April 23, 1999 in accordance with the National Gallery Act. Prior to this date, the Gallery operated as an unincorporated entity.

The Gallery, through its Management Board, acquires artworks and collects materials to be held in trust for the purpose of preserving them for posterity and promoting their usefulness in the development of the arts, exhibition, research and education for the public benefit.

Through organising and maintaining permanent and temporary public exhibitions of works of art, the Gallery promotes and encourages the awareness, appreciation and practice of the visual arts in the Cayman Islands.

The National Gallery Act states that the property of the Gallery shall be vested in up to four trustees appointed by the Governor in Cabinet, up to two of whom may also be members of the Management Board.

2. Significant accounting policies

In conformity with the Public Management and Finance Act (2020 Revision), these financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

These financial statements are presented in Cayman Islands dollars and are prepared on the historic cost basis, unless otherwise stated.

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

(a) Basis of preparation (continued)

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

(b) Standards and amendments to existing standards

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after January 1, 2025. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Gallery's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for recognizing expenses and liabilities for social benefits, measuring expenses and liabilities for social benefits, presenting information about social benefits in the financial statements and determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity. The new Social Benefits standard is effective for periods beginning on or after January 1, 2025.

(c) Recognition of revenue

Events and exhibitions income is recognised in the accounting period in which the events and exhibitions are held. Gallery gift shop income is recognised when the Gallery sells a product to a customer, which usually coincides with the date the transaction price is received. Revenue from facility rental is recognised after the facility has been used. The Gallery does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Gallery does not adjust any of the transaction prices for the time value of money.

(d) Government grant

The Government grant is received for financial support on a quarterly basis and is recorded when the grant becomes receivable.

(e) Donations

Donations are recorded when they are received, unless specifically intended for a certain fiscal year.

(f) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property.

(g) Interest income

(h) Interest income is recorded on an accruals basis.

(i) Bequest

The assets and revenue from the bequest are recognized in the period in which the Gallery has control of the assets. The Gallery measures the proceeds from the bequest at fair value on date of recognition.

(j) Property and equipment

In accordance with IPSAS 17, *Property, Plant and Equipment*, the Gallery has elected to use the cost model for all classes of property and equipment.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

Computer systems and hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Workshop equipment	5 years
Vehicles	5 years
Building	50 years

The Gallery capitalizes property and equipment costing $500 or more.

(k) Cash

In accordance with IPSAS 2, *Cash Flow Statements*, cash and cash equivalents comprise cash on hand, cash at bank, deposits on call and highly liquid investments with an original maturity of six months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash placed on a fixed term deposit and cash on hand.

(l) Financial instruments

Financial assets within the scope of IPSAS 29, *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables. The Gallery determines the classification of its financial assets at initial recognition.

The Gallery's financial instruments on the statement of financial position include cash and cash equivalents, accounts receivable, and accounts payable and other accruals. The carrying values of these financial instruments approximate their fair values due to their short-term nature.

Classification

Financial assets that are classified at amortized cost includes cash and cash equivalents and accounts receivable. Financial liabilities that are not at fair value through profit and loss are carried at amortized cost and included in accounts payable.

Recognition

The Gallery recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase of a financial asset is recognized using trade date accounting. From this date, any gains and losses arising from changes in the fair value of the financial assets or financial liabilities are recorded.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, all instruments classified at fair value through profit and loss are measured at fair value with changes in their fair value recognized in the statement of financial performance.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows generated by the asset, discounted at the original effective interest rate.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of financial performance.

(m) Inventory

In accordance with IPSAS 12, *Inventories*, inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of net realisable value or cost using the specific identification method for their individual costs.

Inventory is recorded net of an allowance for obsolete and slow moving items. Any change in the allowance for obsolescence is reflected in the statement of financial performance in the period of change.

No inventory items were pledged as security during the current or prior financial year.

(n) Foreign exchange

In accordance with IPSAS 4, *The Effects of Changes in Foreign Exchange Rates*, transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of foreign exchange transactions are recognised as income or expenses in the period in which they arise.

The Cayman Islands dollar to U.S. dollar exchange rate adopted by the Gallery is CI$0.82: US$1.00.

(o) Collections and exhibits

Consistent with the practice followed by many galleries, collections and exhibits purchased and donated are not included in the statement of financial position. The costs of all objects purchased are recorded as an expense in the statement of financial performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation. These assets are presented in the Schedule of Collections and Exhibits (Unaudited) in the Supplementary Information. Values are determined by the Gallery Director to be reasonable estimates of fair market value and are the insured values as at December 31, 2020.

(p) Donated services

A substantial number of unpaid volunteers make significant contributions of their time to develop the Gallery's programs. The Gallery receives a number of donations in kind. The value of this contributed time and donated goods is not reflected in these financial statements since they are not susceptible to objective measurement or valuation.

(q) Repairs and maintenance

Costs associated with routine repairs and maintenance are expensed as they are incurred.

(r) Budget

The annual budget is prepared on an accrual basis. As both the 2019 and 2020 budget and financial statements have been prepared on an accrual basis, there are no basis or timing differences that would require reconciliation between the actual comparable amounts.

The budgets for the financial year were presented in the Gallery's Ownership Agreement and were approved by the Parliament. The budget amounts in the Ownership Agreement are summarised. These summaries have been split out in these financial statements to enable comparison on a line by line basis.

Explanatory comments are provided in the notes as to any material differences between budget and actual.

Cash and cash equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates and the fixed term deposit earns interest at 0.05%.

The restricted cash and fixed term deposit are held in separate accounts with a local Cayman bank. The restricted funds relate to the bequest received in 2020 as described in Note 13.

3. Land held in a private trust

During the year ended December 31, 1998, the use of a parcel of land was donated to a trust for a period of 80 years, for the exclusive use of the Gallery and for a National Art Gallery to be built upon. The property is not to be subdivided or combined with the surrounding land and will at all times be held by the trustees, as separate and apart from the adjacent lots. The land is managed by three trustees. Currently, two trustees are active with a third pending. No changes are expected to the original Trust and therefore the possibility of a change in ownership is not deemed to be a concern. The land is not reflected in these financial statements.

4. Employee benefits

The Gallery provides retirement benefits for its employees through the Silver Thatch Pension Plan (the "Plan"). The Gallery operates a defined contribution plan, which is a post-employment benefit plan under which an entity pays fixed contributions into the Plan, and will have no legal or constructive obligation to pay further contributions if the pension fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised as an expense in the year in which they are incurred based on set contribution rates.

5. Financial instruments and associated risks

During the year, the Gallery entered into transactions which gave rise to the following financial assets and liabilities: cash and cash equivalents, accounts receivables and accounts payable and other accruals. This note presents information about the Gallery's exposure to each of the below risks, policies and processes for measuring and managing risk, and the Gallery's management of capital.

6. Financial instruments and associated risks (continued)

(a) Market risk

Market risk is the risk that changes in interest rates and foreign exchange rates will make a financial instrument less valuable or more onerous. The Management Board does not believe the Gallery is exposed to any material market risk.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Gallery.

The maximum amount of credit exposure is represented by the carrying amounts of cash and cash equivalents and accounts receivable on the statement of financial position. Cash and cash equivalents held by the Gallery are held with two major international financial institutions in the Cayman Islands. The Gallery is subject to credit risk to the extent that one or both of these institutions may be unable to fulfil their obligations to repay amounts owed.

The Gallery's accounts receivable are neither past due nor impaired and are assessed to be recoverable. 94% (2019: 87%) of the Gallery's accounts receivable is due from the Government of the Cayman Islands. The Gallery manages the risk of non-payment of the remaining receivable by monitoring specific customers.

(c) Liquidity risk

The Management Board does not believe the Gallery is exposed to any material liquidity risk as all financial assets and financial liabilities have remaining contractual maturities of less than one year.

The government grant (see Note 6) equates to 59% (2019: 49%) of the Gallery's annual budget. Private sector and general public donations of funds, goods and services are the Gallery's other sources of revenue. The Management Board manages the Gallery's operations funding risks by undertaking fundraising activities throughout the year. In cases of funding shortfalls, programmes, events and exhibitions are cut back.

(d) Corona virus

The extent of the impact of the corona virus ("COVID-19") outbreak on the financial performance of the Gallery will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted. If the overall economy is impacted for an extended period, the Gallery's results of operations may be materially adversely affected. The Gallery is able to reduce programs and output, should private funding not be made available to minimise any adverse effect.

7. Commitments

As of December 31, 2024, and 2025, the Gallery had no significant financial commitments to any third party.

8. Related parties

The Government of the Cayman Islands, the trustees appointed by the Governor in Cabinet and the members of the Management Board are considered related parties. Also, certain expenses are borne by staff or volunteers and are reimbursed by the Gallery. Transactions and balances with the Government are disclosed in Note 6.

9. Contingent liabilities

As of December 31, 2024, and 2025, the Gallery has no quantifiable or non-quantifiable contingent liabilities.

10. Fund balance

Management controls the capital of the Gallery to ensure that adequate cash flows are generated to fund its programs. The Management Board and Director ensure that overall risk management strategy is in line with this objective. There have been no changes to the strategy adopted by management to control capital of the Gallery since the previous year.

In 2020, the Gallery and the Cayman National Cultural Foundation (CNCF) became the recipients of a bequest from the estate of a former Gallery/CNCF patron and land donor. In accordance with the donor's will, the executors were directed to distribute 25% of the donor's estate equally to the Gallery and CNCF. In reaching an agreement with the executors that the Gallery would receive an absolute gift of 12.5% of the net realised value of the donor's estate instead of the opportunity to benefit from a trust established for the Gallery and the CNCF to run for fifty years, a restriction was agreed on the use of the funds by the Gallery. The restriction requires the Gallery to use the bequest from the donor's estate for capital and special projects to memorialise the bequest donor. The use of the proceeds is restrictive and not for operations of the Gallery.

On May 19, 2020, the Management Board of the Gallery approved the restriction on the use of the proceeds from the bequest and that a separate account be prepared.

As at December 31, 2022, the proceeds from the donor were invested in a fixed term deposit and in a restricted cash account (see Note 3) and included in the Statement of Changes in Fund Balance as "Restricted Fund".

11. Operating lease

The Gallery has an operating lease for storage containers. Minimum lease payments recognised as an expense during the year ended December 31, 2022 amount to CI$19,820 (2021: CI$19,385). The original leased storage units contract ended on December 31, 2018, and thereafter renews automatically at the end of each month.

The Gallery continues to occupy the units for a period of one month until it is terminated by either party on one month's prior written notice.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
3,425,606	Cash and cash equivalents	1	3,425,720	3,317,524
-	Marketable securities and deposits		-	-
217,820	Trade receivables	2	217,820	217,820
-	Other receivables	2	-	-
30,000	Inventories	3	30,000	30,000
-	Investments	4	-	-
17,146	Prepayments	5	17,297	17,457
-	Loans	6	-	-
3,690,572	**Total Current Assets**		**3,690,837**	**3,582,801**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
2,450,610	Property, plant and equipment	7	2,496,588	2,499,003
-	Intangible Assets	8	-	-
2,450,610	**Total Non-Current Assets**		**2,496,588**	**2,499,003**
6,141,182	**Total Assets**		**6,187,425**	**6,081,804**
	Current Liabilities			
35,000	Trade payables	9	35,000	35,000
26,323	Other payables and accruals	9	26,539	26,766
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
52,894	Unearned revenue	10	52,894	52,894
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
114,217	**Total Current Liabilities**		**114,433**	**114,660**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
114,217	**Total Liabilities**		**114,433**	**114,660**
6,026,965	**Net Assets**		**6,072,992**	**5,967,144**
	NET WORTH			
235,000	Contributed capital		360,000	440,000
3,150,575	Other Reserves		3,150,575	3,150,575
-	Revaluation reserve		-	-
2,641,392	Accumulated surpluses/(deficits)		2,562,417	2,376,569
6,026,967	**Total Net Worth**		**6,072,992**	**5,967,144**

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
918,900	Sale of goods and services	15	1,177,359	1,177,359
-	Investment revenue	16	-	-
161,484	Donations	17	181,177	181,423
-	Other revenue		100,000	5,000
1,080,384	**Total Revenue**		**1,458,536**	**1,363,782**
	Expenses			
607,468	Personnel costs	18	678,156	680,664
527,724	Supplies and consumables	19	780,333	791,381
87,744	Depreciation and Amortisation	7	79,022	77,585
	Impairment of Inventory,property, plant and equipment			
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
-	Other (Gains)/losses	22	-	-
	Other Operating expenses			
1,222,936	**Total Expenses**		**1,537,511**	**1,549,630**
(142,552)	**Surplus or (Deficit) for the period**		**(78,975)**	**(185,848)**

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
750,000	Sale of goods and services to Cabinet		750,000	750,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
330,384	Sale of goods and services - third party		427,359	427,359
-	Interest received		100,000	5,000
161,484	Donations / Grants		181,177	181,423
-	Other receipts		-	-
	Payments			
(641,611)	Personnel costs		(731,956)	(744,464)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(811,652)	Supplies and consumables - third party		(726,466)	(727,515)
-	Interest paid		-	-
-	Other payments		-	-
(211,395)	**Net cash flows from operating activities**	**23**	**115**	**(108,197)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(164,925)	Purchase of property, plant and equipment		(125,000)	(80,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(164,925)	**Net cash flows from investing activities**		**(125,000)**	**(80,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		125,000	80,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**125,000**	**80,000**
(376,320)	**Net increase/(decrease) in cash and cash equivalents**		**115**	**(108,197)**
3,801,926	Cash and cash equivalents at beginning of period		3,425,606	3,425,721
3,425,606	**Cash and cash equivalents at end of period**		**3,425,721**	**3,317,524**

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	235,000	3,150,575	-	2,603,133	5,988,708
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	235,000	3,150,575	-	2,603,133	5,988,708
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	85,886	85,886
Total recognised revenues and expenses for the period	-	-	-	85,886	85,886
Balance at 31 December 2022	235,000	3,150,575	-	2,689,019	6,074,594
Balance at 31 December 2022 brought forward	235,000	3,150,575	-	2,689,019	6,074,594
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	235,000	3,150,575	-	2,689,019	6,074,594
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	94,925	94,925
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	94,925	94,925
Surplus/(deficit)for the period 2023	-	-	-	(142,552)	(142,552)
Total recognised revenues and expenses for the period	-	-	-	(47,627)	(47,627)
Balance at 31 December 2023 carried forward	235,000	3,150,575	-	2,641,392	6,026,967

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	235,000	3,150,575	-	2,641,392	6,026,967
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	235,000	3,150,575	-	2,641,392	6,026,967
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	125,000	-	-	-	125,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	125,000	-	-	-	125,000
Surplus/(deficit)for the period 2024	-	-	-	(78,975)	(78,975)
Total recognised revenues and expenses for the period	125,000		-	(78,975)	46,025
Balance at 31 December 2024 carried forward	360,000	3,150,575	-	2,562,417	6,072,992
Balance at 31 December 2024 brought forward	360,000	3,150,575	-	2,562,417	6,072,992
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	360,000	3,150,575	-	2,562,417	6,072,992
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	80,000	-	-	-	80,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	80,000	-	-	-	80,000
Surplus/(deficit)for the period 2025	-	-	-	(185,848)	(185,848)
Total recognised revenues and expenses for the period	80,000	-	-	(185,848)	(105,848)
Balance at 31 December 2025	440,000	3,150,575	-	2,376,569	5,967,144

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
400	Cash on hand	400	400
-	Cash in transit	-	-
90,963	CI$ Account	112,809	85,080
114,666	US$ Account	92,934	12,467
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
341,534	Bank Accounts held at other financial institutions	341,534	341,534
2,878,043	Short-Term Fixed Deposits	2,878,043	2,878,043
3,425,606	**TOTAL**	**3,425,720**	**3,317,524**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
187,500	Sale of goods and services to Cabinet	187,500	187,500
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
30,000	Sale of goods and services - third party	30,000	30,000
320	Other	320	320
-	**Less: provision for doubtful debts**	-	-
217,820	**Total trade receivables**	**217,820**	**217,820**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
217,820	Past due 1-30 days	217,820	217,820
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
217,820	**Total**	**217,820**	**217,820**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
30,000	Inventory Other	30,000	30,000
-	Impairment of Inventory	-	-
30,000	**INVENTORIES - Current**	**30,000**	**30,000**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
30,000	**TOTAL INVENTORIES**	**30,000**	**30,000**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
2,146	Insurance	2,297	2,457
15,000	**Other expnese**	15,000	15,000
17,146	**Prepayments - Current**	**17,297**	**17,457**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
17,146	**Total Prepayments**	**17,297**	**17,457**

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2022	2,964,469	194,355	71,784	43,629	25,300	12,668	3,312,205
Additions	-	33,856	7,397	-	-	215	41,468
Disposals and Derecognisation	-	(4,600)	(2,254)	-	-	-	(6,854)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	2,964,469	223,611	76,927	43,629	25,300	12,883	3,346,819

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2023	2,964,469	223,611	76,927	43,629	25,300	12,883	3,346,819
Additions	164,925	-	-	-	-	-	164,925
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	3,129,394	223,611	76,927	43,629	25,300	12,883	3,511,744

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2024	3,129,394	223,611	76,927	43,629	25,300	12,883	3,511,744
Additions	125,000	-	-	-	-	-	125,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2024	3,254,394	223,611	76,927	43,629	25,300	12,883	3,636,744

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2025	3,254,394	223,611	76,927	43,629	25,300	12,883	3,636,744
Additions	80,000	-	-	-	-	-	80,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2025	3,334,394	223,611	76,927	43,629	25,300	12,883	3,716,744

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2022	587,585	176,848	69,342	43,561	18,975	12,668	908,979
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2022	51,238	12,454	2,402	68	5,060	43	71,265
Eliminate on Disposal or Derecognisation 2022	-	(4,600)	(2,254)	-	-	-	(6,854)
Balance as at 31 December 2022	638,823	184,702	69,490	43,629	24,035	12,711	973,390

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2023	638,823	184,702	69,490	43,629	24,035	12,711	973,390
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2023	66,289	10,325	6,000	70	5,060	-	87,744
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	705,112	195,027	75,490	43,699	29,095	12,711	1,061,134

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2024	705,112	195,027	75,490	43,699	29,095	12,711	1,061,134
Transfers	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-
Depreciation Expense 2024	65,088	12,454	1,437	-	-	43	79,022
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-
Balance as at 31 December 2024	770,200	207,481	76,927	43,699	29,095	12,754	1,140,156

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2025	770,200	207,481	76,927	43,699	29,095	12,754	1,140,156
Transfers	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-
Depreciation Expense 2025	65,088	12,454	-	-	-	43	77,585
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	835,288	219,935	76,927	43,699	29,095	12,797	1,217,741

Net Book value 31 December 2022	2,325,646	38,909	7,437	-	1,265	172	2,373,429

Net Book value 31 December 2023	2,424,282	28,584	1,437	(70)	(3,795)	172	2,450,610

Net Book value 31 December 2024	2,484,194	16,130	-	(70)	(3,795)	129	2,496,588

Net Book value 31 December 2025	2,499,106	3,676	-	(70)	(3,795)	86	2,499,003

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
35,000	Creditors Third party	35,000	35,000
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
22,000	Accrued Expenses	22,000	22,000
4,323	Other payables	4,539	4,766
-	Dividends/Surplus Payable	-	-
61,323	**Trade payables other payables and accruals - Current**	**61,539**	**61,766**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
61,323	**Total trade payables other payables and accruals**	**61,539**	**61,766**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
52,894	Deffered Revenue	52,894	52,894
52,894	**Total current portion**	**52,894**	**52,894**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
52,894	**Total Unearned Revenue**	**52,894**	**52,894**

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
79,600	General Sales	56,359	56,359
55,000	Rentals	70,000	70,000
34,300	Other Goods & Services Revenue	301,000	301,000
750,000	Sale of goods and services to Cabinet	750,000	750,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
918,900	**Total sales of goods and services**	**1,177,359**	**1,177,359**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
79,600	Sale of goods and services to third parties	56,359	56,359
79,600	**Total General Sales**	**56,359**	**56,359**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
55,000		70,000	70,000
55,000	**Total Rentals**	**70,000**	**70,000**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
34,300		301,000	301,000
34,300	**Total Other Goods & Services Revenue**	**301,000**	**301,000**
	Sales of Outputs to Cabinet		
750,000	Sales of Outputs to Cabinet	750,000	750,000
-	Other Outputs	-	-
750,000	**Total Sales of Outputs to Cabinet**	**750,000**	**750,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
918,900	**Total Goods and Services**	**1,177,359**	**1,177,359**

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
161,484	Donations	181,177	181,423
161,484	**Total donations**	**181,177**	**181,423**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
539,339	Salaries, wages and allowances	616,720	618,520
14,442	Health care CINICO	18,025	18,566
-	Health care other	-	-
23,434	Pension	30,836	30,926
-	Leave	-	-
30,253	Other personnel related costs	12,575	12,652
607,468	**Total Personnel Costs**	**678,156**	**680,664**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
50,880	Supplies and Materials	47,767	47,767
341,341	Purchase of services	585,904	591,210
-	Lease of Property and Equipment	-	-
62,408	Utilities	59,305	60,979
44,043	General Insurance	57,568	61,174
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
5,125	Recruitment and Training	6,000	6,000
23,927	Other	23,789	24,251
527,724	**Total Supplies & consumables**	**780,333**	**791,381**

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NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(142,552)	**Surplus/(deficit) from ordinary activities**	(78,975)	(185,848)
	Non-cash movements		
87,744	Depreciation & Amortisation	79,022	77,585
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
(2,711)	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(22,307)	(Increase)/decrease in other current assets - Other	(149)	(161)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(131,569)	(Increase/(decrease) in current liabilities - Other	217	227
(211,395)	**Net cash flows from operating activities**	**115**	**(108,197)**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL HOUSING DEVELOPMENT TRUST

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Housing Development Trust have agreed the National Housing Development Trust will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Housing Development Trust is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The National Housing Development Trust activities involve being an important factor in the economic development of the Cayman Islands by providing to Caymanians, homes at an affordable price and mortgage financing through its Government Guarantee Home Assisted Mortgage Programme.

SCOPE OF ACTIVITIES

The scope of the National Housing Development Trust activities is as follows:

- Construction of low-income affordable homes to be sold to the Caymanian public at an affordable price
- Provide financing to low-income Caymanian who qualifies under the criteria set by the Board of Directors for the purchase of an affordable home constructed under the supervision of the Trust.
- Perform the duties as an administrator and loan processing agent on behalf of the Cayman Islands Government for the Government Guaranteed Assisted Home Mortgage Programme.

Provide bridge financing to Caymanian in the construction of a home on the client's own property, whereby the mortgage loan is then refinance by a participating banks under the Government Guarantee Home Assisted Mortgage Program.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the National Housing Development Trust are provided only within the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Housing Development Trust for the 2024 and 2025 financial years are as follows:

STRATEGIC GOALS

1. To become a well-structured, efficiently managed organization that is fair and prudent in its selection processing of eligible applicants for affordable homes offered by the Trust.

2. To identify the housing needs of low-income Caymanians and to proceed with the processing of future development of affordable homes that will contribute to the economic development of the Cayman Islands.

3. To administer the Government Guaranteed Home Assisted Mortgage Program in collaboration with the commercial banks to provide financing to Caymanian whose income level is classified as low-to-middle income.

4. To administer the Build on Your Own Property Program in collaboration with the commercial banks to provide financing to Cayman whose income level is classified as low-to-middle income.

OBJECTIVES

The key objectives (from an ownership perspective) for National Housing Development Trust for the 2024 and 2025 financial period are as follows:

1. Continue to manage the lease portfolio of the Trust and to offer counselling to clients as it becomes necessary.

2. To seek out additional funding for future development of low-income housing that has been identified as an imperative need in the economic development of these islands.

3. To continue a close working relationship with local contractors in the development of new homes for low-income person in our community.

4. To ensure that the Government Guaranteed Home Assisted Mortgage Programme is managed in an efficient and prudent manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Housing Development Trust for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	710	710	710
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	(12,328)	(13,915)	(286)
OPERATING EXPENSES	(3,270)	(3,469)	(2,232)
OPERATING SURPLUS/DEFICIT	**(14,888)**	**(16,674)**	**(1,808)**
NET WORTH	**47,780**	**50,906**	**42,919**
CASH FLOWS FROM OPERATING ACTIVITIES	(2,117)	(2,316)	205
CASH FLOWS FROM INVESTING ACTIVITIES	(136)	(8,815)	(14,586)
CASH FLOWS FROM FINANCING ACTIVITIES	8,958	7,000	15,525
CHANGE IN CASH BALANCES	**6,705**	**(4,131)**	**1,144**

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	92.37	64.71	6.88
TOTAL ASSETS : TOTAL LIABILITIES	57.21	60.88	24.71

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	12	12	11
STAFF TURNOVER (%)			
MANAGERS	3	3	3
PROFESSIONAL AND TECHNICAL STAFF	6	6	5
CLERICAL AND LABOURER STAFF	3	3	3
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	Over 10 Yrs	Over 10 Yrs	Over 10 Yrs
PROFESSIONAL AND TECHNICAL STAFF	Avg 15 Yrs	Avg 15 Yrs	Avg 15 Yrs
CLERICAL AND LABOURER STAFF	Avg 10 Yrs	Avg 10 Yrs	Avg 10 Yrs
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	29,154	38,111	36,672
ASSET REPLACEMENTS : TOTAL ASSETS	0%	0%	0%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-	-
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	0%	0%	0%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CONSTRUCTION OF AFFORDABLE HOMES	11,736	21,465	14,806
TOTAL	**11,736**	**21,465**	**14,806**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Default on lease payments	Unchanged	Follow up on delinquent accounts and make arrangement for payment on arrears.	Accrued income reduced

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Housing Development Trust is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	12,460	13,510	1,080
COST OF GOOD SOLD (Affordable House Sales)	(12,328)	(13,915)	(286)
OPERATING EXPENSES	(3,270)	(3,469)	(2,232)
NET SURPLUS/(DEFICIT)	(3,138)	(3,874)	(1,438)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	48,630	51,756	44,729
LIABILITIES	850	850	1,810
NET WORTH	**47,780**	**50,906**	**42,919**

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(2,117)	(2,316)	205
CASH FLOWS FROM INVESTING ACTIVITIES	(136)	(8,815)	(14,586)
CASH FLOWS FROM FINANCING ACTIVITIES	8,958	7,000	15,525

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO **NATIONAL HOUSING DEVELOPMENT TRUST**	8,000	7,000
CAPITAL WITHDRAWALS FROM **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
GOVERNMENT LOANS TO BE MADE TO **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[35]	-	-
REMUNERATION[36] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	108	108
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	331	347

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8-10	8-10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2-3	2-3

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

[36] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Housing Development Trust will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Jay Ebanks, MP
Minister for Planning, Agriculture, Housing, Infrastructure, Transport and Development
On behalf of Cabinet



Chairman of the Board
National Housing Development Trust

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the National Housing Development Trust for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
National Housing Development Trust

31 December 2023

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NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Description and principal activities

The National Housing Development Trust (the "Trust") was incorporated on September 29, 2003, as a not for profit company by guarantee without share capital. The Trust provides affordable housing to Caymanian citizens of the Cayman Islands.

The National Housing Development Trust offers several programs:

a) The Government Guaranteed Home Assistance Mortgage (GGHAM) - The Cayman Islands Government (CIG), working along with local banks, provide mortgage funding to persons who cannot qualify for a traditional mortgage from a commercial bank and who are unable to accumulate the required 5-20% required for acquiring a mortgage. As of 31 December 2022, there were no new loans processed as the program agreement expired in 2012 and remains to be re-imitated to facilitate new mortgages. The Trust continues to provide administration for the portfolio of 325 mortgages issued between 2007-2012.

b) The Affordable Housing Initiative ("AHI") is designed to assist low-income families in having their housing needs met. As of 31 December 2022, there were 29 registered clients under Tenancy agreement under the Affordable Housing Initiative program.

c) The Affordable Housing Initiative ("AHI") is also designed to provide low-income families with the opportunity of homeownership. As of 31 December 2022, there were 98 Affordable Houses sold to families under the Affordable Housing Initiative program.

d) The Build on Your Own Property ("BYOP") is an option for a person owning their own home if they have their own land. The National Housing Development Trust assists Caymanians to construct affordable homes on their own property. As of 31 December 2022, there was one client that achieved homeownership under the Build on Your Own Property Program.

The Trust is a Government owned company with its registered office situated at the Government Administration Building on Elgin Avenue, George Town, Grand Cayman, and its office operation located at Cayman Centre, Bldg E Unit 4, Dorcy Drive, George Town, Grand Cayman.

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

Significant accounting policies

Certain new accounting standards have been published that are not mandatory for the 31 December 2020 reporting period and have not been early adopted by the Trust. The Trust's assessments of the impact of these new standards are set out below:

IPSAS 41, Financial Instruments, was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing**,** and measuring financial instruments to replace those in *IPSAS 29, Financial instruments: Recognition and Measurement*.

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

Based on our assessment, it is anticipated that these standards will not be applicable to the Trust in future periods; however, we will reassess IPSAS 41, Financial Instruments, more fully closer to the effective date of adoption.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis, except for land and buildings, which are included in Property, Plant, and Equipment. These items are stated at fair value. These Financial Statements are rounded to the nearest thousand.

Changes in accounting policies

When presentation or classification of items in the financial statements is amended, or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so. The accounting policies have been consistently applied to all the years presented.

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2024-2025 Ownership Agreement and approved by the Parliament. Final Budget reflects changes to the original budget and the amounts are approved in the Supplementary Budget. There was no change to the original budget during the financial year.

(c) Reporting period

The financial statements are prepared for the 12 months from 1 January to 31 December with comparative figures for the 12-month period from the previous year.

Significant accounting policies (continued)

(d) Judgments and estimates

The preparation of financial statements in conformity with the IPSAS require judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

(e) Revenue

Revenue is recognized in the accounting year in which it is earned. Revenue received but not yet earned at the end of the reporting year is recognized as a liability (unearned revenue). The Trust derives its revenue from outputs to cabinet, mortgage interest, strata fees, donations, sale of homes, and rental of houses to the Caymanian public at fair value of services provided.

Revenue is recognized based on contract prices of affordable homes.

(f) Expenses

Expenses are recognized when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received.

(g) Operating leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under the operating leases are recognized as an expense on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash-in-transit, and bank accounts with a maturity of no more than three months at the date of acquisition.

(i) Prepayments

The portion of recognized expenditure paid in advance of receiving goods or services have been recognized as a prepayment in these financial statements.

(j) Other receivables –Build Your Own Property (BYOP)

Other receivables-BYOP are amounts advanced by the Trust for properties under construction for specific clients approved under the BYOP. The Trust disburses funds as the construction project progresses and accumulates all funds in this account. Under the programme, the Trust is entitled to be reimbursed through bridge financing arranged with the lending institutions once the properties are completed and approved for occupancy by the Planning Department.

Significant accounting policies (continued)

(k) Other receivables –Build Your Own Property (BYOP) (Continued)
In addition the Trust charges interest to the Client at the agreed market rate (prime + 1%) are recorded as miscellaneous income under sales of goods and services.

(l) Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognized impairment loss. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

Asset Revaluation
Property (buildings and structures) were revalued by JEC Property Consultants Ltd with the exception of road formation and road structure works which are carried at historical cost.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Depreciation is charged as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Computer equipment	3
Furniture and fixtures	12
Office and telephone equipment	5
Vehicle	5
Road Formation Works	50
Road Structure	20
Low-income housing properties	10 - 50
Leasehold improvements	Over the unexpired period of lease or useful life of the improvement

Depreciation on the new AHI houses started upon the issuance of the Certificate of Occupancy, which signals the point at which they are available for use. At this point, they are in the location and condition necessary for them to be operating in the manner intended by Management, as outlined in IPSAS 17.

(m) Disposals
Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Financial Performance.

Significant accounting policies (continued)

(n) Work in progress

This account consists of costs incurred attributable to bringing the asset condition necessary for it to be capable of operating in the manner intended by management. It is categorized as current assets for the actual cost related to each project. When the Affordable Housing Initiative (AHI) houses are complete, then a reclass will be made to the relevant property, plant, and equipment. The Trust objective is to complete projects within approximately an eighteen (18) month period.

(o) Inventory assets

AHI Houses

This account consists of completed AHI houses, for which have been allocated parcels, issued Certificate of Occupancy, and held specifically for re-sale. Homes are valued at lower of cost and net realizable value.

Houses that are held as rental property or lease-to-own are held in property, plant, and equipment –AHI Houses.

AHI Land

Inventory assets also consist of land lots held for transfer on sale of the completed AHI houses held in inventory. In accordance with IPSAS 12, where inventory is acquired as a non-exchange transaction, the costs are measured at the fair value on acquisition. The fair value of the land is based on the first valuation carried out on acquisition.

(p) Land

Land is acquired from the government at no cost and is recorded at fair market value at the date of acquisition. A revaluation of this asset is undertaken every 5 years.

(q) Deferred liabilities

Payments/ accrued amounts made by purchasers on their mortgage principal are recorded as deferred liabilities.

(r) Employee benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave, and other similar benefits are recognized in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Trust are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Plan. The Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration, management and investment functions. Intertrust is the plan administrator, Saxon Pensions is the Client Services Agent and Coutts Cayman is the Investment Manager.

Significant accounting policies (continued)

(s) Financial instruments

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade, and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of accounts payable and accrued expenses, employee entitlements, and long-term debt.

Recognition

The Trust recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognized in the Statements of Financial Performance.

Measurement

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

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

De-recognition

A financial asset is derecognized when the Trust realizes the rights to the benefits specified in the contract or loses control over any right that comprises that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(t) Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realized.

Significant accounting policies (continued)

(u) Foreign currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognized in the Statement of Financial Performance.

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at the year-end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
3,612,555	Cash and cash equivalents	1	10,317,440	6,186,361
-	Marketable securities and deposits		-	-
538,942	Trade receivables	2	503,942	468,942
-	Other receivables	2	-	-
3,894,002	Inventories	3	8,644,002	6,979,002
-	Investments	4	-	-
10,798	Prepayments	5	10,798	10,798
-	Loans	6	-	-
8,056,296	**Total Current Assets**		**19,476,181**	**13,645,103**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
36,672,304	Property, plant and equipment	7	29,154,182	38,111,059
-	Intangible Assets	8	-	-
36,672,304	**Total Non-Current Assets**		**29,154,182**	**38,111,059**
44,728,600	**Total Assets**		**48,630,363**	**51,756,162**
	Current Liabilities			
185,040	Trade payables	9	185,040	185,040
27,094	Other payables and accruals	9	25,056	25,056
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
755	Employee entitlements	11	755	755
957,746	Current Portion of Borrowings	12	-	-
1,170,636	**Total Current Liabilities**		**210,852**	**210,852**
	Non-Current Liabilities			
-	Trade payables	9	-	-
639,239	Other payables and accruals	9	639,239	639,239
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
639,239	**Total Non-Current Liabilities**		**639,239**	**639,239**
1,809,874	**Total Liabilities**		**850,090**	**850,090**
42,918,726	**Net Assets**		**47,780,272**	**50,906,072**
	NET WORTH			
62,816,951	Contributed capital		70,816,951	77,816,951
-	Other Reserves		-	-
13,134,336	Revaluation reserve		13,134,336	13,134,336
(33,032,561)	Accumulated surpluses/(deficits)		(36,171,014)	(40,045,215)
42,918,726	**Total Net Worth**		**47,780,272**	**50,906,072**

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
794,023	Sale of goods and services	**15**	131,602	(404,977)
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
794,023	**Total Revenue**		**131,602**	**(404,977)**
	Expenses			
1,154,335	Personnel costs	**18**	1,340,072	1,523,966
698,943	Supplies and consumables	**19**	1,599,075	1,652,135
464,110	Depreciation and Amortisation	**7**	293,122	293,122
(170,988)	Impairment of Inventory,property, plant and equipment			
86,050	Finance costs & overdraft interest	**20**	37,787	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
2,232,451	**Total Expenses**		**3,270,056**	**3,469,224**
(1,438,428)	**Surplus or (Deficit) for the period**		**(3,138,454)**	**(3,874,201)**

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
2,060,000	Sale of goods and services to Cabinet		710,000	710,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
84,023	Sale of goods and services - third party		150,023	150,023
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(1,154,335)	Personnel costs		(1,340,072)	(1,523,966)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(698,943)	Supplies and consumables - third party		(1,599,075)	(1,652,135)
(86,050)	Interest paid		(37,787)	-
-	Other payments		-	-
204,695	**Net cash flows from operating activities**	**23**	**(2,116,910)**	**(2,316,078)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(1,908,000)	Purchase of property, plant and equipment		(950,000)	(9,250,000)
-	Proceeds from sale of property, plant and equipment		-	-
(12,897,627)	Purchase of investments		(10,785,951)	(12,215,000)
220,000	Proceeds from sale of investments		11,600,000	12,650,000
(14,585,627)	**Net cash flows from investing activities**		**(135,951)**	**(8,815,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
14,615,277	Equity Investment from Cabinet		8,000,000	7,000,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
909,483	Repayment of Borrowings		957,746	-
-	Currency Issues		-	-
15,524,761	**Net cash flows from financing activities**		**8,957,746**	**7,000,000**
1,143,829	**Net increase/(decrease) in cash and cash equivalents**		**6,704,885**	**(4,131,078)**
2,468,726	Cash and cash equivalents at beginning of period		3,612,555	10,317,440
3,612,555	**Cash and cash equivalents at end of period**		**10,317,440**	**6,186,361**

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	43,316,951	-	13,326,295	(29,394,399)	27,248,847
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	43,316,951	-	13,326,295	(29,394,399)	27,248,847
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	(191,959)	(299,332)	(491,291)
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,884,723	-	-	-	4,884,723
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,884,723	-	(191,959)	(299,332)	4,393,431
Surplus/(deficit)for the period 2022	-	-	-	(1,900,402)	(1,900,402)
Total recognised revenues and expenses for the period	4,884,723	-	(191,959)	(2,199,734)	2,493,029
Balance at 31 December 2022	48,201,674	-	13,134,336	(31,594,133)	29,741,876
Balance at 31 December 2022 brought forward	48,201,674	-	13,134,336	(31,594,133)	29,741,876
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	48,201,674	-	13,134,336	(31,594,133)	29,741,876
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	14,615,277	-	-	-	14,615,277
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	14,615,277	-	-	-	14,615,277
Surplus/(deficit)for the period 2023	-	-	-	(1,438,428)	(1,438,428)
Total recognised revenues and expenses for the period	14,615,277	-	-	(1,438,428)	13,176,850
Balance at 31 December 2023 carried forward	62,816,951	-	13,134,336	(33,032,561)	42,918,726

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	62,816,951	-	13,134,336	(33,032,561)	42,918,726
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	62,816,951	-	13,134,336	(33,032,561)	42,918,726
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	8,000,000	-	-	-	8,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	8,000,000	-	-	-	8,000,000
Surplus/(deficit)for the period 2024	-	-	-	(3,138,454)	(3,138,454)
Total recognised revenues and expenses for the period	8,000,000	-	-	(3,138,454)	4,861,546
Balance at 31 December 2024 carried forward	70,816,951	-	13,134,336	(36,171,014)	47,780,272
Balance at 31 December 2024 brought forward	70,816,951	-	13,134,336	(36,171,014)	47,780,272
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	70,816,951	-	13,134,336	(36,171,014)	47,780,272
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	7,000,000	-	-	-	7,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	7,000,000	-	-	-	7,000,000
Surplus/(deficit)for the period 2025	-	-	-	(3,874,201)	(3,874,201)
Total recognised revenues and expenses for the period	7,000,000	-	-	(3,874,201)	3,125,799
Balance at 31 December 2025	77,816,951	-	13,134,336	(40,045,215)	50,906,072

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
700	Cash on hand	700	700
-	Cash in transit	-	-
3,600,625	CI$ Account	10,305,510	6,174,432
11,230	US$ Account	11,230	11,230
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
3,612,555	**TOTAL**	**10,317,440**	**6,186,361**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
177,500	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
705,319	Sale of goods and services - third party	882,819	882,819
-	Other	-	-
(343,878)	**Less: provision for doubtful debts**	(378,878)	(413,878)
538,942	**Total trade receivables**	**503,942**	**468,942**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
-	Past due 1-30 days	-	(23,447)
80,841	Past due 31-60 days	75,591	70,341
161,682	Past due 61-90 days	151,182	164,130
296,418	Past due 90 and above	277,168	257,918
	Non-Current		
-	Past due 1 year and above	-	-
538,942	**Total**	**503,942**	**468,942**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(308,878)	Balance at begining oF period	(343,878)	(378,878)
(35,000)	Additional provisions made during the year	(35,000)	(35,000)
-	Receivables written off during the period	-	-
(343,878)	**Balance at 31st December**	**(378,878)**	**(413,878)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
3,894,002	Inventory held for sale	8,644,002	6,979,002
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
3,894,002	**INVENTORIES - Current**	**8,644,002**	**6,979,002**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
3,894,002	**TOTAL INVENTORIES**	**8,644,002**	**6,979,002**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
6,633	Prepaid Insurance	6,633	6,633
4,165	**Prepaid Rent**	4,165	4,165
10,798	**Prepayments - Current**	**10,798**	**10,798**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
10,798	**Total Prepayments**	**10,798**	**10,798**

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	17,560,305	165,871	3,707,700	135,135	44,712	24,062	42,086	2,485,303	884,881	66,640	1,730,389	26,847,085
Additions	-	16,744	-	38,680	10,528	4,866	3,329	-	-	33,756	-	107,903
Disposals and Derecognisation	-	-	(120,000)	-	-	-	-	-	-	-	-	(120,000)
Revaluation	1,545,663	-	-	-	-	-	-	449,699	-	-	-	1,995,362
Transfers	-	-	-	-	-	-	-	-	-	-	(126,892)	(126,892)
Balance as at 31 December 2022	19,105,968	182,615	3,587,700	173,815	55,240	28,928	45,415	2,935,002	884,881	100,396	1,603,498	28,703,459

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	19,105,968	182,615	3,587,700	173,815	55,240	28,928	45,415	2,935,002	884,881	100,396	1,603,498	28,703,459
Additions	-	-	-	-	-	11,497	-	1,885,000	23,000	-	13,321,940	15,241,437
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	(5,310,000)	(5,310,000)
Balance as at 31 December 2023	19,105,968	182,615	3,587,700	173,815	55,240	40,425	45,415	4,820,002	907,881	100,396	9,615,438	38,634,896

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	19,105,968	182,615	3,587,700	173,815	55,240	40,425	45,415	4,820,002	907,881	100,396	9,615,438	38,634,896
Additions	-	-	-	-	-	-	-	950,000	-	-	-	950,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	(8,175,000)	(8,175,000)
Balance as at 31 December 2024	19,105,968	182,615	3,587,700	173,815	55,240	40,425	45,415	5,770,002	907,881	100,396	1,440,438	31,409,896

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	19,105,968	182,615	3,587,700	173,815	55,240	40,425	45,415	5,770,002	907,881	100,396	1,440,438	31,409,896
Additions	-	-	-	-	-	-	-	2,250,000	-	-	7,000,000	9,250,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	19,105,968	182,615	3,587,700	173,815	55,240	40,425	45,415	8,020,002	907,881	100,396	8,440,438	40,659,896

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	6,911	153,548	135,135	41,415	21,561	38,577	785,570	-	61,089	-	1,243,806
Transfers	-	-	-	-	-	-	-	-	-	(10,047)	-	(10,047)
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	30,781	131,363	6,447	964	1,412	2,964	89,413	-	1,379	-	264,723
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	37,692	284,911	141,582	42,379	22,974	41,541	874,983	-	52,421	-	1,498,482

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	37,692	284,911	141,582	42,379	22,974	41,541	874,983	-	52,421	-	1,498,482
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	31,101	219,723	12,249	2,372	4,985	4,114	168,272	-	21,294	-	464,110
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	68,793	504,633	153,831	44,751	27,959	45,655	1,043,256	-	73,715	-	1,962,592

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	68,793	504,633	153,831	44,751	27,959	45,655	1,043,256	-	73,715	-	1,962,592
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	20,734	138,772	7,736	1,498	3,149	1,507	106,277	-	13,449	-	293,122
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	89,527	643,406	161,567	46,249	31,108	47,162	1,149,533	-	87,164	-	2,255,715

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	89,527	643,406	161,567	46,249	31,108	47,162	1,149,533	-	87,164	-	2,255,715
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	20,734	138,772	7,736	1,498	3,149	1,507	106,277	-	13,449	-	293,122
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	110,261	782,178	169,303	47,748	34,256	48,669	1,255,810	-	100,613	-	2,548,837

Net Book value 31 December 2022	19,105,968	144,924	3,302,789	32,233	12,861	5,954	3,875	2,060,019	884,881	47,975	1,603,498	27,204,977
Net Book value 31 December 2023	19,105,968	113,823	3,083,067	19,985	10,489	12,466	(239)	3,776,747	907,881	26,681	9,615,438	36,672,304
Net Book value 31 December 2024	19,105,968	93,089	2,944,294	12,249	8,990	9,317	(1,747)	4,620,470	907,881	13,232	1,440,438	29,154,182
Net Book value 31 December 2025	19,105,968	72,355	2,805,522	4,513	7,492	6,168	(3,254)	6,764,192	907,881	(216)	8,440,438	38,111,059

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
185,040	Creditors Third party	185,040	185,040
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
2,038	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
25,056	Other payables	25,056	25,056
-	Dividends/Surplus Payable	-	-
212,135	**Trade payables other payables and accruals - Current**	**210,097**	**210,097**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
639,239	Other payables	639,239	639,239
-	Dividends/Surplus Payable	-	-
639,239	**Trade payables other payables and accruals - Non-Current**	**639,239**	**639,239**
851,373	**Total trade payables other payables and accruals**	**849,335**	**849,335**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
-	Annual Leave/Comp-time	-	-
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
755	Other	755	755
755	**Total current portion**	**755**	**755**
	Non-current employee entitlements		
-	Retirement and long service leave	-	-
-	Other	-	-
-	**Total non-current portion**	**-**	**-**
755	**Total employee entitlements**	**755**	**755**

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 12: BORROWINGS

12-Month Forecast 2023	*Local Currency Debt*	12-Month Budget 2024	12-Month Budget 2025
957,746	Not later than one year	-	-
-	Between one and two years	-	-
-	Between two and five years	-	-
-	Later than five Years	-	-
957,746	**Total Local Currency Debt**	**-**	**-**
	Foreign Currency Debt (state in $CI)		
-	Not later than one year	-	-
-	Between one and two years	-	-
-	Between two and five years	-	-
-	Later than five years	-	-
-	**Total Foreign Currency Debt**	**-**	**-**
957,746	**Total Outstanding Debt**	**-**	**-**

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
25,198	Fees and Charges	25,198	25,198
(66,000)	General Sales	(728,421)	(1,265,000)
99,200	Rentals	99,200	99,200
25,625	Other Goods & Services Revenue	25,625	25,625
710,000	Sale of goods and services to Cabinet	710,000	710,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
794,023	**Total sales of goods and services**	**131,602**	**(404,977)**

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
10,820	GGHAM Processing Fees and Late fees	10,820	10,820
14,378	Insurance Reimbursement Fees	14,378	14,378
25,198	**Total Fees & Charges**	**25,198**	**25,198**

NOTE 15A: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
220,000	AHI House Sales	11,600,000	12,650,000
(286,000)	AHI House Sales - COGS	(12,328,421)	(13,915,000)
(66,000)	**Total General Sales**	**(728,421)**	**(1,265,000)**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
99,200	Rental of AHI Houses	99,200	99,200
99,200	**Total Rentals**	**99,200**	**99,200**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
25,625	Mortgage Interest on AHI Houses	25,625	25,625
25,625	**Total Other Goods & Services Revenue**	**25,625**	**25,625**
	Sales of Outputs to Cabinet		
710,000	Sales of Outputs to Cabinet	710,000	710,000
-	Other Outputs	-	-
710,000	**Total Sales of Outputs to Cabinet**	**710,000**	**710,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
794,023	**Total Goods and Services**	**131,602**	**(404,977)**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
769,685	Salaries, wages and allowances	884,913	1,017,425
219,111	Health care CINICO	251,978	289,774
-	Health care other	-	-
70,352	Pension	88,491	101,743
-	Leave	-	-
95,187	Other personnel related costs	114,690	115,024
1,154,335	**Total Personnel Costs**	**1,340,072**	**1,523,966**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
388,997	Supplies and Materials	1,096,240	1,141,577
125,071	Purchase of services	155,690	158,057
62,792	Lease of Property and Equipment	219,960	219,960
31,403	Utilities	31,970	32,566
90,680	General Insurance	95,214	99,975
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
-	Other	-	-
698,943	**Total Supplies & consumables**	**1,599,075**	**1,652,135**

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Descriptions	12-Month Budget 2024	12-Month Budget 2025
86,050	Interest on borrowings	37,787	-
-	Other borrowing costs	-	-
-	Interest on overdraft	-	-
86,050	**Total Finance cost**	**37,787**	**-**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Descriptions	12-Month Budget 2024	12-Month Budget 2025
(1,438,428)	**Surplus/(deficit) from ordinary activities**	(3,138,454)	(3,874,201)
	Non-cash movements		
464,110	Depreciation & Amortisation	293,122	293,122
(170,988)	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
(1,350,000)	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
2,700,000	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	728,421	1,265,000
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
204,695	**Net cash flows from operating activities**	**(2,116,910)**	**(2,316,078)**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL ROADS AUTHORITY

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Roads Authority have agreed the National Roads Authority will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

The general nature of activities of the National Roads Authority involves the management and development of public roads and related infrastructure in accordance with the National Roads Authority Act.

SCOPE OF ACTIVITIES

The scope of activities of the National Roads Authority include providing policy advice, publication of a National Roads Plan, provision of project and construction management services for the delivery of new road-works and the maintenance management of the existing road infrastructure for fund-holding Client Agencies.

Additionally, the National Roads Authority provides support services to:

- Public Works Department to enable that Department to provide an appropriate response to Hurricanes and other national emergencies.
- Planning Department for the review of planning applications involving road related matters and the site inspection of road related constructed applications.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the National Roads Authority are fund-holding Government Agencies, approved private sector clients and any other entity. These services are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Roads Authority for the 2024 and 2025 financial years are as follows:

- Continue establishment of the Authority, develop and implement effective administrative, financial and information management systems
- Identify and seek approval for strategies for financing future road development

To continue the Traffic Improvement and Road Development Programmes.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Roads Authority for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	14,310	14,310	31,798
REVENUE FROM OTHERS	115	115	(1,578)
OPERATING EXPENSES	16,904	17,624	30,220
OPERATING SURPLUS/DEFICIT	**(2,479)**	**(3,199)**	**-**
NET WORTH	**(8,399)**	**(11,598)**	**(5,920)**
CASH FLOWS FROM OPERATING ACTIVITIES	1,604	3,082	4,314
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(593)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	1,604	3,082	3,721

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	14.88	14	8.89
TOTAL ASSETS : TOTAL LIABILITIES	0.74	0.67	0.80

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	122	122	121
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	3%	3%	10%
CLERICAL AND LABOURER STAFF	6%	6%	5%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	13.25	14.25	16.33
PROFESSIONAL AND TECHNICAL STAFF	19.57	20.57	18.57
CLERICAL AND LABOURER STAFF	9.65	10.47	8.83
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	23,526	23,167	24,202
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	.02
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	.29	.24	.35
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	1.09
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
N/A	-	-	-
TOTAL	**NIL**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Work related injuries to persons.	Continued implementation of preventative measure.	Continued training and educating of safety standards for explosive management, heavy equipment machinery operating for workforce personnel.	Undefined: Related directly to nature of injury.
Accidents related to the operation of vehicles and heavy equipment.	Improvement of employee awareness of risk factors.	Driver training courses and appropriate machinery training for reducing risk.	Undefined: Related directly to nature of injury.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	14,425	14,425	30,220
OPERATING EXPENSES	16,904	17,624	30,220
NET SURPLUS/(DEFICIT)	(2,479)	(3,199)	-

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	23,526	23,167	24,202
LIABILITIES	31,925	34,765	30,122
NET WORTH	(8,399)	(11,598)	(5,920)

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	1,604	3,082	4,314
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(593)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO NATIONAL ROADS AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM NATIONAL ROADS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL ROADS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL ROADS AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL ROADS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[37]	$451.4	$451.4
REMUNERATION[38] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	$32.4	$32.4
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	$1,077	$1,123

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	7	7

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

[38] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Roads Authority will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Jay Ebanks, MP
Minister for Planning, Agriculture, Housing, Infrastructure, Transport and Development
On behalf of Cabinet



Chairman of the Board
National Roads Authority

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

NATIONAL ROADS AUTHORITY

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the National Roads Authority for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
National Roads Authority

31 December 2023

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NATIONAL ROADS AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

The significant accounting polices adapted by the NRA in these budget financial statements are as follows:

(a) Cash and cash equivalents
   a. This comprises cash at bank and short-term investments with maturity at inception of three months or less.

(b) Property, plant and equipment/ depreciation
   a. Property, plant and equipment include motor vehicles, heavy equipment, dump truck, furniture and fixtures and computer hardware and software are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis at annual rates estimated to write off the carrying value of each asset over the period of its expected useful life.

   b. Annual rates are as follows:

I.	Vehicles and Heavy Equipment	4-12 Years
II.	Furniture and Fixtures	3-15 Years
III.	Computer Hardware and Software	3-6 Years
IV.	Other Plant and Equipment	3-20 Years

(c) Accounts receivable
   I. Receivable are stated at original invoice amounts less provision for doubtful debts
   II. Allowance for bad debts
   b. The allowance for bad debts is established through a provision for bad debts charged to expenses. Account receivable are written off against the allowance when management believes that the collectability of the amount is unlikely. The allowance is an amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

(d) Accounts Payable and accrued liabilities
   a. Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.
   b. Obligations for contribution to defined contribution and defined benefits pension plans are recognized as an expense in the statement of financial performance as incurred.
   c. Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognized as liability.

(e) Revenue recognition
   a. Revenue from sale of services to other government agencies is recognized when it is earned. Unearned revenue comprises amounts paid to the Authority in advance of work performed. These unearned amounts are recognized as revenue in the statement of financial performance as work is performed related to the amount received or billed in advance. Investment revenue is recognized in the period in which it is earned. Donations are recognized at fair value at the time of receipt.

(f) Expense recognition
   a. Expenses are recognized when incurred.

NATIONAL ROADS AUTHORITY

STATEMENT OF FINANCIAL POSITON

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
13,924,776	Cash and cash equivalents	1	15,528,833	18,611,066
-	Marketable securities and deposits		-	-
6,103,414	Trade receivables	2	4,438,477	1,538,477
1,293	Other receivables	2	-	-
38,583	Inventories	3	45,000	45,000
-	Investments	4	-	-
493,253	Prepayments	5	450,000	450,000
-	Loans	6	-	-
20,561,319	**Total Current Assets**		**20,462,310**	**20,644,543**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
3,603,282	Property, plant and equipment	7	3,041,904	2,508,612
37,521	Intangible Assets	8	22,109	13,849
3,640,802	**Total Non-Current Assets**		**3,064,013**	**2,522,461**
24,202,121	**Total Assets**		**23,526,323**	**23,167,004**
	Current Liabilities			
2,065,799	Trade payables	9	1,110,319	1,210,000
180,000	Other payables and accruals	9	200,000	200,000
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
66,318	Employee entitlements	11	65,000	65,000
-	Current Portion of Borrowings	12	-	-
2,312,117	**Total Current Liabilities**		**1,375,319**	**1,475,000**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
1,153,000	Unfunded pension liability	13	1,414,000	1,675,000
26,657,000	Unfunded post retirement health care	14	29,136,000	31,615,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
27,810,000	**Total Non-Current Liabilities**		**30,550,000**	**33,290,000**
30,122,117	**Total Liabilities**		**31,925,319**	**34,765,000**
(5,919,996)	**Net Assets**		**(8,398,996)**	**(11,597,996)**
	NET WORTH			
4,653,535	Contributed capital		4,653,535	4,653,535
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(10,573,531)	Accumulated surpluses/(deficits)		(13,052,531)	(16,251,531)
(5,919,996)	**Total Net Worth**		**(8,398,996)**	**(11,597,996)**

NATIONAL ROADS AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
31,798,081	Sale of goods and services	**15**	14,310,000	14,310,000
113,737	Investment revenue	**16**	115,000	115,000
-	Donations	**17**	-	-
(1,691,646)	Other revenue		-	-
30,220,172	**Total Revenue**		**14,425,000**	**14,425,000**
	Expenses			
11,672,679	Personnel costs	**18**	12,297,098	13,034,440
17,898,053	Supplies and consumables	**19**	4,030,113	4,048,008
649,440	Depreciation and Amortisation	**7**	576,789	541,552
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
30,220,172	**Total Expenses**		**16,904,000**	**17,624,000**
-	**Surplus or (Deficit) for the period**		**(2,479,000)**	**(3,199,000)**

NATIONAL ROADS AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
13,253,737	Sale of goods and services to Cabinet		1,664,939	2,900,000
1,047,708	Sale of goods and services to Ministries/Portfolios		300,000	300,000
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
58,709	Sale of goods and services - third party		10,000	10,000
113,737	Interest received		115,000	115,000
-	Donations / Grants		-	-
18,000,000	Other receipts		14,000,000	14,000,000
	Payments		-	-
(9,493,677)	Personnel costs		(9,657,098)	(10,394,439)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(18,666,420)	Supplies and consumables - third party		(4,828,784)	(3,848,327)
-	Interest paid		-	-
-	Other payments		-	-
4,313,794	**Net cash flows from operating activities**	**23**	**1,604,057**	**3,082,234**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(593,103)	Purchase of property, plant and equipment		-	-
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(593,103)	**Net cash flows from investing activities**		**-**	**-**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
3,720,691	**Net increase/(decrease) in cash and cash equivalents**		**1,604,057**	**3,082,234**
10,204,085	Cash and cash equivalents at beginning of period		13,924,776	15,528,833
13,924,776	**Cash and cash equivalents at end of period**		**15,528,833**	**18,611,066**

NATIONAL ROADS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	4,653,535	-	-	(19,087,684)	(14,434,149)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	4,653,535	-	-	(19,087,684)	(14,434,149)
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	8,514,153	8,514,153
Total recognised revenues and expenses for the period	-	-	-	8,514,153	8,514,153
Balance at 31 December 2022	4,653,535	-	-	(10,573,531)	(5,919,996)
Balance at 31 December 2022 brought forward	4,653,535	-	-	(10,573,531)	(5,919,996)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	4,653,535	-	-	(10,573,531)	(5,919,996)
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2023 carried forward	4,653,535	-	-	(10,573,531)	(5,919,996)

NATIONAL ROADS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	4,653,535	-	-	(10,573,531)	(5,919,996)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	4,653,535	-	-	(10,573,531)	(5,919,996)
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	(2,479,000)	(2,479,000)
Total recognised revenues and expenses for the period	-	-	-	(2,479,000)	(2,479,000)
Balance at 31 December 2024 carried forward	4,653,535	-	-	(13,052,531)	(8,398,996)
Balance at 31 December 2024 brought forward	4,653,535	-	-	(13,052,531)	(8,398,996)
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	4,653,535	-	-	(13,052,531)	(8,398,996)
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	(3,199,000)	(3,199,000)
Total recognised revenues and expenses for the period	-	-	-	(3,199,000)	(3,199,000)
Balance at 31 December 2025	4,653,535	-	-	(16,251,531)	(11,597,996)

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
2,835,380	CI$ Account	2,524,437	3,691,670
-	US$ Account	-	-
-	Bank Overdraft	-	-
75,000	Payroll Current Account	75,000	75,000
-	Bank Accounts held at other financial institutions	-	-
11,014,396	Short-Term Fixed Deposits	12,929,396	14,844,396
13,924,776	**TOTAL**	**15,528,833**	**18,611,066**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
6,167,950	Sale of goods and services to Cabinet	4,500,000	1,350,000
5,154	Sale of goods and services to Ministries/Portfolios	7,000	257,000
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
3,833	Sale of goods and services - third party	5,000	5,000
-	Other	-	-
(73,523)	**Less: provision for doubtful debts**	(73,523)	(73,523)
6,103,414	**Total trade receivables**	**4,438,477**	**1,538,477**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
6,103,414	Past due 1-30 days	4,438,477	1,538,477
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
6,103,414	**Total**	**4,438,477**	**1,538,477**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
1,293	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
1,293	**Total other receivables**	**-**	**-**

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
1,293	Past due 1-30 days	-	-
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
1,293	**Total**	**-**	**-**

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(73,523)	Balance at begining oF period	(73,523)	(73,523)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	-	-
(73,523)	**Balance at 31st December**	**(73,523)**	**(73,523)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
38,583	Inventory held for use in the provision of goods and services	45,000	45,000
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
38,583	**INVENTORIES - Current**	**45,000**	**45,000**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
38,583	**TOTAL INVENTORIES**	**45,000**	**45,000**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
493,253		450,000	450,000
493,253	**Prepayments - Current**	**450,000**	**450,000**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
493,253	**Total Prepayments**	**450,000**	**450,000**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	3,465,946	273,836	228,227	96,391	40,509	4,100,281	8,205,188
Additions	904,936	-	-	16,353	-	358,033	1,279,322
Disposals and Derecognisation	(68,904)	-	-	-	-	(181,252)	(250,156)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	4,301,978	273,836	228,227	112,744	40,509	4,277,061	9,234,355

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	4,301,978	273,836	228,227	112,744	40,509	4,277,061	9,234,355
Additions	324,199	-	2,205	10,186	6,809	249,705	593,104
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	4,626,177	273,836	230,432	122,930	47,318	4,526,766	9,827,458

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	4,626,177	273,836	230,432	122,930	47,318	4,526,766	9,827,458
Additions	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2024	4,626,177	273,836	230,432	122,930	47,318	4,526,766	9,827,458

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	4,626,177	273,836	230,432	122,930	47,318	4,526,766	9,827,458
Additions	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2025	4,626,177	273,836	230,432	122,930	47,318	4,526,766	9,827,458

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	2,111,281	273,836	161,365	74,096	36,342	2,588,748	5,245,667
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2022	313,437	-	13,311	14,837	1,509	239,789	582,883
Eliminate on Disposal or Derecognisation 2022	(57,150)	-	-	-	-	(181,252)	(238,402)
Balance as at 31 December 2022	2,367,568	273,836	174,675	88,933	37,851	2,647,285	5,590,148

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	2,367,568	273,836	174,675	88,933	37,851	2,647,285	5,590,148
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2023	340,508	-	13,232	10,369	2,843	267,077	634,028
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	2,708,077	273,836	187,907	99,302	40,693	2,914,362	6,224,177

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	2,708,077	273,836	187,907	99,302	40,693	2,914,362	6,224,177
Transfers	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-
Depreciation Expense 2024	296,981	-	13,203	8,968	1,928	240,298	561,378
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-
Balance as at 31 December 2024	3,005,058	273,836	201,110	108,270	42,622	3,154,659	6,785,554

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	3,005,058	273,836	201,110	108,270	42,622	3,154,659	6,785,554
Transfers	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-
Depreciation Expense 2025	273,124	-	12,894	7,212	1,708	238,354	533,292
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-
Balance as at 31 December 2025	3,278,182	273,836	214,004	115,483	44,329	3,393,013	7,318,846

Net Book value 31 December 2022	1,934,410	-	53,551	23,811	2,658	1,629,776	3,644,206

Net Book value 31 December 2023	1,918,100	-	42,525	23,628	6,625	1,612,405	3,603,282

Net Book value 31 December 2024	1,621,119	-	29,322	14,660	4,696	1,372,107	3,041,904

Net Book value 31 December 2025	1,347,995	-	16,428	7,447	2,989	1,133,754	2,508,612

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	196,249	196,249
Additions	37,784	37,784
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	234,033	234,033

	Computer Software	*Total*
Balance as at 1 January 2023	234,033	234,033
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	234,033	234,033

	Computer Software	*Total*
Balance as at 1 January 2024	234,033	234,033
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	234,033	234,033

	Computer Software	*Total*
Balance as at 1 January 2025	234,033	234,033
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	234,033	234,033

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2022	169,091	169,091
Transfers	-	-
Impairment Reserve 2022 (closing balance)	-	-
Depreciation Expense 2022	12,010	12,010
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	181,101	181,101

	Computer Software	*Total*
Balance as at 1 January 2023	181,101	181,101
Transfers	-	-
Impairment Reserve 2023 (closing balance)	-	-
Depreciation Expense 2023	15,411	15,411
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	196,513	196,513

	Computer Software	*Total*
Balance as at 1 January 2024	196,513	196,513
Transfers	-	-
Impairment change 2024	-	-
Depreciation Expense 2024	15,411	15,411
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	211,924	211,924

	Computer Software	*Total*
Balance as at 1 January 2025	211,924	211,924
Transfers	-	-
Impairment change 2025	-	-
Depreciation Expense 2025	8,260	8,260
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2025	220,184	220,184

Net Book value 31 December 2022	52,932	52,932
Net Book value 31 December 2023	37,521	37,521
Net Book value 31 December 2024	22,109	22,109
Net Book value 31 December 2025	13,849	13,849

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
2,057,799	Creditors Third party	1,100,319	1,200,000
-	Creditors Ministries/Portfolios	-	-
8,000	Creditors other Statutory Agencies and Government Conpanies	10,000	10,000
-	Payroll Deductions	-	-
-	Operating Lease	-	-
180,000	Accrued Expenses	200,000	200,000
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
2,245,799	**Trade payables other payables and accruals - Current**	**1,310,319**	**1,410,000**
	Non-Current Trade payables other payables and accruals		
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
2,245,799	**Total trade payables other payables and accruals**	**1,310,319**	**1,410,000**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
66,318	Annual Leave/Comp-time	65,000	65,000
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
66,318	**Total current portion**	**65,000**	**65,000**
	Non-current employee entitlements		
-	**Total non-current portion**	**-**	**-**
66,318	**Total employee entitlements**	**65,000**	**65,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
5,008,205	Value of pension fund allocated asstes	5,120,890	5,236,110
(6,161,205)	Past service liability	(6,534,890)	(6,911,110)
(1,153,000)	**Fund (deficiency)/Surplus**	**(1,414,000)**	**(1,675,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(26,657,000)		(29,136,000)	(31,615,000)
(26,657,000)	**Total Unfunded Health Care Liability**	**(29,136,000)**	**(31,615,000)**

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
9,975	Fees and Charges	10,000	10,000
14,000,000	General Sales	14,000,000	14,000,000
-	Rentals	-	-
7,838	Other Goods & Services Revenue	-	-
17,152,399	Sale of goods and services to Cabinet	-	-
627,869	Sale of goods and services to Other Ministries and Portfolios	300,000	300,000
31,798,081	**Total sales of goods and services**	**14,310,000**	**14,310,000**

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
9,975		10,000	10,000
9,975	**Total Fees & Charges**	**10,000**	**10,000**

12-Month Forecast 2023	*General Sales*	12-Month Budget 2024	12-Month Budget 2025
14,000,000		14,000,000	14,000,000
14,000,000	**Total General Sales**	**14,000,000**	**14,000,000**

NOTE 15A: SALE AND GOODS OF SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
7,838		-	-
7,838	**Total Other Goods & Services Revenue**	**-**	**-**
	Sales of Outputs to Cabinet		
17,152,399	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
17,152,399	**Total Sales of Outputs to Cabinet**	**-**	**-**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
627,869	Revenue from Statutory Authorities and Government Companies	300,000	300,000
627,869	**Total Other Interdepartmental Revenue**	**300,000**	**300,000**
31,798,081	**Total Goods and Services**	**14,310,000**	**14,310,000**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
113,737	Interest on deposits	115,000	115,000
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
113,737	**Total Investment revenue**	**115,000**	**115,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
6,163,754	Salaries, wages and allowances	6,426,857	6,748,200
2,102,596	Health care CINICO	2,502,596	2,902,596
2,479,002	Health care other	2,479,000	2,479,000
313,846	Pension	346,327	363,644
2,456	Leave	1,318	-
611,025	Other personnel related costs	541,000	541,000
11,672,679	**Total Personnel Costs**	**12,297,098**	**13,034,440**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
6,815,039	Supplies and Materials	520,000	520,000
7,729,238	Purchase of services	200,691	200,000
1,643	Lease of Property and Equipment	1,725	1,811
1,460,497	Utilities	1,495,529	1,497,805
15,356	General Insurance	16,124	16,930
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
100,000	Recruitment and Training	100,000	100,000
1,776,280	Other	1,696,044	1,711,462
17,898,053	**Total Supplies & consumables**	**4,030,113**	**4,048,008**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	**Surplus/(deficit) from ordinary activities**	(2,479,000)	(3,199,000)
	Non-cash movements		
649,440	Depreciation & Amortisation	576,789	541,552
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
526,736	(Increase)/decrease in other current assets - Ministries Portfolios	1,664,939	2,900,000
(572,181)	(Increase)/decrease in other current assets - Other	38,127	
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
383,777	(Increase/(decrease) in current liabilities - Ministries Portfolios	(956,798)	99,681
2,732,919	(Increase/(decrease) in current liabilities - Other	2,760,000	2,740,000
3,720,691	**Net cash flows from operating activities**	**1,604,057**	**3,082,233**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
881,084	Salaries & other short-term employee benefits	1,077,105	1,123,249
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
881,084	**Total**	**1,077,105**	**1,123,249**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

PORT AUTHORITY OF THE CAYMAN ISLANDS

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Port Authority of the Cayman Islands have agreed the Port Authority of the Cayman Islands will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

The Port Authority of the Cayman Islands activities involve the management of the maritime affairs of the Cayman Islands.

SCOPE OF ACTIVITIES

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

- Providing and maintaining facilities for the offloading of cargo imports into all three Islands.
- To contribute to the growth of cruise tourism (and thereby the economy), by providing and maintaining facilities to accommodate the cruise ship passengers.
- Providing and maintaining navigational markers in Cayman Islands waters.
- Providing a patrolling presence, using two fully equipped motor vessels, in the immediate harbour area of the Cayman Islands during cruise ship visits.
- Providing a safe and enjoyable environment for the Port Authority's staff and customers.
- Carrying out the Port Authority Acts.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Port Authority of the Cayman Islands are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Port Authority of the Cayman Islands for the 2024 and 2025 financial years are as follows:

- Improve the image of the Cayman Islands and the experience of the cruise tourist, by maintaining and upgrading the existing cruise ship arrival facilities in George Town and at Spotts. This will enhance our competitiveness as a cruise destination as we continue to meet international standards.

- To fine tune the existing computer system, to meet management's need for more useful management reports and to serve the customer needs more efficiently. This is part of our efforts to modernize and improve the Port to increase performance, resiliency and the quality of life for Caymanians.

- To improve operations through the continued upkeep to existing equipment as well as the purchase of new and more efficient equipment.

- Improve the efficiency of cargo operations by continuing the phased implementation of our master development plan which involves the modernization and expansion of the existing facilities.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Port Authority of the Cayman Islands for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	34,869	35,585	27,561
OPERATING EXPENSES	36,154	37,810	34,386
OPERATING SURPLUS/DEFICIT	**(1,285)**	**(2,225)**	**(6,825)**
NET WORTH	**49,593**	**47,848**	**50,428**
CASH FLOWS FROM OPERATING ACTIVITIES	4,581	4,265	(2,344)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,660)	(6,040)	(4,400)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	921	(1,745)	(6,744)

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
CURRENT ASSETS: CURRENT LIABILITIES	5.2: 1	3.5: 1	4.2: 1
TOTAL ASSETS: TOTAL LIABILITIES	2.1 : 1	2.0: 1	2.2: 1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	208	208	208
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	23	24	22
PROFESSIONAL AND TECHNICAL STAFF	14	15	13
CLERICAL AND LABOURER STAFF	20	21	19
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	HR PLUS PLATFORM	HR PLUS PLATFORM	HR PLUS PLATFORM

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	94,262	96,442	91,734
ASSET REPLACEMENTS: TOTAL ASSETS	0.04: 1	0.07: 1	0.05: 1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.80: 1	0.78: 1	0.82: 1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.69: 1	0.48: 1	0.53: 1
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None
MAJOR NEW CAPITAL EXPENDITURE PROJECTS	**2024 1 Jan to 31 Dec 2024 $000's**	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REPLACEMENT OF CDC ROOF	100	100	900
DOCK ANNODES AND OTHER UPGRADES	900	1,000	500
CAYMAN BRAC DOCK REHABILITATION	250	500	-
IT EQUIPMENT REPLACEMENT	250	750	-
FLEET REPLACEMENT	520	560	600
ASSET REPLACEMENT	950	450	400
FLEET REPLACEMENT	700	2,700	2,000
TOTAL	**3,670**	**6.060**	**4,400**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Fuel Prices	Risk profile increased due to volatility in fuel prices	Given difficulty in hedging this is managed primarily through price negotiating and operations.	+/- CI$750,000
Capital Structure	Improvement over prior year	Better cash management and improved financial performance targeted.	None
Hurricanes and Storms	None	Hurricane Plan practised continually.	CI$2 Million
Personal Injury or fatality during operations	None	Employee safety procedures.	Unknown

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	34,869	35,585	27,561
OPERATING EXPENSES	36,154	37,810	34,386
NET SURPLUS/(DEFICIT)	(1,285)	(2,225)	(6,825)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	94,262	95,530	91,733
LIABILITIES	44,668	48,161	41,305
NET WORTH	49,593	47,368	50,428

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	4,581	4,265	(2,344)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,660)	(6,040)	(4,400)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[39]	-	-
REMUNERATION[40] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	667	689
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,198	1,236

DESCRIPTION	2024 1 Jan to 31 Dec 2024	20 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	3	3

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

[40] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Port Authority of the Cayman Islands will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Kenneth Bryan, MP
Minister for Tourism and Ports
On behalf of Cabinet



Chairman of the Board
Port Authority of the Cayman Islands

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Port Authority of the Cayman Islands for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Port Authority of the Cayman Islands

31 December 2023

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PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Background information

The Port Authority of the Cayman Islands (the "Port Authority") is a statutory body established on September 15, 1976 under the Port Authority Act. This Act was revised in 1999. The Port Authority is also governed by the Port Regulations (2020 Revision) and the Public Authorities Act (2020 Revision).

The Port Authority is principally engaged in the management of the maritime affairs of the Cayman Islands.

2. Significant accounting policies

The principal accounting policies adopted by the Port Authority are as follows:

(a) Changes in accounting policies

The Port Authority recognizes the effects of changes in accounting policy retrospectively. When presentation or classification of items in the financial statements are amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impractical to do so.

(b) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results may differ from these estimates.

(c) Financial instruments

The Port Authority adopted IFRS 9 effective January 1, 2018. IFRS 9 supersedes IAS 39, Financial Instruments-Recognition and Measurement (IAS 39). IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of the financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The Port Authority adopted IFRS 9 retrospectively with no restatements of comparatives. The adoption did not result in any material adjustment to the carrying amounts of financial assets, financial liabilities or opening general reserve balance.

(i) Recognition and Derecognition

The Port Authority recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when control over the contractual rights to receive cash flows and benefits related to the financial assets are transferred and/or substantially all the risk and rewards of ownership had been given to another party. Financial liabilities are derecognized when obligations under the contract expire and are discharged or cancelled.

2. Significant accounting policies (continued)

(i) Classification and Measurement

Under IFRS, financial assets and financial liabilities are initially measured at fair value, with subsequent measurement determined in line with their classification. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the profit or loss.

The Port Authority classifies its financial assets (subsequently) in the following specified categories:

- Amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Amortized cost: Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets at amortized cost include cash and cash equivalents, accounts receivable, other receivables and deposits.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Port Authority does not currently have any financial assets measured subsequently at fair value.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at FVTPL unless they meet the criteria above to be measured at amortized cost or FVTOCI.

2. Significant accounting policies (continued)

The following table presents the types of financial instruments held by the Port Authority within each financial instrument classification under IAS 39 and IFRS 9:

	IAS 39		IFRS 9
	Classification	**Measurement basis**	**Classification and Measurement basis**
Financial Assets:			
Cash and Cash Equivalents	Loans and Receivables	Amortized Cost	Amortized Cost
Accounts and other receivables	Loans and Receivables	Amortized Cost	Amortized Cost
Financial Liabilities			
Accounts payable and accrued expenses	Other liabilities	Amortized Cost	Amortized Cost

(ii) Impairment of Financial Assets

Under IFRS 9, financial assets under all categories are assessed for impairment based on the expected loss model. The expected loss model requires a loss allowance to be recorded at an amount equal to:

- Expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or
- Expected credit losses that result from all possible default events over the life of the financial instrument.

A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. The Port Authority does not hold any financial instruments that exhibit such an increase in risk to warrant a loss allowance for lifetime expected credit losses.

Additionally, entities can elect an accounting policy of recognizing lifetime expected credit losses for all contract assets and/or trade receivables, including those that contain a significant financing component.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

2. Significant accounting policies (continued)

The Port Authority assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The only financial asset for which a loss allowance has been recorded equal to the 12-month expected credit losses as at the yearend is the account receivable and other receivable, through the allowance for doubtful accounts. The measurement of the expected credit losses reflects an unbiased amount that is determined by evaluating the range of possible outcomes. To measure the expected credit losses, account receivable and other receivables have been grouped on shared credit risk characteristics using reasonable and supportable information about past events, current conditions, reasonable supportable forecast of future economic conditions and days past due.

Financial liabilities are initially measured at fair value net of transaction cost. Subsequently, they are measured at amortized cost using the effective interest method. Financial liabilities at amortized cost include accounts payable and accrued expenses, current and long-term loans.

(d) Property, Plant and Equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses.

Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Comprehensive Income in the year in which the asset is acquired.

Land, buildings and Docks reported in the Statement of Financial Position as of the period end are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment loss. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising from the revaluation of such asset is recognized in other comprehensive income in the Statement of Comprehensive Income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same class of asset previously in other income/expense in the Statement of Comprehensive Income. In this case, the increase is credited to the other income or expense to the extent of the decrease previously expensed. A decrease in the carrying amount arising from the revaluation of such asset is recognized in the other income/expense to the extent that it exceeds the balance, if any, held at revaluation reserve relating to previous revaluation gain of that class of asset.

Computer equipment, computer software, furniture and equipment, light and buoys and loose tools are stated at cost less accumulated depreciation and accumulated impairment losses.

2. Significant accounting policies (continued)

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis at the following rates estimated to write off the cost of the assets over their expected useful lives:

Buildings	20 - 40 Years
Marine Dock	20 - 30 years
Cranes and Heavy Equipment	10 - 25 years
Lights and buoys	5 - 15 Years
Equipment and furniture	5 Years
Computer Equipment	5 Years
Vehicles	5 years
Computer Software	5 years
Loose Tools	5 years
Right of Use	3 - 10 years

Residual values and useful lives are reviewed, and adjusted if necessary at the end of each reporting period.

i. Additions

The cost of an item of property, plant, and equipment is recognized as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Port Authority and the cost of the item can be measured reliably.

Work in progress is recognized at cost less impairment and is not depreciated.

ii. Disposals

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

iii. Subsequent costs

Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Port Authority and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognized in the Statement of Comprehensive Income as they are incurred.

2. Significant accounting policies (continued)

iv. Revaluation gains and losses

The Port Authority values its assets to ensure that the carrying amount does not exceed the recoverable amount. This is intended to move the assets to being reported at fair value rather than at historical cost. For the year ended 31 December 2022, the plant and equipment was reported at revalued amounts less subsequent depreciation where applicable. This value was determined by reference to the market (dealers, traders and online auctions) and adjusted for transportation and other direct costs normally associated with the relevant assets.

It is not expected that the fair values would have materially changed since the last valuation was performed. Buildings and docks were reported at fair value less subsequent depreciation and Land was reported at fair value. Leases were reported at net present value less amortization. This equates to their fair values.

v. Impairment

The carrying amount of the Port Authority's assets other than inventories (see note 3(i)) are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(e) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising from derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the period in which the property is derecognised.

2. Significant accounting policies (continued)

(a) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Cayman Islands dollars at the foreign currency exchange rate at the statement of financial position dates. Foreign exchange differences arising from translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the foreign exchange rates at the dates that the fair values were determined.

(b) Allowance for bad debts

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

(c) Construction in progress

This relates to cost incurred attributable to bringing the asset to condition necessary for it to be capable of operating in the manner intended for its use. They are then reclassified to the appropriate fixed asset category once completed. Construction in progress is measured at cost. No depreciation is calculated until it is completed and available for its intended use.

(d) Inventory

Inventory consists of diesel fuel and service parts and consumables for the Port Authority's fleet of vehicles, cranes and other specialised equipment. These are valued at the lower of net realisable value or cost, on a first in, first out basis. Inventory is recorded net of an allowance for obsolete items. Any change in the allowance for obsolescence is reflected in the Statements of Comprehensive Income in the year of change. There was no provision for obsolescence in the year ended 31 December 2022 or 31 December 2021.

(e) Revenue recognition

The Port Authority adopted IFRS 15, Revenue from Contracts with Customers, effective 1 January 2018. IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures.

2. Significant accounting policies (continued)

The standard supersedes IAS 18, Revenue, and a number of revenue-related interpretations. IFRS 15 applies to nearly all contracts with customers. The main exceptions are leases, financial instruments and insurance contracts. The Port Authority's material revenue streams subject to IFRS 15 are cargo, vessels and revenue from cruise passenger services. The adoption of IFRS 15 did not result in any material change to the pattern of revenue recognition by the Port Authority. The Port Authority adopted the standard using the modified retrospective approach with no restatement of comparatives and did not record any adjustment upon adoption.

Revenue is measured at the fair value of the consideration received or receivable, and is recognized when the amount of revenue can be reasonably measured, collection is probable, and when it is likely that the economic benefits associated with the transaction will flow to the Port Authority for each of the various revenue streams. Amounts recognized and classified as revenue arising in the ordinary course of activities of the Port Authority include the following:

(i) Revenue from vessels, cargo and passengers

Revenue earned from vessels, cargo and passengers is recognized when services are substantially rendered.

Also included in port revenue is receipt of diesel sales to small boats recognized as revenue upon receipt. The expenses (cost of sales) incurred in the sales are reported on a net basis with the associated income.

(ii) Passenger fees

In accordance with the Port Authority Regulation (Revision 2020), the Port Authority charges the owners or agent of every ship a passenger fee of $2.46 for every passenger appearing on the manifest as passenger fees.

(iii) Rent income

Rent income is recognized on a straight-line basis over the term of the lease agreement. Rent deposits are classified as liability and included in accounts payable and accrued expense.

(iv) Other income

Other income includes items that are non-recurring and not directly related to the Port Authority's operations and activities in the ordinary course of business.

2. Significant accounting policies (continued)

(a) Expenses

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

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Pension and other post-retirement benefits

The Port Authority participates in the Silver Thatch Pension Plan, a defined contribution pension fund, in accordance with the Cayman Islands National Pension Act. The Port Authority makes monthly contributions of 10% of an employee's salary to an approved pension provider. Employees who joined after July 2018 are required to contribute 50% of their pension. This was changed to the Port Authority making 100% pension contributions for all employees beginning January 2021. Contributions are charged to expenses, as they are incurred based on set contribution rates.

These amendments have no impact on the financial statements of the Port Authority as it does not have any interest rate hedge relationships.

(d) Going Concern

These financial statements have been prepared on going concern basis. Management has a reasonable expectation that the Port has and will have adequate resources to continue in operational existence for the foreseeable future.

3. Restricted bank balances

Management has placed restrictions on the use of certain bank balances in order to fund the future expenditures for Defined Benefit Health Care. An actuarial valuation is done annually to determine the movement of the liability and annual expense in order to properly reflect same in the financial records. Given the extent of the liability, the Board directed that funds be set aside on a monthly basis to meet the obligation over time.

The Board of Directors approved the establishment of a depreciation fund to be used for the replacement of assets. This involves the setting aside of 50% of the monthly depreciation in short term deposits. This will gradually increase to 100% of the depreciation as funds become available.

4. Related party transactions

The Port Authority also engages the services of other departments of the Cayman Islands Government. Such services are provided on an arm's length basis.

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
5,680,354	Cash and cash equivalents	1	6,601,474	4,826,566
-	Marketable securities and deposits		-	-
1,471,157	Trade receivables	2	1,816,677	1,869,728
120,000	Other receivables	2	50,000	50,000
1,500,000	Inventories	3	1,500,000	1,500,000
-	Investments	4	-	-
150,000	Prepayments	5	50,000	50,000
-	Loans	6	-	-
8,921,511	**Total Current Assets**		**10,018,151**	**8,296,294**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
82,812,271	Property, plant and equipment	7	84,243,463	87,233,321
-	Intangible Assets	8	-	-
82,812,271	**Total Non-Current Assets**		**84,243,463**	**87,233,321**
91,733,782	**Total Assets**		**94,261,614**	**95,529,615**
	Current Liabilities			
1,320,517	Trade payables	9	1,207,391	1,246,306
803,972	Other payables and accruals	9	735,098	674,182
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
2,124,489	**Total Current Liabilities**		**1,942,489**	**1,920,488**
	Non-Current Liabilities			
-	Trade payables	9	-	-
195,000	Other payables and accruals	9	190,000	185,000
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
38,986,000	Unfunded post retirement health care	14	42,536,000	46,056,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
39,181,000	**Total Non-Current Liabilities**		**42,726,000**	**46,241,000**
41,305,489	**Total Liabilities**		**44,668,489**	**48,161,488**
50,428,293	**Net Assets**		**49,593,125**	**47,368,127**
	NET WORTH			
-	Contributed capital		-	-
-	Other Reserves		-	-
37,738,374	Revaluation reserve		38,038,374	38,338,374
12,689,919	Accumulated surpluses/(deficits)		11,554,751	9,029,753
50,428,293	**Total Net Worth**		**49,593,125**	**47,368,127**

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
27,554,141	Sale of goods and services	**15**	34,862,379	35,577,894
7,000	Investment revenue	**16**	7,000	7,000
-	Donations	**17**	-	-
-	Other revenue		-	-
27,561,141	**Total Revenue**		**34,869,379**	**35,584,894**
	Expenses			
20,887,260	Personnel costs	**18**	21,186,325	21,892,234
7,586,815	Supplies and consumables	**19**	8,720,252	9,328,720
2,324,141	Depreciation and Amortisation	**7**	2,528,808	2,870,142
-	Impairment of Inventory,property, plant and equipment		-	-
20,390	Finance costs & overdraft interest	**20**	19,163	18,795
-	Litigation costs	**21**	-	-
(300,000)	Other (Gains)/losses	**22**	3,700,000	3,700,000
3,868,000	Other Operating expenses		-	-
34,386,606	**Total Expenses**		**36,154,548**	**37,809,891**
(6,825,465)	**Surplus or (Deficit) for the period**		**(1,285,169)**	**(2,224,997)**

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
27,951,976	Sale of goods and services - third party		34,499,859	35,497,841
-	Interest received		7,000	7,000
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(22,626,871)	Personnel costs		(21,186,325)	(21,892,234)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(7,648,631)	Supplies and consumables - third party		(8,720,252)	(9,328,720)
(20,390)	Interest paid		(19,163)	(18,795)
-	Other payments		-	-
(2,343,916)	**Net cash flows from operating activities**	**23**	**4,581,119**	**4,265,092**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(4,400,000)	Purchase of property, plant and equipment		(3,660,000)	(6,040,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(4,400,000)	**Net cash flows from investing activities**		**(3,660,000)**	**(6,040,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
(6,743,916)	**Net increase/(decrease) in cash and cash equivalents**		**921,119**	**(1,774,908)**
12,424,271	Cash and cash equivalents at beginning of period		5,680,355	6,601,474
5,680,355	**Cash and cash equivalents at end of period**		**6,601,474**	**4,826,566**

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	-	-	35,512,374	5,085,813	40,598,187
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	220,750	220,750
Restated balance 31 December 2021	-	-	35,512,374	5,306,563	40,818,937
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	1,926,000	(1,926,000)	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	1,926,000	(1,926,000)	-
Surplus/(deficit)for the period 2022	-	-	-	16,036,821	16,036,821
Total recognised revenues and expenses for the period	-	-	1,926,000	14,110,821	16,036,821
Balance at 31 December 2022	-	-	37,438,374	19,417,384	56,855,758
Balance at 31 December 2022 brought forward	-	-	37,438,374	19,417,384	56,855,758
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	398,000	398,000
Restated balance 31 December 2022	-	-	37,438,374	19,815,384	57,253,758
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	300,000	(300,000)	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	300,000	(300,000)	-
Surplus/(deficit)for the period 2023	-	-	-	(6,825,465)	(6,825,465)
Total recognised revenues and expenses for the period	-	-	300,000	(7,125,465)	(6,825,465)
Balance at 31 December 2023 carried forward	-	-	37,738,374	12,689,919	50,428,293

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	-	-	37,738,374	12,689,919	50,428,293
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	450,000	450,000
Restated balance 31 December 2023	-	-	37,738,374	13,139,919	50,878,293
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	300,000	(300,000)	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	300,000	(300,000)	-
Surplus/(deficit)for the period 2024	-	-	-	(1,285,169)	(1,285,169)
Total recognised revenues and expenses for the period	-	-	300,000	(1,585,169)	(1,285,169)
Balance at 31 December 2024 carried forward	-	-	38,038,374	11,554,751	49,593,125
Balance at 31 December 2024 brought forward	-	-	38,038,374	11,554,751	49,593,125
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	-	-	38,038,374	11,554,751	49,593,125
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	300,000	(300,000)	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	300,000	(300,000)	-
Surplus/(deficit)for the period 2025	-	-	-	(2,224,997)	(2,224,997)
Total recognised revenues and expenses for the period	-	-	300,000	(2,524,997)	(2,224,997)
Balance at 31 December 2025	-	-	38,338,374	9,029,753	47,368,127

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
3,033	Cash on hand	3,033	3,033
13,508	Cash in transit	13,508	13,508
500,000	CI$ Account	1,050,000	367,412
163,813	US$ Account	384,933	210,025
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
5,000,000	Short-Term Fixed Deposits	5,150,000	4,232,588
5,680,354	**TOTAL**	**6,601,474**	**4,826,566**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
1,560,363	Sale of goods and services - third party	1,905,883	1,958,934
-	Other	-	-
(89,206)	**Less: provision for doubtful debts**	(89,206)	(89,206)
1,471,157	**Total trade receivables**	**1,816,677**	**1,869,728**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
1,057,395	Past due 1-30 days	1,305,738	1,343,869
118,228	Past due 31-60 days	145,996	150,259
98,392	Past due 61-90 days	121,501	125,049
197,141	Past due 90 and above	243,442	250,551
	Non-Current		
-	Past due 1 year and above	-	-
1,471,157	**Total**	**1,816,677**	**1,869,728**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
-	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
120,000	Other	50,000	50,000
-	**Less: provision for doubtful debts**	-	-
120,000	**Total other receivables**	**50,000**	**50,000**

12-Month Forecast 2023	Other Receivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
120,000	Past due 1-30 days	50,000	50,000
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
120,000	**Total**	**50,000**	**50,000**

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(89,206)	Balance at begining oF period	(89,206)	(89,206)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	-	-
(89,206)	**Balance at 31st December**	**(89,206)**	**(89,206)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
1,500,000	Inventory held for use in the provision of goods and services	1,500,000	1,500,000
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
1,500,000	**INVENTORIES - Current**	**1,500,000**	**1,500,000**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
1,500,000	**TOTAL INVENTORIES**	**1,500,000**	**1,500,000**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
150,000		50,000	50,000
150,000	**Prepayments - Current**	**50,000**	**50,000**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
150,000	**Total Prepayments**	**50,000**	**50,000**

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	41,625,000	13,565,496	24,280,607	1,630,741	2,208,656	7,300,000	862,530	349,281	91,822,311
Additions	-	115,971	255,625	91,856	38,360	-	-	127,569	629,381
Disposals and Derecognisation	-	-	-	(116,687)	-	-	-	-	(116,687)
Revaluation	-	-	-	-	-	1,926,000	-	-	1,926,000
Transfers	-	-	216,610	-	149,946	-	42,882	(409,438)	-
Balance as at 31 December 2022	41,625,000	13,681,467	24,752,842	1,605,910	2,396,962	9,226,000	905,412	67,412	94,261,005

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	41,625,000	13,681,467	24,752,842	1,605,910	2,396,962	9,226,000	905,412	67,412	94,261,005
Additions	-	2,600,000	1,428,609	200,000	-	-	200,000	-	4,428,609
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	300,000	-	-	300,000
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	41,625,000	16,281,467	26,181,451	1,805,910	2,396,962	9,526,000	1,105,412	67,412	98,989,614

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	41,625,000	16,281,467	26,181,451	1,805,910	2,396,962	9,526,000	1,105,412	67,412	98,989,614
Additions	-	1,220,000	1,490,000	200,000	-	-	750,000	-	3,660,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	300,000	-	-	300,000
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	41,625,000	17,501,467	27,671,451	2,005,910	2,396,962	9,826,000	1,855,412	67,412	102,949,614

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	41,625,000	17,501,467	27,671,451	2,005,910	2,396,962	9,826,000	1,855,412	67,412	102,949,614
Additions	-	3,260,000	2,330,000	200,000	-	-	250,000	-	6,040,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	300,000	-	-	300,000
Transfers	-	-	-	-	-	67,412	-	(67,412)	-
Balance as at 31 December 2025	41,625,000	20,761,467	30,001,451	2,205,910	2,396,962	10,193,412	2,105,412	-	109,289,614

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	6,489,516	1,291,286	1,348,318	1,802,325	-	822,524	-	11,753,969
Transfers	-	-	-	8,336	-	-	-	-	8,336
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	357,455	1,445,585	119,053	220,696	-	11,577	-	2,154,366
Eliminate on Disposal or Derecognisation 2022	-	-	8,663	(72,132)	-	-	-	-	(63,469)
Balance as at 31 December 2022	-	6,846,971	2,745,534	1,403,575	2,023,021	-	834,101	-	13,853,202

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	6,846,971	2,745,534	1,403,575	2,023,021	-	834,101	-	13,853,202
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	530,788	1,415,360	132,386	220,696	-	24,910	-	2,324,141
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	7,377,759	4,160,894	1,535,961	2,243,717	-	859,011	-	16,177,343

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	7,377,759	4,160,894	1,535,961	2,243,717	-	859,011	-	16,177,343
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	612,122	1,475,360	145,720	220,696	-	74,910	-	2,528,808
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	7,989,881	5,636,254	1,681,681	2,464,413	-	933,922	-	18,706,151

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	7,989,881	5,636,254	1,681,681	2,464,413	-	933,922	-	18,706,151
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	691,156	1,707,659	159,053	220,697	-	91,577	-	2,870,142
Eliminate on Disposal or Derecognisation 2025	-	138,299	341,701	-	-	-	-	-	480,000
Balance as at 31 December 2025	-	8,819,336	7,685,614	1,840,734	2,685,110	-	1,025,499	-	22,056,293

Net Book value 31 December 2022	41,625,000	6,834,496	22,007,308	202,335	373,941	9,226,000	71,311	67,412	80,407,803

Net Book value 31 December 2023	41,625,000	8,903,708	22,020,557	269,949	153,245	9,526,000	246,401	67,412	82,812,271

Net Book value 31 December 2024	41,625,000	9,511,586	22,035,197	324,229	(67,451)	9,826,000	921,490	67,412	84,243,463

Net Book value 31 December 2025	41,625,000	11,942,131	22,315,837	365,176	(288,148)	10,193,412	1,079,913	-	87,233,321

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
1,320,517	Creditors Third party	1,207,391	1,246,306
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
107,250	Payroll Deductions	98,063	118,790
-	Operating Lease	-	-
525,035	Accrued Expenses	480,056	365,233
171,687	Other payables	156,979	190,159
-	Dividends/Surplus Payable	-	-
2,124,489	**Trade payables other payables and accruals - Current**	**1,942,489**	**1,920,488**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
195,000	Other payables	190,000	185,000
-	Dividends/Surplus Payable	-	-
195,000	**Trade payables other payables and accruals - Non-Current**	**190,000**	**185,000**
2,319,489	**Total trade payables other payables and accruals**	**2,132,489**	**2,105,488**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(38,986,000)	Defined benefit liability- post retirement healthcare	(42,536,000)	(46,056,000)
(38,986,000)	**Total Unfunded Health Care Liability**	**(42,536,000)**	**(46,056,000)**

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
25,742,146	General Sales	32,809,737	32,976,605
1,601,594	Rentals	1,792,587	2,333,432
210,401	Other Goods & Services Revenue	260,055	267,857
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
27,554,141	**Total sales of goods and services**	**34,862,379**	**35,577,894**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
21,040,054	Cargo Handling	26,005,507	26,785,672
3,321,000	Cruise Ship passenger Fees	5,120,800	4,460,000
1,281,092	Maritime services	1,583,430	1,630,933
100,000	Diesel sales	100,000	100,000
25,742,146	**Total General Sales**	**32,809,737**	**32,976,605**

12-Month Forecast 2023	Rentals	12-Month Budget 2024	12-Month Budget 2025
1,601,594	Rental Income	1,792,587	2,333,432
1,601,594	**Total Rentals**	**1,792,587**	**2,333,432**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
210,401	Other Income	260,055	267,857
210,401	**Total Other Goods & Services Revenue**	**260,055**	**267,857**
	Sales of Outputs to Cabinet		
-	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
-	**Total Sales of Outputs to Cabinet**	**-**	**-**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
27,554,141	**Total Goods and Services**	**34,862,379**	**35,577,894**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
7,000	Interest on deposits	7,000	7,000
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
7,000	**Total Investment revenue**	**7,000**	**7,000**

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
16,695,469	Salaries, wages and allowances	16,772,914	17,276,101
-	Health care CINICO	-	-
2,248,170	Health care other	2,448,823	2,587,358
1,693,621	Pension	1,702,088	1,753,150
-	Leave	-	-
250,000	Other personnel related costs	262,500	275,625
20,887,260	**Total Personnel Costs**	**21,186,325**	**21,892,234**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
3,654,484	Supplies and Materials	3,810,313	3,250,093
2,531,791	Purchase of services	3,461,101	4,579,779
-	Lease of Property and Equipment	-	-
656,115	Utilities	679,080	702,847
594,425	General Insurance	612,258	630,626
-	Interdepartmental expenses	-	-
150,000	Travel and Subsistence	157,500	165,375
-	Recruitment and Training	-	-
-	Other	-	-
7,586,815	**Total Supplies & consumables**	**8,720,252**	**9,328,720**

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
20,390	Interest on borrowings	19,163	18,795
-	Other borrowing costs	-	-
-	Interest on overdraft	-	-
20,390	**Total Finance cost**	**19,163**	**18,795**

NOTE 22: OTHER GAINS/ (LOSSES)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Net (gain) / loss on disposal of property, plant and equipment	4,000,000	4,000,000
(300,000)	Net (gain) / loss on derecognition and revaluation of assets	(300,000)	(300,000)
-	Net (gain) / loss on foreign exchange Transactions	-	-
(300,000)	**Total gains/ (losses)**	**3,700,000**	**3,700,000**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(6,825,465)	**Surplus/(deficit) from ordinary activities**	(1,285,169)	(2,224,997)
	Non-cash movements		
2,324,141	Depreciation & Amortisation	2,528,808	2,870,142
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	4,000,000	4,000,000
(300,000)	(Gain) / loss on derecognition and revaluation of assets	(300,000)	(300,000)
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	(180,520)	(53,051)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	(182,000)	(27,002)
(4,801,324)	**Net cash flows from operating activities**	**4,581,119**	**4,265,092**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
683,346	Salaries & other short-term employee benefits	703,846	724,962
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
683,346	**Total**	**703,846**	**724,962**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

PUBLIC SERVICE PENSIONS BOARD

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Public Service Pensions Board have agreed the Public Service Pensions Board (PSPB) will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Public Service Pensions Board is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Public Service Pensions Board's activities involve pension administration and fund investment management services.

SCOPE OF ACTIVITIES

The scope of Public Service Pensions Board activities is as follows:

a) Administration of the:
   - Public Service Pensions Plan
   - Parliamentary Pensions Plan
   - Judicial Pension Plan
   - Ex-Gratia Pensions Scheme including engagement with Government on funding

b) Management of the Public Service Pensions Fund investments

c) Policy advice on pension requirements for public service pension plans, pension reform and directing the drafting of related legislation.

CUSTOMERS AND LOCATION OF ACTIVITIES

The Public Service Pensions Board provides pension administration and fund investments management services to its membership comprised of:

- eligible employees of the;
  - Cayman Islands Government;
  - Participating statutory authorities (Cayman Islands Development Board, Cayman Islands Monetary Authority, Water Authority, Cayman Turtle Centre, National Roads Authority, Civil Aviation Authority, Airports Authority, Maritime Authority of the Cayman Islands, Health Service Authority, CAYS Foundation, Utility Regulation and Competition Office (OfReg), Cayman Islands Attractions Authority, CINICO, Cayman Stock Exchange and Public Service Pensions Board);
  - The Speaker and elected members of the Parliament; and
  - Judges of the Grand Court
- Deferred Vested plan members; and
- Pensioners.

Industry advisory services are provided to the Cayman Islands Government and non-core services provided to other stakeholders.

The Public Service Pensions Board services are provided locally.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Public Service Pensions Board (PSPB) for the 2024 and 2025 financial years are as follows:

STRATEGIC GOALS

PSPB 2022 Strategy: Driving Plan Sustainability

1. Aligns with our "Member Services" focus;
2. Sets the operational direction for the next 5 years; and
3. Sets out a stakeholder driven 5-year roadmap to advance The Authority toward its vision to provide best in class investment programme and excellence in Member Services whilst maintaining Plan sustainability.

The Strategy is focused on the following strategic goals:

1. Improve the long-term sustainability of the Plan;
2. Cultivate at all levels a high-performing, risk-intelligent and innovative organization focusing on Excellence in Member Services; and
3. Engage in Government policy development to enhance the long-term sustainability and effectiveness of our pension schemes.

STRATEGIC OBJECTIVES and ACTIVITIES

The fundamental mission of the Public Service Pensions Board is to administer the Plans, manage the Fund, and provide quality and timely service to its members and other stakeholders. Its strategic objective and activities are membership focused, aligns with the strategic goals of the organisation, and sets the operational direction for the period, as we build toward achieving the PSPB 2022 Strategy.

These objectives and activities are detailed in the Public Service Pensions Board's Annual Business Plan document.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Public Service Pensions Board for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	7,210	7,570	6,866
OPERATING EXPENSES	7,210	7,570	6,866
OPERATING SURPLUS/DEFICIT	**-**	**-**	**-**
NET WORTH	**-**	**-**	**-**
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	-	-	-

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS: CURRENT LIABILITIES	-	-	-
TOTAL ASSETS: TOTAL LIABILITIES	-	-	-

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	37	37	28
STAFF TURNOVER (%)			
MANAGERS	-	-	1%
PROFESSIONAL AND TECHNICAL STAFF	-	-	1%
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	16.4	17.4	15.4
PROFESSIONAL AND TECHNICAL STAFF	11.0	12.0	10.0
CLERICAL AND LABOURER STAFF	13.0	14.0	12.0
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	-	-	-
ASSET REPLACEMENTS: TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-	-
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
NEW OFFICE ACCOMODATION	-	-	-
TOTAL	**NIL**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Hurricane	Risk Unchanged	Hurricane Preparedness Plan in place.	Unquantifiable
Public Liability	Risk Unchanged	Seeking public liability coverage (tendered process).	Unquantifiable
Loss of key personnel	Risk Unchanged	Training and development in place as retention incentive.	Unquantifiable
Cyber Security	Risk Unchanged	Cyber security insurance, third party and penetration cloud-based testing.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Public Service Pensions Board is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	-	-	-
OPERATING EXPENSES	-	-	-
NET SURPLUS/(DEFICIT)	-	-	-

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	-	-	-
LIABILITIES	-	-	-
NET WORTH	-	-	-

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO PUBLIC SERVICE PENSIONS BOARD	-	-
CAPITAL WITHDRAWALS FROM PUBLIC SERVICE PENSIONS BOARD	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY PUBLIC SERVICE PENSIONS BOARD	-	-
GOVERNMENT LOANS TO BE MADE TO PUBLIC SERVICE PENSIONS BOARD	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO PUBLIC SERVICE PENSIONS BOARD	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[41]	-	-
REMUNERATION[42] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	1,372,350	1,440,967
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,195,950	1,255,747

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	14	14
NUMBER OF KEY SENIOR MANAGEMENT (MD)	7	7

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

[42] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Public Service Pensions Board will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Franz Manderson, MBE, Cert Hon
Deputy Governor
On behalf of Cabinet



Chairman of the Board
Public Service Pensions Board

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Public Service Pensions Board for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board

Public Service Pensions Board

31 December 2023

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PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

Basis of preparation

PSPB's financial statements are prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards and present the aggregate financial position of the Fund as a separate financial reporting entity independent of the plan sponsors and plan participants.

They are prepared to assist participants and others in reviewing the activities of the Fund for the fiscal period, but they do not portray the funding requirements of the Plan or the benefits security of individual plan participants.

The following are a summary of the **significant** accounting policies used:

Reporting and functional currency

The financial statements are presented in Cayman Islands dollars, rounded to the nearest thousand.

Changes in accounting policies

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

Judgments and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires judgments, estimates and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Contributions

Contributions are accounted for on the accrual basis and are reflective of the latest gazetted contribution rates

Investments

Investments are stated at their fair market value at the date of the Statements of Net Assets Available for Benefits. Realized and unrealized gains and losses are recognized in the Statements of Changes in Net Assets Available for Benefits.

Investment income

Investment income is accounted for on the accrual basis.

Fixed assets
Fixed assets are initially recorded at cost. Subsequently, depreciation is charged to operations per annum on a straight-line basis as follows:

Furniture and fixtures	10%
Computer equipment and software	20%
Office equipment	20%
Vehicle	20%

Intangibles
Intangible asset is comprised of externally acquired software for internal use. It is measured at cost and amortized on a straight-line basis over its useful life over a period not exceeding 5 years.

Disposals
Gains and losses on disposals of fixed assets are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Changes in Net Assets Available for Benefits.

Foreign currency transactions
Transactions in foreign currencies, other than in US Dollars, are translated at the rate of exchange prevailing at the date of the transaction. Transactions in US dollars are translated at the rate of US$1.20 = CI$1.00.

Changes in International Financial Reporting Standards

Leases

Leases are accounted for under the guidance provided by IFRS 16.

PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
-	Sale of goods and services	**15**	-	-
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
6,866,194	Other revenue		7,209,503	7,569,979
6,866,194	**Total Revenue**		**7,209,503**	**7,569,979**
	Expenses			
4,216,488	Personnel costs	**18**	4,427,312	4,648,679
276,549	Supplies and consumables	**19**	290,376	304,895
-	Depreciation and Amortisation	**7**	-	-
	Impairment of Inventory,property, plant and equipment			
1,103	Finance costs & overdraft interest	**20**	1,158	1,216
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
2,372,054	Other Operating expenses		2,490,657	2,615,189
6,866,194	**Total Expenses**		**7,209,503**	**7,569,979**
-	**Surplus or (Deficit) for the period**		**-**	**-**

PUBLIC SERVICE PENSIONS BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
4,216,488	Salaries, wages and allowances	4,427,312	4,648,679
-	Health care CINICO	-	-
-	Health care other	-	-
-	Pension	-	-
-	Leave	-	-
-	Other personnel related costs	-	-
4,216,488	**Total Personnel Costs**	**4,427,312**	**4,648,679**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
276,549	Supplies and Materials	290,376	304,895
-	Purchase of services	-	-
-	Lease of Property and Equipment	-	-
-	Utilities	-	-
-	General Insurance	-	-
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
-	Other	-	-
276,549	**Total Supplies & consumables**	**290,376**	**304,895**

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,103	Interest on borrowings	1,158	1,216
-	Other borrowing costs	-	-
-	Interest on overdraft	-	-
1,103	**Total Finance cost**	**1,158**	**1,216**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Sister Islands Affordable Housing Corporation have agreed the Sister Islands Affordable Housing Corporation will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Sister Islands Affordable Housing Corporation is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Sister Islands Affordable Housing Development Corporation activities involve being an important factor in the economic development of the Cayman Islands by providing affordable homes to Caymanians in the Sister Islands.

SCOPE OF ACTIVITIES

The scope of the Sister Islands Affordable Housing Development Corporation activities is as follows:

- Construction of affordable homes to be sold to the Caymanian public in the Sister Islands at an affordable price.
- Assisting with financing Caymanian households in the Sister Islands that qualify under criteria set by the Corporation for the purchase of an affordable home that have been constructed under the supervision of the Corporation.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Sister Islands Affordable Housing Development Corporation are provided only within the Sister Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Sister Islands Affordable Housing Corporation for the 2024 and 2025 financial years are as follows:

STRATEGIC GOALS

- To become a well-structured, efficiently managed organization that is fair and prudent in its processing and selection of eligible applicants for the affordable homes offered by the Corporation.

- To identify the housing needs of Caymanians in the Sister Islands and to continue developing affordable homes to meet these needs and which will contribute to the economic development of the Sister Islands.

OBJECTIVES

- Where necessary, to seek out additional funding for future development of affordable housing that have been identified as an imperative need in the economic development of the Sister Islands.

- To continue a close working relationship with the local construction industry in the Sister Islands

- To develop new homes for the households in the Sister Islands community.

- To ensure that the Sister Islands Affordable Housing Development Corporation is managed in an efficient and prudent manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Sister Islands Affordable Housing Corporation for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE FROM CABINET	75	75	45
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	2,002	1,002	2
OPERATING EXPENSES	(2,240)	(1,148)	(47)
OPERATING SURPLUS/DEFICIT	**(163)**	**(71)**	**-**
NET WORTH	**1,669**	**2,098**	**1,333**
CASH FLOWS FROM OPERATING ACTIVITIES	274	22	71
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(250)
CASH FLOWS FROM FINANCING ACTIVITIES	500	500	-
CHANGE IN CASH BALANCES	774	522	(179)

FINANCIAL PERFORMANCE RATIO	2024 1 Jan to 31 Dec 2024 %	2025 1 Jan to 31 Dec 2025 %	2023 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	62.22:1	85.94:1	27.05:1
TOTAL ASSETS : TOTAL LIABILITIES	76.90:1	96.37:1	61.60:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	-	-	-
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	323	229	760
ASSET REPLACEMENTS : TOTAL ASSETS	0%	0%	0%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	99%	99%	100%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CONSTRUCTION OF 3 HOUSES FOR SALE	250	1,750	1,000
TOTAL	250	1,750	1,000

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Destruction, damage or loss of assets	Ongoing	Safeguard assets Contracts All Risk Insurance	Undetermined
Dwindling number of eligible applicants due to small community in Sister Islands	Ongoing	Closely monitor the need for this service Begin construction on a house only if a pre-qualifying applicant is available	Going concern of the Corporation
Applicants not qualifying for bank loans or opting out after the house has been completed	Ongoing	Board of Directors perform financial due diligence on clients prior to breaking ground	Not being able to sell a house for a long period of time therefore incurring maintenance costs
Potential budget reductions from Government to cover administrative costs of the Corporation	Ongoing	Two Ministry representatives attend all board meetings to keep abreast of the operations of the Corporation	Going concern of the Corporation

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Sister Islands Affordable Housing Corporation is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	2,077	1,077	47
OPERATING EXPENSES	(2,240)	(1,148)	(47)
NET SURPLUS/(DEFICIT)	(163)	(72)	-

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	1,691	2,120	1,355
LIABILITIES	22	22	22
NET WORTH	1,669	2,098	1,333

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	274	22	71
CASH FLOWS FROM INVESTING ACTIVITIES	500	500	(250)
CASH FLOWS FROM FINANCING ACTIVITIES	774	522	(179)

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	500	500
CAPITAL WITHDRAWALS FROM SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
GOVERNMENT LOANS TO BE MADE TO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[43]	-	-
REMUNERATION[44] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	6	6
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	None	None

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

[44] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Sister Islands Affordable Housing Corporation undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Sister Islands Affordable Housing Corporation will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Juliana O'Connor-Connolly, MP
Minister for District Administration and Lands
On behalf of Cabinet



Chairman of the Board
Sister Islands Affordable Housing Development Corporation

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

SISTER ISLANDS AFFORDABLE HOUSING CORPORATION

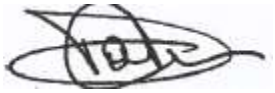
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Sister Islands Affordable Housing Corporation for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Sister Islands Affordable Housing Development Corporation

31 December 2023

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SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

1. Establishment and principal activities
The Sister Islands Affordable Housing Development Corporation (SIAHDC) was incorporated as a non-profit company on 1 June 2006 and is a wholly owned Government entity.

The main purpose of the Organization is to promote affordable home ownership on Cayman Brac and Little Cayman. Two properties are currently owned on Cayman Brac: Watering Place and West End with spaces for 15 homes and 20-30 homes respectively.

The Sister Islands Affordable Housing Development Corporation aims to provide quality concrete construction freehold homes which are owned outright by the successful applicants. The Organization works closely with the Public Works Department and the Ministry of District Administration and Lands.

The main office is located at the Avistar Building III, Unit# 48, West End, Cayman Brac and correspondences may be sent to P.O. Box 141, Cayman Brac KY2-2101.

2. Significant accounting policies
These Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision). The significant accounting policies adopted by the SIAHDC in these financial statements are as follows:

(a) Basis of preparation
The Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision). The measurement base applied is historical cost adjusted for revaluations of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

(b) Use of estimates
The preparation Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the forecast financial statements as well as the reported amounts of income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

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

(c) Changes in Accounting Policies
When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(d) Reporting Period
The reporting period is the year ended 31 December 2025.

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

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

(g) Accounts receivable
Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collected by the SIAHDC according to the agreed terms, a provision for bad debt is established.

(h) Property, plant and equipment/depreciation
In keeping the accounting policies of the Government of the Cayman Islands, who is the sole shareholder, all fixed asset purchases under CI$1,000 are immediately expensed. Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization and any impairment losses. Depreciation is charged to the statement of Financial Performance on a straight-line basis based on the estimated useful life of the Asset.

(i) Revenue recognition
Revenue is recognized at the point the Organization meets the obligations to the purchaser. Revenue from housing sales is recognized at the point of sale.

(j) Expense
Expenses are recognized when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received.

(k) Operating lease
Lease payments are recognized as an expense on a straight-line basis over the lease term.

(l) Land
Land was acquired from the Government at no cost and is recorded at fair market value at the date of acquisition.

(m) Employee Benefits
Employee entitlements to salaries and wages, annual leave, long service leave, retirement leave and other similar benefits are recognized in the Operating Statement when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of SIAHDC are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Board.

Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration. Saxon Pensions are the Client Services Agent and Coutts Cayman are the Investment Managers.

(n) Financial Instruments
i. Classification
A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favorable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable. Financial liabilities are comprised of accounts payables and accrued expenses.

ii. Recognition
The Sister Islands Affordable Housing Development Corporation recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of Financial Performance.

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

iv. De-recognition
A financial asset is derecognized when the Sister Islands Affordable Housing Development Corporation realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled or expired.

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

iv. De-recognition
A financial asset is derecognized when the Sister Islands Affordable Housing Development Corporation realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(o) Provisions and Contingencies
Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Contingent liabilities are disclosed when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

(p) Subsequent Events
Post year-end events that provide additional information about the Sister Islands Affordable Housing Development Corporation's position at the balance sheet date (adjusting event) re reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to the financial statements when material.

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
318,175	Cash and cash equivalents	**1**	1,091,785	1,613,699
256,253	Marketable securities and deposits		256,253	256,253
19,542	Trade receivables	**2**	19,542	19,542
1,000	Other receivables	**2**	1,000	1,000
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
594,970	**Total Current Assets**		**1,368,579**	**1,890,494**
	Non-Current Assets			
-	Trade receivables	**2**	-	-
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
760,100	Property, plant and equipment	**7**	322,900	229,300
-	Intangible Assets	**8**	-	-
760,100	**Total Non-Current Assets**		**322,900**	**229,300**
1,355,070	**Total Assets**		**1,691,479**	**2,119,794**
	Current Liabilities			
3,025	Trade payables	**9**	3,025	3,025
18,972	Other payables and accruals	**9**	18,972	18,972
-	Dividends/Surplus Payable	**9**	-	-
-	Bank Overdraft	**1**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
-	Current Portion of Borrowings	**12**	-	-
21,997	**Total Current Liabilities**		**21,997**	**21,997**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
-	Other payables and accruals	**9**	-	-
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
-	Unfunded pension liability	**13**	-	-
-	Unfunded post retirement health care	**14**	-	-
	Currency Issued			
-	Long Term portion of Borrowings	**12**	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
21,997	**Total Liabilities**		**21,997**	**21,997**
1,333,073	**Net Assets**		**1,669,483**	**2,097,797**
	NET WORTH			
2,252,850	Contributed capital		2,752,850	3,252,850
-	Other Reserves		-	-
51,250	Revaluation reserve		51,250	51,250
(971,027)	Accumulated surpluses/(deficits)		(1,134,617)	(1,206,303)
1,333,073	**Total Net Worth**		**1,669,483**	**2,097,797**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
44,991	Sale of goods and services	15	2,075,000	1,075,000
1,798	Investment revenue	16	1,798	1,798
-	Donations	17	-	-
	Other revenue			
46,788	**Total Revenue**		**2,076,798**	**1,076,798**
	Expenses			
-	Personnel costs	18	-	-
46,788	Supplies and consumables	19	2,240,388	1,148,483
-	Depreciation and Amortisation	7	-	-
	Impairment of Inventory,property, plant and equipment			
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
-	Other (Gains)/losses	22	-	-
-	Other Operating expenses			
46,788	**Total Expenses**		**2,240,388**	**1,148,483**
-	**Surplus or (Deficit) for the period**		**(163,591)**	**(71,686)**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
93,289	Sale of goods and services to Cabinet		75,000	75,000
	Sale of goods and services to Ministries/Portfolios			
	Sale of goods and services to Statutory Agencies and Government Conpanies			
	Sale of goods and services - third party		2,000,000	1,000,000
1,798	Interest received		1,798	1,798
	Donations / Grants			
	Other receipts			
	Payments			
	Personnel costs			
	Supplies and consumables - Ministries/Portfolios			
	Supplies and consumables - Statutory Agencies and Government Conpanies			
(24,322)	Supplies and consumables - third party		(1,803,188)	(1,054,883)
	Interest paid			
	Other payments			
70,764	**Net cash flows from operating activities**	23	**273,609**	**21,914**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(250,000)	Purchase of property, plant and equipment			
	Proceeds from sale of property, plant and equipment			
	Purchase of investments			
	Proceeds from sale of investments			
(250,000)	**Net cash flows from investing activities**		**-**	**-**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		500,000	500,000
	Repayment of Surplus/Dividends or Capital withdrawal			
	Borrowings			
	Repayment of Borrowings			
	Currency Issues			
-	**Net cash flows from financing activities**		**500,000**	**500,000**
(179,236)	**Net increase/(decrease) in cash and cash equivalents**		**773,609**	**521,914**
497,411	Cash and cash equivalents at beginning of period		318,175	1,091,784
318,175	**Cash and cash equivalents at end of period**		**1,091,784**	**1,613,699**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	2,252,850	-	51,250	(971,027)	1,333,073
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	2,252,850	-	51,250	(971,027)	1,333,073
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2022	2,252,850	-	51,250	(971,027)	1,333,073
Balance at 31 December 2022 brought forward	2,252,850	-	51,250	(971,027)	1,333,073
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	2,252,850	-	51,250	(971,027)	1,333,073
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023	-	-	-	-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2023 carried forward	2,252,850	-	51,250	(971,027)	1,333,073

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	2,252,850	-	51,250	(971,027)	1,333,073
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	2,252,850	-	51,250	(971,027)	1,333,073
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	500,000	-	-	-	500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	500,000	-	-	-	500,000
Surplus/(deficit)for the period 2024	-	-	-	(163,591)	(163,591)
Total recognised revenues and expenses for the period	500,000	-	-	(163,591)	336,409
Balance at 31 December 2024 carried forward	2,752,850	-	51,250	(1,134,617)	1,669,483
Balance at 31 December 2024 brought forward	2,752,850	-	51,250	(1,134,617)	1,669,483
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	2,752,850	-	51,250	(1,134,617)	1,669,483
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	500,000	-	-	-	500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	500,000	-	-	-	500,000
Surplus/(deficit)for the period 2025	-	-	-	(71,686)	(71,686)
Total recognised revenues and expenses for the period	500,000	-	-	(71,686)	428,314
Balance at 31 December 2025	3,252,850	-	51,250	(1,206,303)	2,097,797

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
318,175	CI$ Account	1,091,785	1,613,699
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
318,175	**TOTAL**	**1,091,785**	**1,613,699**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
19,542	Sale of goods and services to Cabinet	19,542	19,542
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
-	Sale of goods and services - third party	-	-
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
19,542	**Total trade receivables**	**19,542**	**19,542**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
19,542	Past due 1-30 days	19,542	19,542
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
19,542	**Total**	**19,542**	**19,542**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
1,000	Interest receivable	1,000	1,000
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
1,000	**Total other receivables**	**1,000**	**1,000**

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
1,000	Past due 1-30 days	1,000	1,000
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
1,000	**Total**	**1,000**	**1,000**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	510,100	-	2,459	-	512,559
Additions	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2022	510,100	-	2,459	-	512,559

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	510,100	-	2,459	-	512,559
Additions	-	-	-	250,000	250,000
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2023	510,100	-	2,459	250,000	762,559

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	510,100	-	2,459	250,000	762,559
Additions	-	-	-	-	-
Disposals and Derecognisation	(187,200)	-	-	(250,000)	(437,200)
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2024	322,900	-	2,459	-	325,359

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	322,900	-	2,459	-	325,359
Additions	-	-	-	-	-
Disposals and Derecognisation	(93,600)	-	-	-	(93,600)
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2025	229,300	-	2,459	-	231,759

ISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	-	2,459	-	2,459
Transfers	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-
Depreciation Expense 2022	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-
Balance as at 31 December 2022	-	-	2,459	-	2,459

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	-	2,459	-	2,459
Transfers	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-
Depreciation Expense 2023	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-
Balance as at 31 December 2023	-	-	2,459	-	2,459

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	-	2,459	-	2,459
Transfers	-	-	-	-	-
Impairment change 2024	-	-	-	-	-
Depreciation Expense 2024	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-
Balance as at 31 December 2024	-	-	2,459	-	2,459

	Land	*Leasehold Improvements*	*Furniture and Fittings*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	-	2,459	-	2,459
Transfers	-	-	-	-	-
Impairment change 2025	-	-	-	-	-
Depreciation Expense 2025	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-
Balance as at 31 December 2025	-	-	2,459	-	2,459

Net Book value 31 December 2022	510,100	-	-	-	510,100

Net Book value 31 December 2023	510,100	-	-	250,000	760,100

Net Book value 31 December 2024	322,900	-	-	-	322,900

Net Book value 31 December 2025	229,300	-	-	-	229,300

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
3,025	Creditors Third party	3,025	3,025
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
18,972	Accrued Expenses	18,972	18,972
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
21,997	**Trade payables other payables and accruals - Current**	**21,997**	**21,997**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
21,997	**Total trade payables other payables and accruals**	**21,997**	**21,997**

NOTE 15: SALES OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
-	General Sales	2,000,000	1,000,000
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
44,991	Sale of goods and services to Cabinet	75,000	75,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
44,991	**Total sales of goods and services**	**2,075,000**	**1,075,000**

NOTE 15: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
-	Sales of houses	2,000,000	1,000,000
-	**Total General Sales**	**2,000,000**	**1,000,000**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	-	-
	Sales of Outputs to Cabinet		
44,991	Sales of Outputs to Cabinet	75,000	75,000
-	Other Outputs	-	-
44,991	**Total Sales of Outputs to Cabinet**	**75,000**	**75,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
44,991	**Total Goods and Services**	**2,075,000**	**1,075,000**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
1,798	Interest on deposits	1,798	1,798
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
1,798	**Total Investment revenue**	**1,798**	**1,798**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
131	Supplies and Materials	2,187,331	1,093,731
40,166	Purchase of services	51,566	53,261
3,000	Lease of Property and Equipment	-	-
3,491	Utilities	1,491	1,491
-	General Insurance	-	-
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
-	Other	-	-
46,788	**Total Supplies & consumables**	**2,240,388**	**1,148,483**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	**Surplus/(deficit) from ordinary activities**	(163,591)	(71,686)
	Non-cash movements		
-	Depreciation & Amortisation	-	-
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	**437,200**	**93,600**
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
-	**Net cash flows from operating activities**	**273,609**	**21,914**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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CONTENTS

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the University College of the Cayman Islands have agreed the University College of the Cayman Islands will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the University College of the Cayman Islands is to operate during the 2024 and 2025 financial years.

GENERAL NATURE OF ACTIVITIES

The University College of the Cayman Islands operates under the University College Act (2012 revision) of which its principal activities involve developing and teaching Tertiary Level Educational Programmes and Continuing Education courses and complimentary educational services. The University College of the Cayman Islands' mission is to provide higher learning that contributes to the Cayman Islands and global societies by advancing knowledge and developing innovative graduates through its educational, cultural and social activities.

SCOPE OF ACTIVITIES

The University College of the Cayman Islands functions in accordance with the University College Act (2012 Revision), including Section (4) Functions of the College and Section (13) Powers of the Board.

Student-centered education

A UCCI education builds social and cultural capital, advances subject matter expertise and cognitive development, and nurtures agency and civic responsibility providing school leavers and adults with a lifetime of personal and professional successes.

- World-class teaching and assessment of student learning outcomes
- Curated curricular and co-curricular experiences that fortify holistic student development
- Differentiated education to maximize accessibility and relevance for diverse learners
- Clear pathways to employment within the full spectrum of Cayman's core workforce sectors
- Workforce-ready graduates actively recruited by employers who have been active partners in shaping education that includes mentorships, work-based cooperative learning (internships), and integrative career support
- Alumni as lifelong learners who acquire further education and training ensuring their relevance in a rapidly changing workforce

Suitably resourced

Through the strategic engagement of the UCCI campus community with external stakeholders, the institution has secured the resources and relationships needed to fulfill its mission and purpose.

- Diverse and expanded revenue streams including tuition, bursaries, scholarships, philanthropy, and in-kind donations

- Strategic partnerships with employers, government, tertiary and secondary institutions, faith and nonprofit organizations, and professional associations
- Infrastructure (facilities, information systems and technologies) fortifies campus-based learning and facilitates remote access to ubiquitous learning opportunities
- Engaged and philanthropic alumni network
- Generous donors who publicly express affiliation with and support for UCCI
- University culture that expects and rewards continuous learning, innovation and entrepreneurship
- and fosters experimentation and active learning
- Education policy and financial support that prioritize fulfillment of the vision for tertiary education as
- A top cabinet priority.
- Transformative support from the Ministries and other governmental bodies

Engine for economic development, innovation and social change

UCCI's teaching and scholarly activities regularly adapt to address the educational, research and innovation needs of Cayman's main economic sectors providing essential knowledge and support to the economy while undertaking activities aimed at solving societal challenges.

- At UCCI, acquisition, discovery, and application of knowledge supports new and emerging national economic and social priorities.
- Increasingly, UCCI is the primary educational partner in private public partnership agreements in various manners, such as joint projects, collaborative research, and workforce development and training.
- UCCI strategically co-locates with core industries to enhance collaboration and shared learning leading to the creation of new enterprises (incubation), retention of existing businesses (business development), evolution of economic clusters (knowledge transfer), job creation, and attraction and retention of high caliber human talent and investments.
- UCCI undertakes activities aimed at solving societal challenges with varied external stakeholders through active political, civic and community engagements.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the University College of the Cayman Islands are primarily residents and entities of the Cayman Islands and the services provided, are provided in the Cayman Islands and through online services.

STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the University College of the Cayman Islands for the 2024 and 2025 financial years are as follows:

- UCCI will develop and sustain an innovative and engaging programme of education characterized by high quality teaching and learning, building on the strengths of the institution and meeting the needs of the society and relevant stakeholders. In doing so, emphasis will be placed on the encouragement of diversity, staff development and quality assurance.

- UCCI will become a government-funded, student and employer needs-driven education organization, accredited by regional and international accrediting bodies and collaborating with reputable strategic partners to become an engine for capacity building and economic growth.

- UCCI will become a student-focused centre of excellence that through a holistic approach, will enrich and contribute to nation building by developing productive, socially conscious critical thinkers.

- UCCI will strengthen support and development of all staff; enhancing their effectiveness and contribution to the University goals; in addition to becoming more self-sufficient pursuing alternative revenue streams, allowing increased efficiency and a strong equity base, thus ensuring long-term financial stability and independence.

- UCCI will continue to improve its physical and intellectual facilities and use our existing resources to meet the current needs of our stakeholders while simultaneously embarking on a capital development programme to design, fund and build new resources that will be financially and environmentally sustainable; be physically and intellectually acceptable; meet the needs of growth and development in the community; and contribute to an inspiring learning environment.

- UCCI will be governed by a Board of Governors and an Administrative and Academic Committee (the Academic Senate), a shared self-governance model comprising key stakeholders that will operate with increasing autonomy, good governance, accountability and compliance with all relevant acts, ethics, policies, and the guiding mission of the University College.

- UCCI will collaborate with key stakeholders to provide courses and programmes integrating on-the-job training, motivation, and continuing education to foster socially conscious individuals that possess creativity, productivity, cultural identity and competencies, cohesion and self-esteem, as central aspects of nation building.

- UCCI will develop a multi-faceted communication strategy that clearly defines the University College as an institution that meets the needs of its internal and external clients and stakeholders. This strategy will create a lasting and positive image that will assist UCCI in increasing its student population and financial resources to sustain and grow them over time.

UCCI will engage in scholarly activities for discovery, to integrate and apply knowledge to society's needs, and to promote learning, development and economic growth.

3. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the University College of the Cayman Islands for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	8,960	8,960	6,878
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	4,020	4,165	3,788
OPERATING EXPENSES	12,980	13,125	12,756
OPERATING SURPLUS/DEFICIT	**-**	**-**	**(2,090)**
NET WORTH	**20,721**	**21,841**	**18,591**
CASH FLOWS FROM OPERATING ACTIVITIES	1,184	1,233	(1,197)
CASH FLOWS FROM INVESTING ACTIVITIES	(2,130)	(1,120)	(2,668)
CASH FLOWS FROM FINANCING ACTIVITIES	2,130	1,120	3,329)
CHANGE IN CASH BALANCES	**1,184**	**1,233**	**(537)**

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024 %**	**2025 1 Jan to 31 Dec 2025 %**	**2023 12-Month Forecast %**
CURRENT ASSETS: CURRENT LIABILITIES	2.29:1	2.73:1	1.84:1
TOTAL ASSETS: TOTAL LIABILITIES	9.07:1	9.51:1	8.10:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED (Note: does not include adjunct faculty)	82	82	82
STAFF TURNOVER (%)			
MANAGERS	8.3%	8.3%	0%
PROFESSIONAL AND TECHNICAL STAFF	9.1%	9.1%	15.2%
CLERICAL AND LABOURER STAFF	0%	0%	0%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	6.3 years	6.3 years	6.3 years
PROFESSIONAL AND TECHNICAL STAFF	7.1 years	7.1 years	7.1 years
CLERICAL AND LABOURER STAFF	17 years	18 years	16.7 years
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	17,399	17,537	16,382
ASSET REPLACEMENTS : TOTAL ASSETS	12%	7%	17%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	72%	69%	74%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	52%	89%	35%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CAPITAL FUNDING	2,130	1,250	2,508
TOTAL	**2,130**	**1,250**	**2,508**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Past Service Pensions Liabilities	n/a	Will seek future equity injection from Cabinet to fully fund pension obligations.	$1,389,001 as at December 31, 2022 actuarial report.
UCCI government funding levels grew in 2022/2023 to support the new vision. UCCI budget will need to continue to increase to provide the requisite quality of education keyed to international accreditation norms.	The Board has approved seeking U.S. regional institutional accreditation. UCCI has been successfully growing student enrolments since 2019.	UCCI will continue to seek future funding to support the infrastructure, faculty and staff needed to earn and maintain high quality international institutional accreditation through a U.S. regional accrediting body and to maintain both programmatic accreditation standards.	High
UCCI continues to have CapEx needs as a result of many years of delayed maintenance and repairs and end of life IT systems.	The additional $3.2 million of government funding to be received for CapEx 2024-2025 will provide much needed funding to address enhancements to facilities and teaching and learning including expansion of TVET programmes.	UCCI will continue to request future funding for high priority projects and preventative maintenance, and much needed IT and software needs for operations and accreditation. Funding for replacement information systems and STEM and Business building are critical funding needs.	High

RISK MANAGEMENT (CONTD)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Approximately 30% of students access scholarships at UCCI and the remaining students struggle to find other financial resources to fund their education.	More students are pursuing payment plans than in the past and we do not have dedicated resources for collecting unpaid tuition.	UCCI continues to seek private funding for work-based learning programmes that provide on-campus paid employment for some Caymanian students with need.	High

4. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	12,980	13,125	10,666
OPERATING EXPENSES	12,980	13,125	12,756
NET SURPLUS/(DEFICIT)	-	-	(2,090)

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	23,289	24,408	21,209
LIABILITIES	2,568	2,567	2,618
NET WORTH	20,721	21,841	18,591

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	1,184	1,233	(1,197)
CASH FLOWS FROM INVESTING ACTIVITIES	(2,130)	1,120	(2,668)
CASH FLOWS FROM FINANCING ACTIVITIES	1,184	1,234	(537)

5. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO University College of the Cayman Islands	946	18
CAPITAL WITHDRAWALS FROM University College of the Cayman Islands	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY University College of the Cayman Islands	-	-
GOVERNMENT LOANS TO BE MADE TO University College of the Cayman Islands	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO University College of the Cayman Islands	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[45]	-	-
REMUNERATION[46] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	1,034	1,034
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,034	1,034

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	11	11
NUMBER OF KEY SENIOR MANAGEMENT (MD)	8	8

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

[46] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance The University College of the Cayman Islands will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Juliana O'Connor-Connolly, MP
Minister for Education
On behalf of Cabinet



Chairman of the Board
University College of the Cayman Islands

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the University College of the Cayman Islands for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
University College of the Cayman Islands

31 December 2023

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UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

General Accounting Policies

Reporting entity
These forecast financial statements are for the University College of the Cayman Islands.

Basis of preparation
Except as noted below under Expenses – Salary increases, the forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period
The reporting period is the periods ending 31 December.

Specific Accounting Policies

Revenue
Output revenue
Output revenue, including revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue
Interest revenue is recognised in the period in which it is earned.

Expenses
General
Expenses are recognised when incurred.

Depreciation
Depreciation of non-financial physical assets is generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets
Cash and cash equivalents
Cash and cash equivalents include cash held in the University's bank accounts and on hand.

Receivables and advances
Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory
Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment

Property, Plant and Equipment excluding buildings, are recorded at cost. With the exception of freehold land, fixed assets are depreciated using the straight-line method estimated to write-off the cost of the assets over their expected useful lives.

Land and buildings are carried at fair value.
It is the College's valuation policy to revalue land and buildings every three years. The land and buildings are revalued on a componentized basis, with the resulting revaluation surplus being accounted for within other comprehensive income. The revaluation surplus will only be transferred to retained earnings on disposal of the underlying asset.

Other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost (or fair value if acquired prior to 2010) less accumulated depreciation.

Computer Hardware and Software
Computer hardware and software are recorded at cost and depreciated in accordance with the policy on depreciation.

Liabilities
Accounts Payable
Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Provisions
Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements
Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
1,514,122	Cash and cash equivalents	1	2,697,981	3,930,481
-	Marketable securities and deposits		-	-
2,634,586	Trade receivables	2	2,512,886	2,392,886
60,223	Other receivables	2	60,923	60,923
212,801	Inventories	3	212,801	212,801
-	Investments	4	-	-
404,584	Prepayments	5	404,584	404,584
-	Loans	6	-	-
4,826,316	**Total Current Assets**		**5,889,174**	**7,001,674**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
16,382,467	Property, plant and equipment	7	17,399,663	17,407,163
-	Intangible Assets	8	-	-
16,382,467	**Total Non-Current Assets**		**17,399,663**	**17,407,163**
21,208,783	**Total Assets**		**23,288,837**	**24,408,837**
	Current Liabilities			
138,147	Trade payables	9	88,202	88,202
473,104	Other payables and accruals	9	473,104	473,104
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
617,366	Unearned revenue	10	617,366	617,366
1,389,001	Employee entitlements	11	1,389,001	1,389,001
-	Current Portion of Borrowings	12	-	-
2,617,618	**Total Current Liabilities**		**2,567,673**	**2,567,673**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
2,617,618	**Total Liabilities**		**2,567,673**	**2,567,673**
18,591,166	**Net Assets**		**20,721,164**	**21,841,164**
	NET WORTH			
13,522,763	Contributed capital		15,652,761	16,772,761
304,430	Other Reserves		304,430	304,430
9,387,871	Revaluation reserve		9,387,871	9,387,871
(4,623,898)	Accumulated surpluses/(deficits)		(4,623,898)	(4,623,898)
18,591,166	**Total Net Worth**		**20,721,164**	**21,841,164**

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
10,387,656	Sale of goods and services	**15**	12,500,115	12,645,363
-	Investment revenue	**16**	-	-
278,380	Donations	**17**	480,000	480,000
-	Other revenue		-	-
10,666,036	**Total Revenue**		**12,980,115**	**13,125,363**
	Expenses			
7,846,457	Personnel costs	**18**	7,913,851	7,913,852
3,866,305	Supplies and consumables	**19**	3,953,460	4,099,011
1,043,451	Depreciation and Amortisation	**7**	1,112,804	1,112,500
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
12,756,213	**Total Expenses**		**12,980,115**	**13,125,363**
(2,090,177)	**Surplus or (Deficit) for the period**		**-**	**-**

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
6,698,038	Sale of goods and services to Cabinet		8,960,255	8,960,255
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
3,614,825	Sale of goods and services - third party		3,660,860	3,805,108
-	Interest received		-	-
278,380	Donations / Grants		480,000	480,000
-	Other receipts		-	-
	Payments			
(7,252,764)	Personnel costs		(7,339,251)	(7,340,297)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(4,695,221)	Supplies and consumables - third party		(4,578,005)	(4,672,566)
-	Interest paid		-	-
159,845	Other payments		-	-
(1,196,897)	**Net cash flows from operating activities**	**23**	**1,183,859**	**1,232,500**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(2,668,260)	Purchase of property, plant and equipment		(2,130,000)	(1,120,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(2,668,260)	**Net cash flows from investing activities**		**(2,130,000)**	**(1,120,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
3,328,603	Equity Investment from Cabinet		2,130,000	1,120,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
3,328,603	**Net cash flows from financing activities**		**2,130,000**	**1,120,000**
(536,554)	**Net increase/(decrease) in cash and cash equivalents**		**1,183,859**	**1,232,500**
2,050,676	Cash and cash equivalents at beginning of period		1,514,122	2,697,981
1,514,122	**Cash and cash equivalents at end of period**		**2,697,981**	**3,930,481**

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	8,741,647	304,206	9,387,871	(2,247,562)	16,186,162
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	8,741,647	304,206	9,387,871	(2,247,562)	16,186,162
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	224	-	-	224
Equity Investment from Cabinet	1,330,175	-	-	-	1,330,175
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,330,175	224	-	-	1,330,399
Surplus/(deficit)for the period 2022	-	-	-	(286,159)	(286,159)
Total recognised revenues and expenses for the period	1,330,175	224	-	(286,159)	1,044,240
Balance at 31 December 2022	10,071,822	304,430	9,387,871	(2,533,721)	17,230,402
Balance at 31 December 2022 brought forward	10,071,822	304,430	9,387,871	(2,533,721)	17,230,402
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	10,071,822	304,430	9,387,871	(2,533,721)	17,230,402
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	3,450,941	-	-	-	3,450,941
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	3,450,941	-	-	-	3,450,941
Surplus/(deficit)for the period 2023	-	-	-	(2,090,177)	(2,090,177)
Total recognised revenues and expenses for the period	3,450,941	-	-	(2,090,177)	1,360,764
Balance at 31 December 2023 carried forward	13,522,763	304,430	9,387,871	(4,623,898)	18,591,166

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	13,522,763	304,430	9,387,871	(4,623,898)	18,591,166
Prior Year Adjustments					
Changes in accounting policy	(2)	-	-	-	(2)
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	13,522,761	304,430	9,387,871	(4,623,898)	18,591,164
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	2,130,000	-	-	-	2,130,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	2,130,000	-	-	-	2,130,000
Surplus/(deficit)for the period 2024	-	-	-	-	-
Total recognised revenues and expenses for the period	2,130,000	-	-	-	2,130,000
Balance at 31 December 2024 carried forward	15,652,761	304,430	9,387,871	(4,623,898)	20,721,164
Balance at 31 December 2024 brought forward	15,652,761	304,430	9,387,871	(4,623,898)	20,721,164
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	15,652,761	304,430	9,387,871	(4,623,898)	20,721,164
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	1,120,000	-	-	-	1,120,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,120,000	-	-	-	1,120,000
Surplus/(deficit)for the period 2025	-	-	-	-	-
Total recognised revenues and expenses for the period	1,120,000	-	-	-	1,120,000
Balance at 31 December 2025	16,772,761	304,430	9,387,871	(4,623,898)	21,841,164

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
5,130	Cash on hand	5,130	5,130
-	Cash in transit	-	-
1,043,067	CI$ Account	2,226,925	3,459,425
104,669	US$ Account	104,669	104,669
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
40,028	Bank Accounts held at other financial institutions	40,028	40,028
321,228	Short-Term Fixed Deposits	321,228	321,228
1,514,122	**TOTAL**	**2,697,981**	**3,930,481**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	746,688	746,688
940,188	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	450,000	450,000
2,000,000	Sale of goods and services - third party	1,735,550	1,735,550
-	Other	-	-
(305,602)	**Less: provision for doubtful debts**	(419,352)	(539,352)
2,634,586	**Total trade receivables**	**2,512,886**	**2,392,886**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
611,145	Past due 1-30 days	582,914	555,078
405,304	Past due 31-60 days	386,582	368,121
521,649	Past due 61-90 days	497,552	473,792
1,096,488	Past due 90 and above	1,045,838	995,895
	Non-Current		
-	Past due 1 year and above	-	-
2,634,586	**Total**	**2,512,886**	**2,392,886**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
55,594	Advances (salary, Official Travel, etc)	55,594	55,594
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
4,628	Other	5,328	5,328
-	**Less: provision for doubtful debts**	-	-
60,223	**Total other receivables**	**60,923**	**60,923**

12-Month Forecast 2023	Other Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
60,223	Past due 1-30 days	60,923	60,923
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
60,223	**Total**	**60,923**	**60,923**

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(261,852)	Balance at begining oF period	(305,602)	(419,352)
(43,750)	Additional provisions made during the year	(113,750)	(120,000)
-	Receivables written off during the period	-	-
(305,602)	**Balance at 31st December**	**(419,352)**	**(539,352)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
212,801	Inventory held for sale	212,801	212,801
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
212,801	**INVENTORIES - Current**	**212,801**	**212,801**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
212,801	**TOTAL INVENTORIES**	**212,801**	**212,801**

NOTE 5: PREPAYMENTS

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
404,584		404,584	404,584
404,584	**Prepayments - Current**	**404,584**	**404,584**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
404,584	**Total Prepayments**	**404,584**	**404,584**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	3,460,000	10,363,967	1,841,728	1,776,036	20,613	418,380	105,712	17,986,436
Additions	-	-	211,246	252,548	65,506	-	717,255	1,246,555
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	307,744	-	-	-	-	(307,744)	-
Balance as at 31 December 2022	3,460,000	10,671,711	2,052,974	2,028,584	86,119	418,380	515,223	19,232,991

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	3,460,000	10,671,711	2,052,974	2,028,584	86,119	418,380	515,223	19,232,991
Additions	-	59,402	48,493	174,410	-	-	2,508,292	2,790,597
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	3,460,000	10,731,113	2,101,467	2,202,994	86,119	418,380	3,023,515	22,023,588

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	3,460,000	10,731,113	2,101,467	2,202,994	86,119	418,380	3,023,515	22,023,588
Additions	-	-	-	-	-	-	2,130,000	2,130,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	3,460,000	10,731,113	2,101,467	2,202,994	86,119	418,380	5,153,515	24,153,588

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	3,460,000	10,731,113	2,101,467	2,202,994	86,119	418,380	5,153,515	24,153,588
Additions	-	-	-	-	-	-	1,120,000	1,120,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	3,460,000	10,731,113	2,101,467	2,202,994	86,119	418,380	6,273,515	25,273,588

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	101,176	1,658,865	1,621,973	20,613	417,429	-	3,820,056
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	616,253	44,012	118,474	1,365	330	-	780,434
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	717,429	1,702,877	1,740,447	21,978	417,759	-	4,600,490

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	717,429	1,702,877	1,740,447	21,978	417,759	-	4,600,490
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	752,700	57,134	214,104	16,376	317	-	1,040,631
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	1,470,129	1,760,011	1,954,551	38,354	418,076	-	5,641,121

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	1,470,129	1,760,011	1,954,551	38,354	418,076	-	5,641,121
Transfers	-	-	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-	-	-
Depreciation Expense 2024	-	780,000	65,000	251,000	16,500	304	-	1,112,804
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	2,250,129	1,825,011	2,205,551	54,854	418,380	-	6,753,925

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	2,250,129	1,825,011	2,205,551	54,854	418,380	-	6,753,925
Transfers	-	-	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-	-	-
Depreciation Expense 2025	-	780,000	65,000	251,000	16,500	-	-	1,112,500
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	3,030,129	1,890,011	2,456,551	71,354	418,380	-	7,866,425

Net Book value 31 December 2022	3,460,000	9,954,282	350,097	288,137	64,141	621	515,223	14,632,501

Net Book value 31 December 2023	3,460,000	9,260,984	341,456	248,443	47,765	304	3,023,515	16,382,467

Net Book value 31 December 2024	3,460,000	8,480,984	276,456	(2,557)	31,265	-	5,153,515	17,399,663

Net Book value 31 December 2025	3,460,000	7,700,984	211,456	(253,557)	14,765	-	6,273,515	17,407,163

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	367,315	-	367,315
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2022	-	367,315	-	367,315

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	367,315	-	367,315
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2023	-	367,315	-	367,315

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	367,315	-	367,315
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2024	-	367,315	-	367,315

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	367,315	-	367,315
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2025	-	367,315	-	367,315

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	357,728	-	357,728
Transfers	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-
Depreciation Expense 2022	-	6,767	-	6,767
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2022	-	364,495	-	364,495

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	364,495	-	364,495
Transfers	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-
Depreciation Expense 2023	-	2,820	-	2,820
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2023	-	367,315	-	367,315

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2024	-	367,315	-	367,315
Transfers	-	-	-	-
Impairment change 2024	-	-	-	-
Depreciation Expense 2024	-	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2024	-	367,315	-	367,315

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2025	-	367,315	-	367,315
Transfers	-	-	-	-
Impairment change 2025	-	-	-	-
Depreciation Expense 2025	-	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2025	-	367,315	-	367,315

Net Book value 31 December 2022	-	2,820	-	2,820
Net Book value 31 December 2023	-	-	-	-
Net Book value 31 December 2024	-	-	-	-
Net Book value 31 December 2025	-	-	-	-

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
138,147	Creditors Third party	88,202	88,202
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
473,104	Accrued Expenses	473,104	473,104
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
611,250	**Trade payables other payables and accruals - Current**	**561,306**	**561,306**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
611,250	**Total trade payables other payables and accruals**	**561,306**	**561,306**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2023	Details	12-Month Budget 2024	12-Month Budget 2025
	Current Unearned Revenue		
617,366		617,366	617,366
617,366	**Total current portion**	**617,366**	**617,366**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
617,366	**Total Unearned Revenue**	**617,366**	**617,366**

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 11: EMPLOYEE ENTITLEMENTS3

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
-	Annual Leave/Comp-time	-	-
1,389,001	Retirement and long service leave	1,389,001	1,389,001
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
1,389,001	**Total current portion**	**1,389,001**	**1,389,001**
	Non-current employee entitlements		
-	Retirement and long service leave	-	-
-	Other	-	-
-	**Total non-current portion**	**-**	**-**
1,389,001	**Total employee entitlements**	**1,389,001**	**1,389,001**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
2,529,834	Fees and Charges	2,904,960	3,050,208
980,263	General Sales	634,900	634,900
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
6,877,559	Sale of goods and services to Cabinet	8,960,255	8,960,255
-	Sale of goods and services to Other Ministries and Portfolios	-	-
10,387,656	**Total sales of goods and services**	**12,500,115**	**12,645,363**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
2,529,834	Tuition Fees	2,904,960	3,050,208
2,529,834	**Total Fees & Charges**	**2,904,960**	**3,050,208**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
980,263	Book & Merchandise Sales	634,900	634,900
980,263	**Total General Sales**	**634,900**	**634,900**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	-	-
	Sales of Outputs to Cabinet		
6,877,559	Sales of Outputs to Cabinet	8,960,255	8,960,255
	Other Outputs		
6,877,559	**Total Sales of Outputs to Cabinet**	**8,960,255**	**8,960,255**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
10,387,656	**Total Goods and Services**	**12,500,115**	**12,645,363**

NOTE 17: DONATIONS

12-Month Forecast 2023	Source	12-Month Budget 2024	12-Month Budget 2025
278,380	**Donation Scholorship**	480,000	480,000
278,380	**Total donations**	**480,000**	**480,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
7,032,759	Salaries, wages and allowances	7,106,908	7,106,908
-	Health care CINICO	-	-
245,370	Health care other	306,943	306,944
300,466	Pension	358,000	358,000
-	Leave	-	-
267,862	Other personnel related costs	142,000	142,000
7,846,457	**Total Personnel Costs**	**7,913,851**	**7,913,852**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
647,527	Supplies and Materials	799,456	885,591
2,455,142	Purchase of services	2,311,504	2,362,870
72,000	Lease of Property and Equipment	75,000	75,000
475,504	Utilities	521,000	527,550
150,305	General Insurance	215,000	215,000
-	Interdepartmental expenses	-	-
1,022	Travel and Subsistence	1,500	1,500
-	Recruitment and Training	-	-
64,805	Other	30,000	31,500
3,866,305	**Total Supplies & consumables**	**3,953,460**	**4,099,011**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(2,090,177)	**Surplus/(deficit) from ordinary activities**	-	-
	Non-cash movements		
1,043,451	Depreciation & Amortisation	1,112,804	1,112,500
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	121,000	120,000
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	(49,945)	
(1,046,726)	**Net cash flows from operating activities**	**1,183,859**	**1,232,500**

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget 2024	12-Month Budget 2025
Capital Commitments					
Property, plant and equipment	590,000	-	-	590,000	-
Other fixed assets	-	-	-	-	-
Other commitments (list separately if material)	-	-	-	-	-
Total Capital Commitments	590,000	-	-	590,000	-
Operating Commitments					
Non-cancellable accommodation leases	-	-	-	-	-
Other non-cancellable leases	-	-	-	-	-
Non-cancellable contracts for the supply of goods and services	-	-	-	-	-
Other operating commitments	-	-	-	-	-
Total Operating Commitments	-	-	-	-	-
Total Commitments	590,000	-	-	590,000	-

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,003,058	Salaries & other short-term employee benefits	943,073	943,073
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
1,003,058	**Total**	**943,073**	**943,073**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

UTILITY REGULATION
AND COMPETITION OFFICE

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT

(2020 REVISION)

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

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Utility Regulation and Competition Office have agreed the Utility Regulation and Competition Office will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Utility Regulation and Competition Office is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

Utility Regulation and Competition Office ('OfReg' or the 'Office') is the independent multisector authority established by the enactment of the Utility Regulation and Competition Act (2021 Revision) and commenced operations on January 16, 2017.

The Office's primary functions are provided in the URC Act are to:

- promote objectives set out in Policy
- promote appropriate effective and fair competition
- protect the short and long term interests of consumers in relation to utility services
- promote innovation and facilitate economic and national development

Although the Office's genesis has come about from an amalgamation of the Information and Communications Technology Authority ('ICTA'), the Electricity Regulatory Authority ('ERA') and the Petroleum Inspectorate, which hitherto had been a Department of the Government of the Cayman Islands its responsibilities have been broadened and now encompass the following sectors and activities:.

- Information and communication technology
- Energy/electricity production and distribution
- Water production and distribution
- Fuels and Dangerous Substances
- Innovation for the facilitation of economic development
- Enhanced consumer protection functions

The URC Act sets out broad duties, functions and powers while sector specific laws provide for sector specific powers and functions (which may differ from sector to sector)

The enabling acts are:

Utility Regulation and Competition (URC) Act (2021 Revision)

Dangerous Substances Act (2017 Revision)

Electricity Act (2008 Revision)

Electricity Sector Regulation (ESR) Act (2019 Revision)

Electronic Transactions Act (2003 Revision)

Fuel Market Regulation Act (2017)

Information and Communications Technology (ICT) Act (2019 Revision)

Wastewater Collection and Treatment Act (2019 Revision)

Water Authority Act (2018 Revision)

Water (Production and Supply) Act (2018 Revision)

Water Sector Regulation Act (2019 Revision

SCOPE OF ACTIVITIES

OfReg's activities are governed by the specific responsibilities set out under the various laws mentioned above. The following activities in particular, represent the key day to day activities carried out by Ofreg in respect of all the sectors which it regulates:

(a) To protect the short- and long-term interests of consumers in relation to utility services;

(b) Take appropriate enforcement action, including the imposition of administrative fines;

(c) Consider and issue licences for specified services within the Cayman Islands, or between the Cayman Islands and elsewhere;

(d) Impose, and monitor adherence to, conditions on all licensees;

(e) Carry out day to day supervision of all licensees to ensure full compliance with the licensees' obligations under the respective legislation;

(f) Promote and facilitate fair competition in each sector in accordance with the legislation and any other formal agreements with the licensee where it is reasonable or necessary to do so;

(g) Promote and facilitate innovation and safety in each sector, including in accordance with any strategic objectives of the Cayman Islands Government's and aligned with the Government's international obligations;

(h) To investigate and resolve complaints from consumers and service providers concerning the provision of services in each sector;

(i) To collect all fees, including licence fees, and any other charges levied under the various acts or regulations made thereunder;

(j) To resolve disputes concerning the interconnection or sharing of infrastructure between or among ICT service providers or ICT network providers;

(k) To promote and maintain an efficient, economic and harmonised infrastructure for each sector;

(l) To act on any matter referred to it by the Minister; and

(m) Implement Government policy as it relates to each sector and provide policy advice to the Cabinet on matters pertaining to each sector.

(n) To provide a framework for the protection of Critical National Infrastructure(CNI)

CUSTOMERS AND LOCATION OF ACTIVITIES

The Office primarily serves the residents of the Cayman Islands and services are normally delivered within the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Utility Regulation and Competition Office for the 2024 and 2025 financial years are as follows:

Vision Statement

Fair regulation for consumers and industry.

Mission

To ensure safe, reliable, economic public utilities to businesses and the people of the Cayman Islands.

Strategic Focus 2024 - 2025

Develop and implement strategies designed to enable the people of the Cayman Islands to have access to and utilise new technologies to improve their lives through increased economic activity while ensuring that traditional utility services continue to be delivered efficiently and at least economic cost.

Strategic goals and objectives

The key strategic goals and objectives for *the Utility Regulation and Competition Office* for the 2024 and 2025 financial years are as follows:

- To maintain a minimum of 90-day operating expenses reserve for the organisation.
- To carry out an assessment of the costs of regulating the fuel sector in comparison to the sector's related revenues and to determine appropriate action to resolve any deficiencies in resources with regard to the economic viability of this sector. This assessment will be completed by 31 December 2024.
- To review existing corporate governance policies and procedures and update as required to enable the Utility Regulation and Competition Office to effectively carry out its functions under the various laws by 31 December 2025.
- To identify and complete the necessary IT governance policies and procedures required to enable the Utility Regulation and Competition Office to effectively carry out its functions under the various laws by 31 December 2024.
- To review existing legislation and regulations and amend as required to enable the Utility Regulation and Competition Office to enhance its' operating effectiveness.
- To complete a Human Resources assessment by 30 June 2025 to determine the following:
    - Identify skills gaps to cater to the evolving nature of the sectors which are under our remit,

- Training and development opportunities for the enhancement of capabilities of staff in all sectors,
- Cross training opportunities within the organization.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Utility Regulation and Competition Office for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	1,780	1,780	1,758
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	20	20	20
REVENUE FROM OTHERS	4,751	5,101	4,684
OPERATING EXPENSES	6,551	6,898	5,825
OPERATING SURPLUS/DEFICIT	**-**	**2**	**635**
NET WORTH	6,170	6,172	**6,170**
CASH FLOWS FROM OPERATING ACTIVITIES	(62)	129	131
CASH FLOWS FROM INVESTING ACTIVITIES	(653)	(12)	(199)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(715)	117	(67)

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024**	**2025 1 Jan to 31 Dec 2025**	**2023 12-Month Forecast**
CURRENT ASSETS: CURRENT LIABILITIES	22.67:1	23.42:1	24.42:1
TOTAL ASSETS: TOTAL LIABILITIES	8.38:1	8.39:1	8.38:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	32	34	28
STAFF TURNOVER (%)			
MANAGERS	-	-	7.69
PROFESSIONAL AND TECHNICAL STAFF	-	-	3.85
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	4.96	5.96	5.47
PROFESSIONAL AND TECHNICAL STAFF	6.17	6.35	7.21
CLERICAL AND LABOURER STAFF	16.13	17.13	15.13
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	NONE	NONE	NONE

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	7,005	7,008	7,006
ASSET REPLACEMENTS: TOTAL ASSETS	0.01	0.004:1	0.01:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.60:1	0.46:1	0.50:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.28:1	17.55:1	0.50:1
CHANGES TO ASSET MANAGEMENT POLICIES	NONE	NONE	NONE

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
IT SYSTEM UPGRADE	300	-	-
FURNITURE AND FITTINGS	200	-	-
	-	-	-
TOTAL	**500**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Inability to collect regulatory fees for a period of time due to unforeseen circumstances (ie. natural disaster)	Risk Unchanged	Maintenance of a general reserve fund	>$1m
Inability to stay current with industry standards and developments	Risk Unchanged	Investment in leadership and management training Attendance at key regulatory related conferences and training courses HR assessment to identify skills gaps, training and cross training opportunities Expanding organizational structure to strengthen the organization through the addition of key roles	Cannot be estimated
Loss of key personnel	Risk Unchanged	Expanding organizational structure to strengthen the organization through the addition of key roles Cross training, succession planning and performance assessments and recognition Develop a culture that fosters employee engagement and satisfaction	Cannot be estimated
Contingent liabilities - Threat of litigation	Risk Unchanged	Effective regulatory procedures and adequate insurance coverage	Cannot be estimated
Risk of financial fraud	Risk Unchanged	Ensure adequate internal controls are in place with proper payment authorizations. Checks are secured, and minimum cash is on hand	Cannot be estimated

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
IT Security Risk – the risk of an information security incident	Risk Unchanged	Enhancement of IT Security Risk policy Addition of IT Manager IT Systems Security Testing	Cannot be estimated
Reputational Risk	Risk Unchanged	Continuance of Public Relations and Communications plan Continuous engagement with Stakeholders Ensuring efficient and effective decision making on regulatory matters	Cannot be estimated
Force Majeure	Risk Unchanged	Maintenance of a general reserve Fund Enhancement of the business continuity/disaster recovery plan	Cannot be estimated

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Utility Regulation and Competition Office is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 25 $000's	2023 12-Month Forecast $000's
REVENUE	6,551	6,901	6,461
OPERATING EXPENSES	6,551	6,898	5,825
NET SURPLUS/(DEFICIT)	-	3	635

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	7,005	7,008	7,006
LIABILITIES	836	835	835
NET WORTH	6,170	6,172	6,170

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(62)	129	131
CASH FLOWS FROM INVESTING ACTIVITIES	(653)	(12)	(199)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO UTILITY REGULATION AND COMPETITION OFFICE		
CAPITAL WITHDRAWALS FROM UTILITY REGULATION AND COMPETITION OFFICE		
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY UTILITY REGULATION AND COMPETITION OFFICE		
GOVERNMENT LOANS TO BE MADE TO UTILITY REGULATION AND COMPETITION OFFICE		
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO UTILITY REGULATION AND COMPETITION OFFICE		
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[47]		
REMUNERATION[48] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	281	281
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	909	954

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	8	8

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

[48] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Utility Regulation and Competition Office will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Jay Ebanks, MP
Minister for Planning, Agriculture, Housing, Infrastructure, Transport and Development
On behalf of Cabinet



Chairman of the Board
Utility Regulation and Competition Office

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Utility Regulation and Competition Office for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board

Utility Regulation and Competition Office

31 December 2023

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF ACCOUNTING POLICIES
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board ("IPSASB"). The significant accounting policies adopted by the Utility Regulation and Competition Office in these financial statements are as follows:

(a) Basis of preparation

The financial statements of the Utility Regulation and Competition Office are presented in Cayman Island dollars and are prepared on the accrual basis under the historical cost convention.

(b) Use of estimates

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of income and expenses during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(c) Foreign currency translation

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

(d) Cash and cash equivalents

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

(e) Short Term Investments

Short-term Investments represent term deposits with banks or other financial institutions with original maturities of greater than three months but less than twelve months.

(f) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collectible by the Authority according to the agreed terms a provision for bad debt is established.

(g) Property, plant and equipment/depreciation and amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization, and any impairment losses.

Depreciation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of the property, plant and equipment and leasehold improvements are amortized over the life of the lease.

The estimated useful lives of the other fixed assets are as follows:

Office equipment and furniture	3 – 5 Years
IT equipment	3 Years
Computer Software	3 - 5 Years
Motor Vehicles	7 Years
Other Equipment	3 – 10 Years
Leasehold Improvements	5 Years

Management reviews the depreciation and amortization method and useful life periodically to ensure that they are consistent with the expected economic benefits from property, plant and equipment.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Office recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Office's activities described below.

Regulatory Fees - Regulatory Fees are the main source of revenue for the Office. Regulatory fees are collected from each sector, with revenue recognized from the administration of licensing arrangements with major licensees.

Services provided to the Government – The Office provides services to the Government which are established and defined through a Purchase Agreement. The purchase agreement details the outputs that the Government and the Office has agreed that the Office will deliver and the Cabinet will purchase in a particular fiscal year. Revenue is recognized when the performance obligations agreed in the purchase agreement are performed. Payments will be made on the basis of a quarterly invoice provided to the Government by the Office.

Licensing fees – The Office issues licences for specified services within the various sectors that it regulates. Revenue is recognized once the license has been issued or in some instances, revenue from application fees are recognized upon receipt of the application for the license.

Permit Fees – The Office processes applications for operating permits for premises and vehicles used to store or transport dangerous substances, under the Dangerous Substances Handling and Storage Act, 2017. The Office also processes applications for permits in relation to the importation of fuel and compressed gas and revenue is recognized once the permit has been issued.

KY Domain Fees – The Office has been delegated authority from the Government, in accordance with section 9(i) of the ICTA Act (2017) for the management and administration of the .ky internet domain. A domain name registration fee is charged upon initial registration of the domain and also at the time of renewal. Fees are charged to domain owners on an annual basis. Revenue is recognized once a domain name has been granted. The management of the .ky domain is contracted to a third party, who remits payment of the registration fees on a quarterly basis.

All application and licence fees are non-refundable.

(i) Operating lease

Lease payments are recognized as an expense on a straight-line basis over the lease term.

(j) Financial Instruments

(a) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are comprised of accounts payables and accrued expenses.

(b) Recognition

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

(c) *Measurement*

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

(d) Derecognition

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

(k) Provisions and Contingencies

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

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

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
5,072,894	Cash and cash equivalents	1	4,357,025	4,474,879
-	Marketable securities and deposits		-	-
1,350,000	Trade receivables	2	1,541,934	1,571,216
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
137,144	Prepayments	5	190,967	244,790
-	Loans	6	-	-
6,560,038	**Total Current Assets**		**6,089,926**	**6,290,885**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
441,679	Property, plant and equipment	7	651,471	518,057
4,057	Intangible Assets	8	263,837	198,617
445,736	**Total Non-Current Assets**		**915,308**	**716,674**
7,005,774	**Total Assets**		**7,005,234**	**7,007,559**
	Current Liabilities			
182,233	Trade payables	9	182,233	182,233
66,386	Other payables and accruals	9	66,386	66,386
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
20,000	Employee entitlements	11	20,000	20,000
-	Current Portion of Borrowings	12	-	-
268,619	**Total Current Liabilities**		**268,619**	**268,619**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
161,000	Unfunded pension liability	13	161,000	161,000
406,000	Unfunded post retirement health care	14	406,000	406,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
567,000	**Total Non-Current Liabilities**		**567,000**	**567,000**
835,619	**Total Liabilities**		**835,619**	**835,619**
6,170,155	**Net Assets**		**6,169,615**	**6,171,940**
	NET WORTH			
2,420,891	Contributed capital		2,420,891	2,420,891
2,600,000	Other Reserves		2,600,000	2,600,000
664,000	Revaluation reserve		664,000	664,000
485,264	Accumulated surpluses/(deficits)		484,724	487,050
6,170,155	**Total Net Worth**		**6,169,615**	**6,171,941**

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
6,460,714	Sale of goods and services	15	6,550,625	6,900,625
-	Investment revenue	16	-	-
-	Donations	17	-	-
-	Other revenue		-	-
6,460,714	**Total Revenue**		**6,550,625**	**6,900,625**
	Expenses			
3,874,344	Personnel costs	18	4,252,827	4,780,710
1,646,951	Supplies and consumables	19	2,064,910	1,856,955
98,985	Depreciation and Amortisation	7	183,428	210,634
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	20	-	-
205,000	Litigation costs	21	50,000	50,000
-	Other (Gains)/losses	22	-	-
-	Other Operating expenses		-	-
5,825,280	**Total Expenses**		**6,551,165**	**6,898,299**
635,434	**Surplus or (Deficit) for the period**		**(540)**	**2,326**

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,799,958	Sale of goods and services to Cabinet		1,813,816	1,780,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
3,849,822	Sale of goods and services - third party		4,453,644	5,055,866
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(3,874,344)	Personnel costs		(4,252,827)	(4,780,710)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(1,644,036)	Supplies and consumables - third party		(2,077,503)	(1,925,303)
-	Interest paid		-	-
-	Other payments		-	-
131,400	**Net cash flows from operating activities**	**23**	**(62,870)**	**129,854**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(199,277)	Purchase of property, plant and equipment		(653,000)	(12,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(199,277)	**Net cash flows from investing activities**		**(653,000)**	**(12,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
(67,877)	**Net increase/(decrease) in cash and cash equivalents**		**(715,870)**	**117,854**
5,140,772	Cash and cash equivalents at beginning of period		5,072,895	4,357,025
5,072,895	**Cash and cash equivalents at end of period**		**4,357,025**	**4,474,878**

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	2,420,891	1,627,000	57,000	295,838	4,400,729
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	2,420,891	1,627,000	57,000	295,838	4,400,729
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	573,000	607,000	(573,000)	607,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	573,000	607,000	(573,000)	607,000
Surplus/(deficit)for the period 2022	-	-	-	526,992	526,992
Total recognised revenues and expenses for the period	-	573,000	607,000	(46,008)	1,133,992
Balance at 31 December 2022	2,420,891	2,200,000	664,000	249,830	5,534,721
Balance at 31 December 2022 brought forward	2,420,891	2,200,000	664,000	249,830	5,534,721
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	2,420,891	2,200,000	664,000	249,830	5,534,721
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	400,000	-	(400,000)	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	400,000	-	(400,000)	-
Surplus/(deficit)for the period 2023	-	-	-	635,434	635,434
Total recognised revenues and expenses for the period	-	400,000	-	235,434	635,434
Balance at 31 December 2023 carried forward	2,420,891	2,600,000	664,000	485,264	6,170,155

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	2,420,891	2,600,000	664,000	485,264	6,170,155
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	2,420,891	2,600,000	664,000	485,264	6,170,155
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2024	-	-	-	(540)	(540)
Total recognised revenues and expenses for the period	-	-	-	(540)	(540)
Balance at 31 December 2024 carried forward	2,420,891	2,600,000	664,000	484,724	6,169,615
Balance at 31 December 2024 brought forward	2,420,891	2,600,000	664,000	484,724	6,169,615
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	2,420,891	2,600,000	664,000	484,724	6,169,615
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025	-	-	-	2,326	2,326
Total recognised revenues and expenses for the period	-	-	-	2,326	2,326
Balance at 31 December 2025	2,420,891	2,600,000	664,000	487,050	6,171,941

UTILITY REGULATION AND COMPETITION OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
500	Cash on hand	500	500
-	Cash in transit	-	-
1,896,169	CI$ Account	1,136,950	1,229,804
556,650	US$ Account	600,000	625,000
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
2,619,575	Short-Term Fixed Deposits	2,619,575	2,619,575
5,072,894	**TOTAL**	**4,357,025**	**4,474,879**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
439,439	Sale of goods and services to Cabinet	445,000	445,000
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
985,561	Sale of goods and services - third party	1,166,934	1,171,216
	Other		
(75,000)	**Less: provision for doubtful debts**	(70,000)	(45,000)
1,350,000	**Total trade receivables**	**1,541,934**	**1,571,216**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
1,314,674	Past due 1-30 days	1,501,586	1,530,102
608	Past due 31-60 days	694	707
11,939	Past due 61-90 days	13,637	13,896
22,779	Past due 90 and above	26,017	26,511
	Non-Current		
-	Past due 1 year and above	-	-
1,350,000	**Total**	**1,541,934**	**1,571,216**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(54,648)	Balance at begining oF period	(75,000)	(70,000)
(45,352)	Additional provisions made during the year	-	-
25,000	Receivables written off during the period	5,000	25,000
(75,000)	**Balance at 31st December**	**(70,000)**	**(45,000)**

NOTE 5: PREPAYMENT

12-Month Forecast 2023	Prepayments	12-Month Budget 2024	12-Month Budget 2025
	Current Prepayments		
137,144		190,967	244,790
137,144	**Prepayments - Current**	**190,967**	**244,790**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
137,144	**Total Prepayments**	**190,967**	**244,790**

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	80,602	13,887	268,155	44,303	236,648	643,595
Additions	52,790	-	48,414	63,746	35,801	200,751
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	133,392	13,887	316,569	108,049	272,449	844,346

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	133,392	13,887	316,569	108,049	272,449	844,346
Additions	60,000	-	110,220	29,057	-	199,277
Disposals and Derecognisation	-	-	(174,375)	-	-	(174,375)
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	193,392	13,887	252,414	137,106	272,449	869,248

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	193,392	13,887	252,414	137,106	272,449	869,248
Additions	-	-	123,000	200,000	30,000	353,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	193,392	13,887	375,414	337,106	302,449	1,222,248

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	193,392	13,887	375,414	337,106	302,449	1,222,248
Additions	-	-	12,000	-	-	12,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	193,392	13,887	387,414	337,106	302,449	1,234,248

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	22,792	289	214,520	31,141	160,420	429,162
Transfers	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2022	10,906	2,777	32,078	6,140	24,108	76,009
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-
Balance as at 31 December 2022	33,698	3,066	246,598	37,281	184,528	505,171

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	33,698	3,066	246,598	37,281	184,528	505,171
Transfers	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2023	20,909	2,777	44,560	3,797	24,730	96,773
Eliminate on Disposal or Derecognisation 2023	-	-	(174,375)	-	-	(174,375)
Balance as at 31 December 2023	54,607	5,843	116,783	41,078	209,258	427,569

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	54,607	5,843	116,783	41,078	209,258	427,569
Transfers	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-
Depreciation Expense 2024	25,440	2,777	58,374	39,671	16,946	143,208
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-
Balance as at 31 December 2024	80,047	8,620	175,157	80,749	226,204	570,777

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	80,047	8,620	175,157	80,749	226,204	570,777
Transfers	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-
Depreciation Expense 2025	25,440	2,777	60,580	39,671	16,946	145,414
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-
Balance as at 31 December 2025	105,487	11,397	235,737	120,420	243,150	716,191

Net Book value 31 December 2022	99,694	10,821	69,971	70,768	87,921	339,175

Net Book value 31 December 2023	138,785	8,044	135,631	96,028	63,191	441,679

Net Book value 31 December 2024	113,345	5,267	200,257	256,357	76,245	651,471

Net Book value 31 December 2025	87,905	2,490	151,677	216,686	59,299	518,057

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2022	14,426	14,426
Additions	-	-
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2022	14,426	14,426

	Computer Software	*Total*
Balance as at 1 January 2023	14,426	14,426
Additions		-
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2023	14,426	14,426

	Computer Software	*Total*
Balance as at 1 January 2024	14,426	14,426
Additions	300,000	300,000
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2024	314,426	314,426

	Computer Software	*Total*
Balance as at 1 January 2025	314,426	314,426
Additions		-
Disposals and Derecognisation		-
Revaluation		-
Transfers		-
Balance as at 31 December 2025	314,426	314,426

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2022	7,788	7,788
Transfers		-
Impairment Reserve 2022 (closing balance)		-
Depreciation Expense 2022	369	369
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2022	8,157	8,157

	Computer Software	*Total*
Balance as at 1 January 2023	8,157	8,157
Transfers		-
Impairment Reserve 2023 (closing balance)		-
Depreciation Expense 2023	2,212	2,212
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2023	10,369	10,369

	Computer Software	*Total*
Balance as at 1 January 2024	10,369	10,369
Transfers		-
Impairment change 2024		-
Depreciation Expense 2024	40,220	40,220
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2024	50,589	50,589

	Computer Software	*Total*
Balance as at 1 January 2025	50,589	50,589
Transfers		-
Impairment change 2025		-
Depreciation Expense 2025	65,220	65,220
Eliminate on Disposal or Derecognisation		-
Balance as at 31 December 2025	115,809	115,809

Net Book value 31 December 2022	6,269	6,269
Net Book value 31 December 2023	4,057	4,057
Net Book value 31 December 2024	263,837	263,837
Net Book value 31 December 2025	198,617	198,617

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
182,233	Creditors Third party	182,233	182,233
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
60,000	Accrued Expenses	60,000	60,000
6,386	Other payables	6,386	6,386
-	Dividends/Surplus Payable	-	-
248,619	**Trade payables other payables and accruals - Current**	**248,619**	**248,619**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
248,619	**Total trade payables other payables and accruals**	**248,619**	**248,619**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current employee entitlements		
20,000	Annual Leave/Comp-time	20,000	20,000
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
20,000	**Total current portion**	**20,000**	**20,000**
	Non-current employee entitlements		
-	Retirement and long service leave	-	-
-	Other	-	-
-	**Total non-current portion**	**-**	**-**
20,000	**Total employee entitlements**	**20,000**	**20,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
504,000	Value of pension fund allocated asstes	504,000	504,000
(665,000)	Past service liability	(665,000)	(665,000)
(161,000)	**Fund (deficiency)/Surplus**	**(161,000)**	**(161,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(406,000)		(406,000)	(406,000)
(406,000)	**Total Unfunded Health Care Liability**	**(406,000)**	**(406,000)**

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
4,252,377	Fees and Charges	4,694,825	5,044,825
-	General Sales	-	-
-	Rentals	-	-
450,630	Other Goods & Services Revenue	75,800	75,800
1,757,707	Sale of goods and services to Cabinet	1,780,000	1,780,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
6,460,714	**Total sales of goods and services**	**6,550,625**	**6,900,625**

12-Month Forecast 2023	*Fees and Charges*	12-Month Budget 2024	12-Month Budget 2025
3,555,000	Regulatory Fees	3,665,000	4,015,000
407,377	Licensing Fees	683,600	683,600
200,000	ky domain fees	235,000	235,000
90,000	Permit Fees	111,225	111,225
4,252,377	**Total Fees & Charges**	**4,694,825**	**5,044,825**

NOTE 15A: SALE AND GOODS OF SERVICES (CONTINUED)

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
450,630	Other Income	75,800	75,800
450,630	**Total Other Goods & Services Revenue**	**75,800**	**75,800**
	Sales of Outputs to Cabinet		
1,757,707	Sales of Outputs to Cabinet	1,780,000	1,780,000
-	Other Outputs	-	-
1,757,707	**Total Sales of Outputs to Cabinet**	**1,780,000**	**1,780,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
6,460,714	**Total Goods and Services**	**6,550,625**	**6,900,625**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
2,848,780	Salaries, wages and allowances	3,079,328	3,494,953
121,839	Health care CINICO	136,460	152,835
447,048	Health care other	525,817	563,205
363,102	Pension	386,172	437,792
20,000	Leave	20,000	20,000
73,575	Other personnel related costs	105,050	111,925
3,874,344	**Total Personnel Costs**	**4,252,827**	**4,780,710**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
7,300	Supplies and Materials	11,800	11,800
987,399	Purchase of services	1,313,046	1,090,853
240,310	Lease of Property and Equipment	256,208	267,427
92,940	Utilities	90,720	92,820
25,725	General Insurance	28,900	29,900
60,000	Interdepartmental expenses	60,000	60,000
53,500	Travel and Subsistence	55,793	58,500
134,425	Recruitment and Training	156,500	153,712
45,352	Other	91,943	91,943
1,646,951	**Total Supplies & consumables**	**2,064,910**	**1,856,955**

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 21: LITIGATION COST

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
205,000	Legal Fees	50,000	50,000
-	Description	-	-
205,000	**Total Litigation cost**	**50,000**	**50,000**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
635,434	**Surplus/(deficit) from ordinary activities**	(540)	2,326
	Non-cash movements		
98,985	Depreciation & Amortisation	183,428	210,634
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
(349,000)	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(157,981)	(Increase)/decrease in other current assets - Other	(245,758)	(83,106)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(96,038)	(Increase/(decrease) in current liabilities - Other	-	-
131,400	**Net cash flows from operating activities**	**(62,870)**	**129,854**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

WATER AUTHORITY OF THE CAYMAN ISLANDS

FOR THE 2024 FINANCIAL YEAR ENDING 31 DECEMBER 2024
AND THE 2025 FINANCIAL YEAR ENDING 31 DECEMBER 2025

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

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

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Water Authority of the Cayman Islands have agreed the Water Authority of the Cayman Islands will seek to achieve during the 2024 and 2025 financial years.

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

2. NATURE AND SCOPE OF ACTIVITIES

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

GENERAL NATURE OF ACTIVITIES

Water Authority – Cayman's activities are;

To ensure that the entire population of the Cayman Islands have access to a pure, wholesome and affordable supply of potable water.

To protect and develop groundwater resources for the benefit of present and future populations of these islands.

To provide for the collection, treatment and disposal of sewage within these islands in a manner that is safe, efficient and affordable.

To operate in such a manner as to be financially self-sufficient, while contributing to the economy of these islands and achieving a reasonable and acceptable return on capital investments.

SCOPE OF ACTIVITIES

Maintain Water Production Capacity, Distribution and Storage to ensure distribution reliability.

Maintain Adequate Infrastructure to Operate Efficiently.

Water Distribution Extension and Water Works Facility.

Improve Integrity of existing Collection System and Future Expansions.

CUSTOMERS AND LOCATION OF ACTIVITIES

Water Authority of the Cayman Islands provides sewer services on Grand Cayman and potable water to both Grand Cayman and Cayman Brac. The administrative offices are located at 13G Red Gate Road (949-2837) with a satellite office on the island of Cayman Brac (947-1403).

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives (from an ownership perspective) for the Water Authority (WA) of the Cayman Islands for the 2024 and 2025 financial years have been reviewed and approved by the Board. The 10-year Capital Development and Maintenance plan identifies and prioritises the capital assets and financial resources required over the next 10-years. For the purpose of this document the Authority highlights the main projects in 2024 and 2025:

1) GCM - Maintain Water Production Capacity, Distribution and Storage to ensure distribution reliability

- 2024 - Additional Reservoirs **–** Construction of two 3-million-gallon capacity Water Storage Tanks to accommodate expected growth within the distribution system and facilitate regular maintenance on existing tanks.
- 2024 – Booster and Pumping Station – Add booster station and an additional pump station for the water distribution system. Installation will improve operational flexibility.
- 2024 and 2025 – Additional RO Plants – To accommodate expected growth within the distribution system, improve operational reliability and flexibility of distribution system and maintain consistent pressure.
- 2024 and 2025 – New Locations, Site clearance – Add re-pumping facility to improve operational flexibility.

2) GCM – Maintain Adequate Infrastructure to Operate Efficiently

- Continuous **–** Upgrade and maintain existing water services, sample taps and miscellaneous pipeline extensions throughout the water supply system to ensure integrity of the system.
- 2024 and 2025 – Administration Office Extension, including Lab and Solar Power Canopy at parking lot **–** provide a purpose-built facility to accommodate a growing work force, a dedicated Laboratory area, a secure location for internal files storage, allowing accessibility and flexibility in retrieval, taking into consideration necessary precautions to protect contents from natural disasters and eliminate offsite storage fees. The project was delayed due to COVID restrictions in 2020 and 2021.
- Continuous – District Meter Areas (DMA's) **–** DMA's will increase the number of distinct zones within the water distribution system, and allow better identification of potential problem areas, which will assist in reducing the non-revenue water.
- Continuous – Advanced Metering Infrastructure (AMI) - Pilot study to ascertain the feasibility of installing an AMI in the Cayman Islands. These metering systems enable measurement of detailed time-based information and frequent collection of the data, distributed to various parties, allowing both the Customer and the WA to make strategic business decisions. Progress on this project Water Authority partially delayed due to COVID restrictions in 2020 and 2021.
- 2024 and 2025 – Vehicle Maintenance Building – A specially constructed building to efficiently service the Authority's growing vehicle and equipment fleet in a safe and efficient environment. The project was delayed due to COVID restrictions in 2020 and 2021.

3) CYB – Water Distribution Extension and Water Works Facility

- Continuous - Cayman Brac Extension Project – ***Phase III - Install 8-inch pipe along the north coast to Spot Bay.*** Extension of piped water in response to fulfilment of the Water Authority's Mission and provide convenience of "city water" to residents living on Cayman Brac. Phase III will extend the

existing distribution system approximately 26,000 feet, providing piped water to nearly 200 developments (houses, apartment complexes, restaurants, businesses), or to more than 400 residents.

- 2024 and 2025 - Cayman Brac Water Infrastructure – Potable Water Storage Tank / Pumping Station and Post Treatment Building / Administration Building and Pipe Storage Rack and Stores at the Authority's Bluff Water Works (BWW). New infrastructure to accommodate the installation of two additional water storage tanks, construction of pumping station to treat and distribute water from the BWW, construct administrative headquarters for CYB, storage building to safely store spare pipes and materials. The project was delayed due to COVID restrictions in 2020 and 2021.

4) <u>Wastewater – Improve Integrity of existing Collection System and Future Expansions</u>

- 2023 and 2024 – Construction of WWTP – Phase II – to expand current treatment facility to accommodate the rapid growth within the catchment area and to be ready for any future collection system additions. The project was delayed due to COVID restrictions in 2020 and 2021.
- 2024 and beyond – Sewerage System Extensions - replace existing privately-owned sewerage systems and install new extensions to connect residents and businesses to the wastewater collection system to ensure proper treatment of wastewater.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Water Authority of the Cayman Islands for the 2024 and 2025 financial years are as follows:

	2024 1 Jan to 31 Dec 2024 $000's	**2025 1 Jan to 31 Dec 2025 $000's**	**2023 12-Month Forecast $000's**
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	48,707	52,732	45,110
OPERATING EXPENSES	(47,624)	(51,812)	(43,357)
OPERATING SURPLUS/DEFICIT	**1,083**	**920**	**1,753**
NET WORTH	**73,785**	**74,455**	**72,952**
CASH FLOWS FROM OPERATING ACTIVITIES	11,060	13,881	13,083
CASH FLOWS FROM INVESTING ACTIVITIES	(25,880)	(14,849)	(5,756)
CASH FLOWS FROM FINANCING ACTIVITIES	(259)	(260)	(259)
CHANGE IN CASH BALANCES	(15,079)	(1,228)	7,067

FINANCIAL PERFORMANCE RATIO	**2024 1 Jan to 31 Dec 2024 %**	**2025 1 Jan to 31 Dec 2025 %**	**2023 12-Month Forecast %**
CURRENT ASSETS: CURRENT LIABILITIES	12.57:1	7.71:1	16.50:1
TOTAL ASSETS: TOTAL LIABILITIES	2.06:1	1.98:1	2.15:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025	2023 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	170	180	160
STAFF TURNOVER (%)	7%	7%	7%
MANAGERS	-	-	
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	13 yrs	13 Yrs	13 Yrs
MANAGERS	-	-	
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	86,541	115,524	64,612
ASSET REPLACEMENTS: TOTAL ASSETS	29.9%	31.0%	6.4%
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	51.5%	56.7%	45.5%
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	15.3%	19.0%	87.5%
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
2024 – BOOSTER AND PUMPING STATIONS	400	300	200
2024 – ADDITIONAL REVERSE OSMOSIS PLANT	9,000	-	-
2024 – OPERATIONS BUILDING	-	1,000	-
2024/2025 – RUM POINT SITE CLEARANCE / STORAGE TANK	400	600	-
2025 – ADDITIONAL RESERVOIR	-	1,600	-
GCM – CONTINUOUS	1,500	1,500	1,500
ADMINISTRATION OFFICE EXTENSION	4,000	4,000	-
GCM – CONTINUOUS – DISTRICT METER AREAS (DMA) METER VAULTS AND ADVANCED METER INFRASTRUCTURE (AMI)	1,050	1,050	1,050
2025 - VEHICLE MAINTENANCE BUILDING	-	2,500	-
CONTINUOUS – CYB – EXTENSION PROJECT	1,000	1,000	1,000
BWW- INFRASTRUCTURE POTABLE WATER STORAGE TANK PUMPING STATION AND POST TREATMENT ADMINISTRATION BUILDING	1,800	4,350	-
2025 AND 2026 – CONSTRUCTION OF WWTP – PHASE II	250	9,000	-
2025 ONGOING – SEWERAGE SYSTEM EXTENSIONS	1,000	4,200	500
TOTAL	**20,400**	**31,100**	**4,250**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2023	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial Restrictions due to moratorium on borrowing and the inability of the Authority to make necessary capital investments into water and wastewater infrastructure to meet the growing needs of the Islands.	Period of no borrowing request from CIG remains in place.	Work together with the Ministry and public officials to anticipate future demands.	The financial risk is the potential of lost revenue due to the inability of the WA to meet the water demands of the public Same with collection and treatment of wastewater revenue.
Employee / Public Liability / Motor Vehicle	No identified change in risk status	Adequate insurance maintained to mitigate the risk	Undeterminable
Indemnity Insurance	No identified change in risk status	Adequate insurance maintained to mitigate the risk	Undeterminable
COVID-19	In March 2020 the World Health Organization officially declared COVID-19 outbreak a pandemic. In May 2023 the CDC declared that Covid- 19 is no longer a global health emergency.	The Authority provides an essential service and the financial performance remained consistent with prior years. As the country and the world move forward now that COVID-19 is no longer a global health emergency the Authority does not expect this matter to materially impact its operating results.	Management does not consider COVID- 19 to be a materially contributing factor in its operating results
Section 47 and 48 of the Public Authorities Act	Section 47 came into effect on 01 June 2019 requiring public authorities to use the same salary structure as determined by the Cayman Islands Cabinet office and requires the remuneration of employees of a public authority to be adjusted to reduce any differences between the public authorities and public service pay grades.	The Cayman Island Government Portfolio of the Civil Service together with the Water Authority need to assess the impact on the business of the Authority, the ability to attract and retain qualified personnel in a competitive job market and to have a compensation package similar to that of the Civil Service.	Management of the Authority will undergo an internal evaluation of Section 47 and 48 of the PAA and present the findings to Cabinet along with recommendations to ensure that all WA employees are receiving fair and equitable compensation packages.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

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

OPERATING STATEMENT	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
REVENUE	52,684	56,757	48,746
OPERATING EXPENSES	51,600	55,837	46,993
NET SURPLUS/(DEFICIT)	1,083	920	1,753

BALANCE SHEET	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
ASSETS	143,647	150,557	136,487
LIABILITIES	69,862	76,102	63,535
NET WORTH	73,785	74,455	72,952

STATEMENT OF CASH FLOW	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's	2023 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	11,060	13,881	13,083
CASH FLOWS FROM INVESTING ACTIVITIES	(25,880)	(14,849)	(5,757)
CASH FLOWS FROM FINANCING ACTIVITIES	(259)	(260)	(259)

6. OTHER FINANCIAL INFORMATION

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

TRANSACTION	2024 1 Jan to 31 Dec 2024 $000's	2025 1 Jan to 31 Dec 2025 $000's
EQUITY INVESTMENTS INTO WATER AUTHORITY OF THE CAYMAN ISLANDS	NIL	NIL
CAPITAL WITHDRAWALS FROM WATER AUTHORITY OF THE CAYMAN ISLANDS	NIL	NIL
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY WATER AUTHORITY OF THE CAYMAN ISLANDS	$250	$250
GOVERNMENT LOANS TO BE MADE TO WATER AUTHORITY OF THE CAYMAN ISLANDS	NIL	NIL
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO WATER AUTHORITY OF THE CAYMAN ISLANDS	NIL	NIL
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[49]	NIL	NIL
REMUNERATION[50] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	$61	$61
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	$1,223	$1,345

DESCRIPTION	2024 1 Jan to 31 Dec 2024	2025 1 Jan to 31 Dec 2025
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8	8
NUMBER OF KEY SENIOR MANAGEMENT (MD)	8	8

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

[50] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

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

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

Procedures for Changing this Ownership Agreement

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

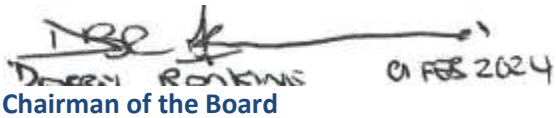
- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time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

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Water Authority of the Cayman Islands will seek to achieve for the 2024 and 2025 financial years and that the Cabinet will monitor performance against.



Honourable Juliana O'Connor-Connolly, MP
Minister for District Administration and Lands
On behalf of Cabinet



Chairman of the Board
Water Authority of the Cayman Islands

31 December 2023

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

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

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

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2024 and 31 December 2025 and performance for the Water Authority of the Cayman Islands for the financial years ending 31 December 2024 and 31 December 2025; and
c. Comply with generally accepted accounting practice.



Chairman of the Board
Water Authority of the Cayman Islands

31 December 2023

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WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

General Accounting Policies

Reporting entity

These forecast financial statements are for the Water Authority of the Cayman Islands.

Basis of preparation

The forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period

The reporting period is; the period ended 31 December 2023, 2024 and 2025.

The Budget forecast is the accrual version of the original forecast for the financial year, as presented in the 2024 and 2025 Budget.

Specific Accounting Policies

Revenue
Output revenue
Output revenue, including revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue
Interest revenue is recognised in the period in which it is earned.

Expenses
General
Expenses are recognised when incurred.

Depreciation
Depreciation of non-financial physical assets is generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets

Cash and cash equivalents
Cash and cash equivalents include cash held in the Ministry or Portfolio's bank account and on deposit with the Portfolio of Finance and Economics (Treasury).
Receivables and advances

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory
Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment (including Infrastructure Assets)
Buildings are recorded at historical cost, other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost less accumulated depreciation.

Computer Hardware and Software
Computer hardware and software are recorded at cost, and depreciated in accordance with the policy on depreciation.

Liabilities

Accounts Payable
Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Provisions
Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements

Amounts incurred but not paid at the end of the reporting financial years are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget 2024	12-Month Budget 2025
	Current Assets			
16,852,934	Cash and cash equivalents	1	1,773,721	545,949
48,037,829	Marketable securities and deposits		48,037,829	27,086,367
6,723,659	Trade receivables	2	6,913,659	6,990,659
-	Other receivables	2	-	-
260,435	Inventories	3	380,435	410,435
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
71,874,857	**Total Current Assets**		**57,105,644**	**35,033,410**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
64,611,923	Property, plant and equipment	7	86,541,072	115,523,871
-	Intangible Assets	8	-	-
64,611,923	**Total Non-Current Assets**		**86,541,072**	**115,523,871**
136,486,780	**Total Assets**		**143,646,716**	**150,557,281**
	Current Liabilities			
-	Trade payables	9	-	-
4,355,962	Other payables and accruals	9	4,541,937	4,541,937
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
4,355,962	**Total Current Liabilities**		**4,541,937**	**4,541,937**
	Non-Current Liabilities			
-	Trade payables	9	-	-
63,112	Other payables and accruals	9	53,775	43,994
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
2,115,000	Unfunded pension liability	13	2,365,000	2,615,000
57,001,000	Unfunded post retirement health care	14	62,901,000	68,901,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
59,179,112	**Total Non-Current Liabilities**		**65,319,775**	**71,559,994**
63,535,074	**Total Liabilities**		**69,861,712**	**76,101,931**
72,951,706	**Net Assets**		**73,785,004**	**74,455,350**
	NET WORTH			
1,767,223	Contributed capital		1,767,223	1,767,223
-	Other Reserves		-	-
-	Revaluation reserve		-	-
71,184,483	Accumulated surpluses/(deficits)		72,017,781	72,688,127
72,951,706	**Total Net Worth**		**73,785,004**	**74,455,350**

WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2024	12-Month Budget 2025
	Revenue			
45,109,837	Sale of goods and services	**15**	48,706,066	52,732,025
3,636,603	Investment revenue	**16**	3,977,532	4,025,398
-	Donations	**17**	-	-
-	Other revenue		-	-
48,746,440	**Total Revenue**		**52,683,598**	**56,757,423**
	Expenses			
20,516,846	Personnel costs	**18**	21,109,063	20,482,742
16,747,950	Supplies and consumables	**19**	25,129,181	32,487,820
3,614,652	Depreciation and Amortisation	**7**	3,950,851	6,817,201
50,000	Impairment of Inventory,property, plant and equipment		100,000	100,000
3,421	Finance costs & overdraft interest	**20**	2,998	2,554
103,266	Litigation costs	**21**	153,593	153,772
-	Other (Gains)/losses	**22**	-	-
5,957,082	Other Operating expenses		1,154,614	(4,207,012)
46,993,217	**Total Expenses**		**51,600,300**	**55,837,077**
1,753,223	**Surplus or (Deficit) for the period**		**1,083,298**	**920,346**

WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

12-Month Forecast 2023	CASH FLOW STATEMENT	Note	12-Month Budget 2024	12-Month Budget 2025
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
48,746,440	Sale of goods and services - third party		52,683,598	56,757,423
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(20,516,846)	Personnel costs		(21,109,063)	(20,482,742)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(16,747,950)	Supplies and consumables - third party		(25,129,181)	(32,487,820)
-	Interest paid		-	-
1,601,325	Other payments		4,614,770	10,093,686
13,082,969	**Net cash flows from operating activities**	**23**	**11,060,124**	**13,880,547**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(5,756,514)	Purchase of property, plant and equipment		(25,880,000)	(35,800,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	20,951,462
(5,756,514)	**Net cash flows from investing activities**		**(25,880,000)**	**(14,848,538)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(250,000)	Repayment of Surplus/Dividends or Capital withdrawal		(250,000)	(250,000)
(8,914)	Borrowings		(9,337)	(9,781)
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(258,914)	**Net cash flows from financing activities**		**(259,337)**	**(259,781)**
7,067,541	**Net increase/(decrease) in cash and cash equivalents**		**(15,079,213)**	**(1,227,772)**
9,785,393	Cash and cash equivalents at beginning of period		16,852,934	1,773,721
16,852,934	**Cash and cash equivalents at end of period**		**1,773,721**	**545,949**

WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	1,767,223	-	-	59,736,696	61,503,919
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	1,767,223	-	-	59,736,696	61,503,919
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(250,000)	(250,000)
Surplus/(deficit)for the period 2022	-	-	-	10,194,564	10,194,564
Total recognised revenues and expenses for the period	-	-	-	9,944,564	9,944,564
Balance at 31 December 2022	1,767,223	-	-	69,681,260	71,448,483
Balance at 31 December 2022 brought forward	1,767,223	-	-	69,681,260	71,448,483
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	1,767,223	-	-	69,681,260	71,448,483
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(250,000)	(250,000)
Surplus/(deficit)for the period 2023	-	-	-	1,753,223	1,753,223
Total recognised revenues and expenses for the period	-	-	-	1,503,223	1,503,223
Balance at 31 December 2023 carried forward	1,767,223	-	-	71,184,483	72,951,706

WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	1,767,223	-	-	71,184,483	72,951,706
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	1,767,223	-	-	71,184,483	72,951,706
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(250,000)	(250,000)
Surplus/(deficit)for the period 2024	-	-	-	1,083,298	1,083,298
Total recognised revenues and expenses for the period	-	-	-	833,298	833,298
Balance at 31 December 2024 carried forward	1,767,223	-	-	72,017,781	73,785,004
Balance at 31 December 2024 brought forward	1,767,223	-	-	72,017,781	73,785,004
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	1,767,223	-	-	72,017,781	73,785,004
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(250,000)	(250,000)
Net revenue / expenses recognised directly in net worth	-	-	-	(250,000)	(250,000)
Surplus/(deficit)for the period 2025	-	-	-	920,346	920,346
Total recognised revenues and expenses for the period	-	-	-	670,346	670,346
Balance at 31 December 2025	1,767,223	-	-	72,688,127	74,455,350

WATER AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2024 AND 31 DECEMBER 2025

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Cash on hand	-	-
-	Cash in transit	-	-
16,852,934	CI$ Account	1,773,721	545,949
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
16,852,934	**TOTAL**	**1,773,721**	**545,949**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
6,037,835	Sale of goods and services - third party	6,302,835	6,454,835
1,909,388	Other	1,909,388	1,909,388
(1,223,564)	**Less: provision for doubtful debts**	(1,298,564)	(1,373,564)
6,723,659	**Total trade receivables**	**6,913,659**	**6,990,659**

12-Month Forecast 2023	Trade Recivables	12-Month Budget 2024	12-Month Budget 2025
	Current		
6,723,659	Past due 1-30 days	6,913,659	6,990,659
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
6,723,659	**Total**	**6,913,659**	**6,990,659**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(1,223,564)	Balance at begining oF period	(1,223,564)	(1,298,564)
-	Additional provisions made during the year	(75,000)	(75,000)
-	Receivables written off during the period	-	-
(1,223,564)	**Balance at 31st December**	**(1,298,564)**	**(1,373,564)**

NOTE 3: INVENTORIES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Inventories		
260,435	Inventory held for use in the provision of goods and services	380,435	410,435
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
260,435	**INVENTORIES - Current**	**380,435**	**410,435**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
260,435	**TOTAL INVENTORIES**	**380,435**	**410,435**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2022	3,805,599	5,650,711	78,734,261	31,002,290	11,212,703	132,071,565
Additions	196,000	-	-	-	1,963,887	7,171,194
Disposals and Derecognisation	-	-	(156,611)	-	(1,138,324)	(1,294,935)
Revaluation	-	-	-	-	-	-
Transfers	-	-	1,232,771	-	-	-
Balance as at 31 December 2022	4,001,599	5,650,711	79,810,421	31,002,290	12,038,266	137,947,824

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2023	4,001,599	5,650,711	79,810,421	31,002,290	12,038,266	137,947,824
Additions	-	200,000	8,118,443	1,006,124	250,059	4,130,088
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	4,001,599	5,850,711	87,928,864	32,008,414	12,288,325	142,077,912

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2024	4,001,599	5,850,711	87,928,864	32,008,414	12,288,325	142,077,912
Additions	-	4,000,000	16,270,000	2,060,000	3,550,000	25,880,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	4,001,599	9,850,711	104,198,864	34,068,414	15,838,325	167,957,912

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2025	4,001,599	9,850,711	104,198,864	34,068,414	15,838,325	167,957,912
Additions	-	9,400,000	12,000,000	13,200,000	1,200,000	35,800,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	4,001,599	19,250,711	116,198,864	47,268,414	17,038,325	203,757,912

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2022	-	1,943,170	41,983,908	18,281,494	8,092,178	70,300,750
Transfers	-	-	-	-	-	-
Impairment Reserve 2022 (closing balance)	-	-	(76,665)	-	-	(76,665)
Depreciation Expense 2022	-	113,014	2,595,180	555,207	363,851	3,627,252
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-
Balance as at 31 December 2022	-	2,056,184	44,502,423	18,836,701	8,456,029	73,851,337

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2023	-	2,056,184	44,502,423	18,836,701	8,456,029	73,851,337
Transfers	-	-	-	-	-	-
Impairment Reserve 2023 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2023	-	111,466	2,585,173	549,603	368,410	3,614,652
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-
Balance as at 31 December 2023	-	2,167,650	47,087,596	19,386,304	8,824,439	77,465,989

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2024	-	2,167,650	47,087,596	19,386,304	8,824,439	77,465,989
Transfers	-	-	-	-	-	-
Impairment change 2024	-	-	-	-	-	-
Depreciation Expense 2024	-	123,681	2,789,961	577,141	460,068	3,950,851
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-
Balance as at 31 December 2024	-	2,291,331	49,877,557	19,963,445	9,284,507	81,416,840

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Total*
Balance as at 1 January 2025	-	2,291,331	49,877,557	19,963,445	9,284,507	81,416,840
Transfers	-	-	-	-	-	-
Impairment change 2025	-	-	-	-	-	-
Depreciation Expense 2025	-	385,014	4,304,268	1,189,560	938,359	6,817,201
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-
Balance as at 31 December 2025	-	2,676,345	54,181,825	21,153,005	10,222,866	88,234,041

Net Book value 31 December 2022	4,001,599	3,594,527	35,307,998	12,165,589	3,582,237	64,096,487

Net Book value 31 December 2023	4,001,599	3,683,061	40,841,268	12,622,110	3,463,886	64,611,923

Net Book value 31 December 2024	4,001,599	7,559,380	54,321,307	14,104,969	6,553,818	86,541,072

Net Book value 31 December 2025	4,001,599	16,574,366	62,017,039	26,115,409	6,815,459	115,523,871

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
	Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
4,355,962	Other payables	4,541,937	4,541,937
-	Dividends/Surplus Payable	-	-
4,355,962	**Trade payables other payables and accruals - Current**	**4,541,937**	**4,541,937**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
63,112	Other payables	53,775	43,994
-	Dividends/Surplus Payable	-	-
63,112	**Trade payables other payables and accruals - Non-Current**	**53,775**	**43,994**
4,419,074	**Total trade payables other payables and accruals**	**4,595,712**	**4,585,931**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Value of pension fund allocated asstes	-	-
(2,115,000)	Past service liability	(2,365,000)	(2,615,000)
(2,115,000)	**Fund (deficiency)/Surplus**	**(2,365,000)**	**(2,615,000)**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE PLAN

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
(7,301,000)	Pension Employee healthCare Benefits	(8,201,000)	(9,201,000)
(49,700,000)	Non DB Pension Employee HealthCare Benefits	(54,700,000)	(59,700,000)
(57,001,000)	**Total Unfunded Health Care Liability**	**(62,901,000)**	**(68,901,000)**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
-	Fees and Charges	-	-
45,109,837	General Sales	48,706,066	52,732,025
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
45,109,837	**Total sales of goods and services**	**48,706,066**	**52,732,025**

12-Month Forecast 2023	General Sales	12-Month Budget 2024	12-Month Budget 2025
38,898,047	Water Sales	41,997,336	45,553,683
5,755,363	Sewerage Sales	6,215,790	6,650,895
456,427	Septage Disposal / Agency Work / Other	492,940	527,447
45,109,837	**Total General Sales**	**48,706,066**	**52,732,025**

12-Month Forecast 2023	Other Goods & Services Revenue	12-Month Budget 2024	12-Month Budget 2025
-	**Total Other Goods & Services Revenue**	**-**	**-**
	Sales of Outputs to Cabinet		
-	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
-	**Total Sales of Outputs to Cabinet**	**-**	**-**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
45,109,837	**Total Goods and Services**	**48,706,066**	**52,732,025**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2023	Revenue type	12-Month Budget 2024	12-Month Budget 2025
1,626,534	Interest on deposits	1,756,657	1,774,926
-	Interest on cash balances	-	-
1,802,866	Royalties	1,997,096	2,024,365
207,203	Other	223,779	226,107
-	Other	-	-
3,636,603	**Total Investment revenue**	**3,977,532**	**4,025,398**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
10,579,597	Salaries, wages and allowances	13,137,557	14,352,629
-	Health care CINICO	-	-
1,855,315	Health care other	2,226,378	2,782,973
631,934	Pension	770,128	847,140
-	Leave	-	-
7,450,000	Other personnel related costs	4,975,000	2,500,000
20,516,846	**Total Personnel Costs**	**21,109,063**	**20,482,742**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Supplies and Materials	-	-
-	Purchase of services	-	-
-	Lease of Property and Equipment	-	-
1,489,016	Utilities	1,585,802	1,688,879
1,162,848	General Insurance	1,279,133	1,343,090
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
62,062	Recruitment and Training	118,290	135,754
14,034,024	Other	22,145,956	29,320,097
16,747,950	**Total Supplies & consumables**	**25,129,181**	**32,487,820**

NOTE 20: FINANCE COSTS

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
-	Interest on borrowings	-	-
3,421	Other borrowing costs	2,998	2,554
-	Interest on overdraft	-	-
3,421	**Total Finance cost**	**2,998**	**2,554**

NOTE 21: LITIGATION COST

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
103,266	Estimated Legal Fees	153,593	153,772
-	Description	-	-
103,266	**Total Litigation cost**	**153,593**	**153,772**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,753,223	**Surplus/(deficit) from ordinary activities**	1,083,298	920,346
	Non-cash movements		
3,614,652	Depreciation & Amortisation	3,950,851	6,817,201
50,000	Impairment	100,000	100,000
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:	-	-
7,665,102	(Increase)/decrease in other current assets - Cabinet	5,925,975	6,042,999
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
13,082,977	**Net cash flows from operating activities**	**11,060,124**	**13,880,546**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2023	Description	12-Month Budget 2024	12-Month Budget 2025
1,100,000	Salaries & other short-term employee benefits	1,223,000	1,345,000
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
1,100,000	**Total**	**1,223,000**	**1,345,000**

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CAYMAN ISLANDS GOVERNMENT

OWNERSHIP AGREEMENTS

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