



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF HEALTH, ENVIRONMENT, YOUTH, SPORTS & CULTURE

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30th JUNE 2010**

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5th Floor Government Administration Building
Box 110, 133 Elgin Avenue
George Town
Grand Cayman KY1-9000
Cayman Islands

Phone: (345)949-7900 ext. 2318
Fax: (345)949-1790

Cayman Islands Government
**MINISTRY OF HEALTH, ENVIRONMENT, YOUTH, SPORTS
AND CULTURE**

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Health, Environment, Youth, Sports & Culture (the "Ministry") in accordance with the provisions of the Public Management and Finance Law (2005 Revision).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2005 Revision) and the International Public Sector Accounting Standards (IPSAS.)

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

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry's financial statements, representation and judgements made in these statements.

The Ministry does not make any assertion in regards to the following:


- (a) Valuation of buildings – the Government of the Cayman Islands opted for the valuation model in prior fiscal years but has not carried out a revaluation every five years as required by the Financial Regulations (2008) and IPSAS 17, Property, Plant and Equipment.

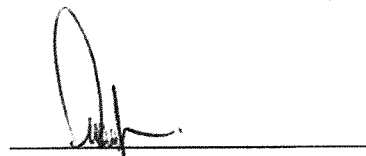
With exception to the issue raised in the preceding paragraph, the financial statements fairly present the financial position, performance and cash flows of the Ministry for the financial year ended 30th June 2010.

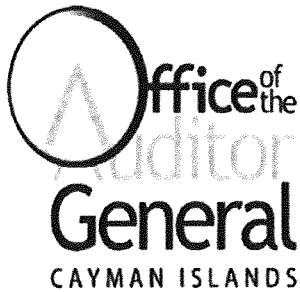
To the best of our knowledge we represent that these financial statements:

- a) Completely and reliably reflect the financial transactions of the Ministry for the year ended 30th June 2010;
- b) Fairly reflect the financial position as at 30th June 2010 and performance for the year ended 30th June 2010;
- c) Comply with the provisions of the Public Management and Finance Law (2005 Revision) and the International Public Sector Accounting Standards (IPSAS).

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


Jennifer M. Ahearn, AICP
Permanent Secretary & Chief Officer
Date- 7 May 2012


Carrol A. Cooper
Chief Financial Officer
Date- 11 May 2012



Phone: (345) - 244-3211 3rd Floor, Anderson Square
Fax: (345) - 945-7738 64 Shedden Road, George Town
AuditorGeneral@gov.ky PO Box 2583 GT
www.auditorgeneral.gov.ky Grand Cayman, KY1-1103, Cayman Islands

AUDITOR GENERAL'S REPORT

To the Chief Officer and Members of the Legislative Assembly of the Cayman Islands

I have audited the accompanying financial statements of the **Ministry of Health, Environment, Youth, Sports & Culture** (the "Ministry"), which comprise the statement of financial position as of 30 June 2010, and the statement of financial performance, statement of changes in net worth and cash flow statement, for the year then ended and a summary of significant accounting policies and other explanatory notes, in accordance with the provisions of Section 44(3) of the *Public Management and Finance Law (2005 Revision)* ("PMFL").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

Fixed Assets

The Ministry has not revalued its buildings within five (5) years preceding the year ended June 30 2010, in accordance with The Financial Regulations (2008 revision) and as required by IPSAS 17. I could therefore not determine if fixed assets were fairly stated as at June 30, 2010.

Net worth

I am unable to verify the amount presented in net worth due to the uncertainties surrounding the value of the entity's fixed assets.

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis of Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Ministry as at June 30, 2010, its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Other Matter

Coercive revenues, as defined by IPSAS 23, Revenues from Non-Exchange Transactions (Taxes and Transfers), are to be accounted for in the financial statements of the Core Government, in accordance with its meaning established by section 2 of the PMFL. Health practitioners' registration fees are enforced pursuant to the provisions of the Health Practitioners Law, and by their nature fall under such meaning of coercive revenues. The Ministry has recognized in its statement of financial performance, as output to others, health practitioner registration fees received during the year ended 30 June 2010, amounting to \$600,690 which is not compatible with the referenced PMFL definition. I noted however, that the Ministry's classification had been approved by the Finance Committee of the Legislative Assembly.



Alastair Swarbrick, MA (Hons), CPFA
Auditor General

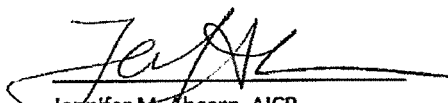
Cayman Islands
7 May 2012

MINISTRY OF HEALTH, ENVIRONMENT, YOUTH, SPORTS & CULTURE
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2010

	Note	2009/10 Year to Date Actual \$000	2009/10 Original Budget \$000	2008/09 Year to Date Actual \$000
Current Assets				
Cash and cash equivalents	3	2,856	405	944
Accounts receivable	4	2,077	913	2,644
Other Current Assets		0	0	10
Total Current Assets		4,933	1,318	3,598
Non-Current Assets				
Property, plant and equipment	5	13,968	13,582	4,142
Other non-current assets		100	0	0
Total Non-Current Assets		14,068	13,582	4,142
Total Assets		19,001	14,900	7,740
Current Liabilities				
Accounts payable	6	943	826	2,443
Unearned revenue		134	0	0
Employee entitlements	7	192	43	219
Repayment of surplus		315	0	0
Capital charge payable		1,210	0	0
Total Current Liabilities		2,794	869	2,662
Total Liabilities		2,794	869	2,662
TOTAL ASSETS LESS TOTAL LIABILITIES		16,207	14,031	5,078
Net worth				
Current Surplus		0	0	282
Contributed capital		17,079	818	5,950
Asset revaluation reserve		0	0	0
Accumulated surpluses		(872)	13,213	(1,154)
Total Net Worth		16,207	14,031	5,078

The accounting policies and notes on pages [9-20] form an integral part of these financial statements.

Authorised for issue:


 Jennifer M. Ahearn, AICP
 Permanent Secretary & Chief Officer

Date- 11 May 2012



Carrol A. Cooper
 Chief Financial Officer

Date- 11 May 2012

MINISTRY OF HEALTH, ENVIRONMENT, YOUTH, SPORTS & CULTURE
 STATEMENT OF FINANCIAL PERFORMANCE
 AS AT 30 JUNE 2010

	Note	2009/10 Year to Date Actual \$000	2009/10 Original Budget \$000	2008/09 Year to Date Actual \$000
Revenue				
Outputs to Cabinet		10,998	11,563	20,429
Outputs to other government agencies		41	0	56
Outputs to others		645	299	653
Total Operating Revenue		11,684	11,862	21,138
Operating Expenses				
Personnel costs	9	7,398	7,718	14,569
Supplies and consumables	10	2,974	3,906	5,798
Depreciation	11	1,028	237	204
Capital charge		0	0	285
Other operating expenses		1	1	0
Total Operating Expenses		11,401	11,862	20,856
Surplus/deficit from operating activities				
283				
Gains/losses on foreign exchange transactions		2	0	0
Gains/losses on disposal or revaluation of non-current assets		0	0	0
Surplus before extraordinary items		285	0	282
Extraordinary items		30	0	0
Net Surplus		315	0	282

The accounting policies and notes on pages [9-20] form an integral part of these financial statements.

MINISTRY OF HEALTH, ENVIRONMENT, YOUTH, SPORTS & CULTURE
STATEMENT OF CHANGES IN NET WORTH
AS AT 30 JUNE 2010

	Contributed Capital	Accumulated Surplus/ (deficit)	Total
	\$000	\$000	\$000
Balance at 30 June 2008 brought forward	2,587	1,977	4,564
Prior Year Adjustments	2,285	(3,131)	(846)
Restated balance	4,872	(1,154)	3,718
Changes in net worth for 2008/09			
Equity Investment from Cabinet	1,078	0	1,078
Net revenue/expenses recognised directly in net worth	1,078	0	1,078
Surplus/(deficit) for the period 2008/09	0	282	282
Total recognised revenues and expenses for the period	1,078	282	1,360
Balance at 30 June 2009	5,950	(872)	5,078
Balance at 30 June 2009 brought forward	5,950	(872)	5,078
Department transfers out	(3,658)	0	(3,658)
Department transfers in	14,495	0	14,495
Prior Year Adjustments	(191)	0	(191)
Restated balance	16,596	(872)	15,724
Changes in net worth for 2009/10			
Equity Investment from Cabinet	483	0	483
Repayment of surplus to Cabinet	0	(315)	(315)
Net revenue/expenses recognised directly in net worth	483	(315)	184
Surplus for the period 2009/10	0	315	315
Total recognised revenues and expenses for the period	483	0	483
Balance at 30 June 2010	17,079	(872)	16,207

The accounting policies and notes on pages [9-20] form an integral part of these financial statements.

MINISTRY OF HEALTH, ENVIRONMENT, YOUTH, SPORTS & CULTURE

CASH FLOW STATEMENT

AS AT 30 JUNE 2010

	Note	2009/10 Year to Date Actual \$000	2009/10 Original Budget \$000	2008/09 Year to Date Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
<u>Receipts</u>				
Outputs to Cabinet		11,417	11,172	19,337
Outputs to other government agencies		232	0	145
Outputs to others		817	346	610
Interest received		1	0	28
<u>Payments</u>				
Personnel costs		(7,777)	(7,961)	(14,143)
Suppliers		(2,834)	(4,093)	(5,779)
Other payments			0	(1)
Net cash flows from operating activities	12	1,856	(536)	197
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of non-current assets		(427)	(818)	(536)
Proceeds from sale of non-current assets		0	0	0
Net cash flows from investing activities		(427)	(818)	(536)
CASH FLOWS FROM FINANCING ACTIVITIES				
Equity investment		483	818	120
Repayment of surplus		0	0	0
Capital withdrawal		0	0	0
Net cash flows from financing activities		483	818	120
Net decrease in cash and cash equivalents		1,912	(536)	(219)
Cash and cash equivalents at beginning of period		944	941	1,163
Cash and cash equivalents at end of period	3	2,856	405	944

The accounting policies and notes on pages [9-20] form an integral part of these financial statements.

MINISTRY OF HEALTH, ENVIRONMENT, YOUTH, SPORTS & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: Description and principal activities

The Ministry of Health, Environment, Youth, Sports & Culture (the "Ministry") is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2008 Revision) and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Minister of Health, Environment, Youth, Sports & Culture as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ending 30 June 2010.

During the year ended 30 June 2010, the Ministry comprised the following departments: Public Health Department, Health Regulatory Services, Department of Environment, Department of Sports, Youth Services Unit and the Cayman Islands Cadet Corps.

NOTE 2: Significant Accounting Policies

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.

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis (Buildings are stated at valuation).

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 financial statements show comparison of actual amounts with amounts in the original budget. Comparison with final budget is shown in the Statement of Outputs including explanations of material differences between original budget and actual amounts as required by IPSAS 24.

Changes in Accounting policies [continued]

The details and presentation of the Statement of Changes in Net Worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2009/2010 Annual Budget Statement and were approved by the Legislative Assembly on June 25, 2009. The budget was prepared based on the accrual accounting concept and the going concern basis.

(c) Judgments and Estimates

The preparation of financial statements is in conformity with International Public Sector Accounting Standards that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenues 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 on-going basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

Changes in Accounting Estimates

IPSAS 3 requires disclosure of any changes in accounting estimates and the nature, amount and the financial effect on present, past and/or future period. There were no changes in accounting estimates.

(d) Revenue

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

The Ministry derives a significant percent of its revenue through the provision of services to Cabinet. A relatively small component of the Ministry's revenue comes from other agencies in government and third parties. Cabinet revenue is recognised at the unit cost agreed in the Annual Budget Statement for 2009/2010. Other revenues are recognised at the fair value of services provided.

Revenue from non-exchange transactions

Transfer revenue received from other government departments is recognised in the accounting period in which the benefit was received where the fair value can be reliably measured; otherwise a disclosure of the estimated value of such revenue is disclosed. The estimated revenue is measured at the values agreed by the departments in their annual budget based on their funding from Cabinet for the services rendered.

(e) Expenses

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

(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. Lease payments under operating

lease, net of lease incentives received, are recognised as expenses 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.

(g) 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.

(h) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment and is classified as accounts receivable in these financial statements.

(i) Inventories

Inventories held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

The amount reported for inventory held for distribution reflects management's estimates for obsolescence or other impairments.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. Costs are assigned to inventories using first-in first-out (FIFO) as appropriate.

The write-down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance in the period when the write-down occurs.

(j) Property, Plant and Equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation except for buildings which are stated at valuation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognised 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.

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 lives of the improvements, whichever is shorter.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings	40 – 60 years
• Motor vehicles	4 – 12 years
• Furniture and fittings	3 – 20 years
• Computer equipment and software	3 – 10 years
• Office equipment	3 – 20 years

- Other plant and equipment 5 – 25 years
- Other assets 3 – 25 years

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.

(k) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Ministry are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the fund by the Ministry.

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

(l) Financial Instruments

The Ministry 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.

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 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 instruments comprise of accounts payable and accrued expenses.

Recognition

The Ministry 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 Statement 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 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.

De-recognition

A financial asset is de-recognised when the Ministry 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.

(m) 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 realised.

(n) 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.

(o) Comparative Figures

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original budget. Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

	2009/10 Year to Date Actual \$000	2009/10 Original Budget \$000	2008/09 Year to Date Actual \$000
NOTE 3: Cash and Cash Equivalents			
Cash on hand	0	0	0
Bank accounts	2,855	405	944
Total Cash and Cash Equivalents	2,856	405	944

NOTE 4: Accounts Receivable

Outputs to Cabinet	1,631	913	2,050
Outputs to other government agencies	3	0	0
Outputs to others	5	0	7
Prepayments	32	0	7
Interest Receivable	0	0	0
Other Receivables	406	0	580
Total Gross Accounts Receivable	2,077	913	2,644
Less provision for doubtful debts	0	0	0
Total Net Accounts Receivable	2,077	913	2,644

NOTE 5: Property, Plant and Equipment

	Buildings \$000	Vehicles \$000	Boats \$000	Furniture and Fittings \$000	Computers \$000	Office equip \$000	Other plant & equip \$000	Construction in progress \$000	Total \$000
COST									
B/f 1 July 2009	3,693	179	0	349	261	170	59	1,575	6,286
Transfer out *	(3,693)	(154)	0	(269)	(189)	(102)	(50)	(1,575)	(6,032)
Transfer in *	14,092	617	790	212	159	23	463	0	16,356
Adjustment	0	1	0	27	(3)	(1)	0	0	24
Additions	145	99	25	15	14	0	43	0	341
At 30 June 2010	14,237	742	815	334	242	90	515	0	16,975

ACC

DEPRECIATION

B/f 1 July 2009	1,577	149	0	95	207	95	21	0	2,144
Transfer out *	(1,577)	(127)	0	(81)	(156)	(63)	(21)	0	(2,025)
Transfer in *	625	433	274	72	130	12	314	0	1,860
Charge for year	763	79	79	21	35	19	32	0	1,028
At 30 June 2010	1,388	534	353	107	216	63	346	0	3,007

**NET BOOK
VALUE**

At 30 June 2010	12,849	208	462	227	26	27	169	0	13,968
B/f 1 July 2009	2,116	30	0	254	54	75	38	1,575	4,142

*** NOTE**

Refer to Note 1 regarding re-organisation of Ministry

	2009/10 Year to Date Actual \$000	2009/10 Original Budget \$000	2008/09 Year to Date Actual \$000
NOTE 6: Accounts Payable			
Trade Creditors	79	795	888
Other current liabilities	6	31	718
Operating lease rental	0	0	0
Accruals	858	0	837
Total	943	826	2,443

NOTE 7: Employee Entitlements (Current)

Long service leave and other leave entitlements	192	43	219
Other salary related entitlements	0	0	0
Total Employee Entitlements	192	43	219

NOTE 8: Non-Exchange Transactions

The Ministry received the following transfer revenue during the year:

Processing of payroll	35	0	0
Server and network support	426	0	0
Maintenance of facilities	114	0	0
	575	0	0

During the year ended 30 June 2010, the Ministry received various non –exchange transactions (services in-kind) from the public works department, computer services department and the Treasury. The fair value of these services could not be reliably determined but is estimated to be \$575k and therefore no expense has been recognized in these financial statements for such services other than the disclosure above. There were no non-exchange transactions for the year ended 30 June 2009.

NOTE 9: Personnel Costs

Salaries and wages (including employee pension contributions)	6,095	6,405	13,877
Employer pension expense	322	358	630
Other personnel costs	981	955	62
Total Personnel Costs	7,398	7,718	14,569

NOTE 10: Supplies and Consumables

Supply of goods and services	2,644	3,314	2,775
Operating lease rentals	309	324	1,055
Other	21	268	1,968
Total Supplies and Consumables	2,974	3,906	5,798

	2009/10 Year to Date Actual \$000	2009/10 Original Budget \$000	2008/09 Year to Date Actual \$000
NOTE 11: Depreciation			
Buildings	763	12	65
Vehicles	79	80	18
Aeroplanes	0	0	0
Boats	79	69	0
Furniture and fittings	21	15	31
Computer hardware and software	35	28	48
Office equipment	19	18	33
Other plant and equipment	28	14	9
Other assets	4	1	
Total Depreciation	1,028	237	204

Assets are depreciated on a straight-line basis as follows:

	Years
Buildings	40-60
Vehicles	4-12
Aeroplanes	9-20
Boats	9-20
Furniture and fittings	3-20
Computer hardware and software	3-10
Office equipment	3-20
Other plant and equipment	5-25
Other assets	3-25

	2009/10 Year to Date Actual \$000	2009/10 Original Budget \$000	2008/09 Year to Date Actual \$000
NOTE 12: Reconciliation of Operating Surplus to Cash Flows from Operating Activities			
Operating surplus	315	0	282
Non-cash movements			
Depreciation	1,028	237	204
Increase in provision for doubtful debts	0	0	0
Transfers	0	0	(127)
Increase/(Decrease) in payables/accruals	225	(187)	1,179
Other	(310)	(244)	0
Net (gain)/loss from sale of fixed assets	0	0	0
Net gain/loss from sale of investments	0	0	0
Decrease/(Increase) in other current assets	(6)	0	(9)
Decrease/(Increase) in receivables	603	(343)	(1,332)
Net cash flows from operating activities	1,855	(537)	197

NOTE 13: Litigation Costs

The Attorney General's Office provides litigation services to the Ministry. However during the year ended 30 June 2010 the use of legal services from outside of the Government were authorised by the Attorney General's Office. The costs of these services were \$77,031 for the year ended 30 June 2010 and \$13,624 for the year ended 30 June 2009.

NOTE 14: Gains / (Losses)

The Ministry had no disposal of property, plant and equipment during the year ended 30 June 2010.

NOTE 15: Contingent Liabilities

The Ministry has ongoing legal cases that could result in outflow of funds. However, no provision has been made in these accounts given that these cases are all related to executive transactions; should these liabilities arise, funding will be made available by the Cabinet.

NOTE 16: Commitments

The Ministry had no capital commitments at the end of the financial year. The Ministry also had no commitments for operating leases at the end of the financial year.

NOTE 17: Explanation of Major Variances Against Budget

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

Statement of financial position***Cash and cash equivalents***

The actual year-end cash balance was above budget due to delay in payment of property insurance premiums and capital charge, and depreciation representing cash held for replacement of fixed assets.

Accounts receivable

Amount outstanding from Cabinet for outputs was greater than budgeted.

Fixed assets

Fixed assets were higher than the original budget due to finalisation of transfer of the departments of Sports and Environment from their previous ministries.

Creditors and other payables

Creditors, accruals and other payables were higher than the original budget due to insurance premiums remaining unpaid.

Other current liabilities

Unearned revenue, employee benefits and repayment of surplus were unbudgeted/under-budgeted; capital charge was not paid at the end the year.

Net worth

Variance resulting from the movement in net worth was due to the restructuring of the Ministry following the change in administration.

NOTE 17: Explanation of Major Variances Against Budget [continued]

Statement of financial performance

Outputs to others

Amounts received for health practitioners' registration fees exceeded budget.

Personnel Costs

Personnel costs were below budget due to the moratorium on hiring which was in effect during the financial year.

Supplies and consumables

The ministry achieved savings due to less than planned expenditure for public health; in particular, the Ministry spent less on vaccines than anticipated when the budget was developed.

Depreciation

Depreciation expenses were above budget due to the delay in the finalisation of the transfer of the departments of Sports and Environment from their previous ministries. As such, complete information on the relevant assets transferred was not available at the time the budget was approved.

Extraordinary items

Extraordinary items were due to insurance loss claims for boats.

Statement of cash flows

Cash from operating activities

The increase in cash from operating activities is due to timing differences for receipt of output funding, the excess collection in respect to health practitioners' registration fees, the moratorium on hiring and savings accruing from supplies and consumables.

Cash from financing activities

The Ministry undertook less than planned capital projects.

NOTE 18: Related Party and Key Management Personnel disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. The transactions were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

There were no related party transactions between the Ministry and its key management personnel and or their close relatives.

There were no loans granted to key management personnel and or their close relatives

Key management personnel

Salaries and other short-term employee benefits for key management personnel for the year ended 30 June 2010 amounted to \$1,065,472 (year 2008/09: \$885,896). The Ministry had eleven key management staff for 2009/10 and nine for 2008/09.

NOTE 19: Events Occurring after Reporting Date

Effective July 1, 2010 health practitioners' fees were no longer booked to the Ministry entity accounts as revenue but will instead be treated as executive revenue. The Ministry's budget for 2010/2011 was increased by the Government to close the gap created by this loss of revenue to the Ministry.

Effective July 1, 2010 the Public Health Department was reverted to the Health Services Authority (HSA) and therefore is no longer a department under the Ministry.

NOTE 20: Financial Instrument Risks

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

Credit risk

In the normal course of its business the Ministry is subject to credit risk from debtors other than the Cabinet; at June 30, 2010 this risk was nil. The Ministry's cash and cash equivalents are exposed to credit risk, notwithstanding, those financial instruments are held with reputable financial institution.

Currency and interest rate risk

The Ministry has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

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

However, the Ministry's ability to meet its financial obligations (creditors and payables) in a timely manner is subject to the over-all Government's cash flow position.

Note 21: Segment reporting

	Environment		Youth & Sports		Public Health		Social Services		Health Administration		Consolidated	
	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09	2009/10	2008/9
Segment Revenue												
Outputs from Cabinet	2,919	0	3,692	0	1,489	1,675	0	15,453	2,898	3,301	10,998	20,429
Outputs-other government agencies	17	0	23	0	0	0	0	0	1	502	41	502
Donations	45	0	0	0	0	0	0	56	0	0	45	56
Other revenue	17	0	52	0	2	2	0	149	528	0	599	151
Total Segment Revenue	2,998	0	3,767	0	1,491	1,677	0	15,658	3,427	3,803	11,683	21,138
Segment Expense												
Salaries and wages	2,308	0	2,320	0	296	369	0	11,787	2,474	2,413	7,398	14,569
Other expenses	714	0	2,152	0	519	597	0	4,333	617	1,357	4,002	6,287
Total Segment Expense	3,022	0	4,472	0	815	966	0	16,120	3,091	3,770	11,400	20,856
Surplus/ (Deficit) from Operating Activities	(24)	0	(705)	0	676	711	0	(462)	336	33	283	282
Assets												
Current Assets	231	0	159	0	77	2	0	178	4,465	3,418	4,932	3,598
Fixed Assets	1,361	0	12,560	0	9	0	0	2,441	138	1,701	14,068	4,142
Total Assets	1,592	0	12,719	0	86	2	0	2,619	4,603	5,119	19,000	7,740
Liabilities												
Current Liabilities	486	0	507	0	188	572	0	730	1,614	1,360	2,795	2,662
Non-current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	486	0	507	0	188	572	0	730	1,614	1,360	2,795	2,662
Capital expenditure	205	0	133	0	0	0	0	578	3	18	341	596

The Ministry segment report is prepared on the basis of the following areas: environment, youth & sports, public health and health administration. Environmental services are provided by the Department of Environment while youth & sports are served through the Department of Sports, the Youth Services Unit and the Cayman Islands Cadet Corps. Health administration included services provided by the core Ministry and the Department of Health Regulatory Services. Public health services were provided by the Public Health Department through the Health Services Authority.

NOTE 22: Extraordinary Items

The Department of Environment had insurance loss claims for boats. The amount for 2010 was \$30,060 (2009: \$0).