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Annual Report

of

The National Gallery of the Cayman Islands

For the 2005/06 Financial Year

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1. Overview of Performance for the Year

Introduction

This annual report details the performance of the National Gallery of the Cayman Islands (NGCI) for the fiscal year ending 30 June 2006.

It includes information about outputs actually delivered during the year as compared to the planned performance documented in the Annual Budget Statement for the (The National Gallery of the Cayman Islands) for 2005/06, or as amended through the supplementary appropriation process.

It also reports those aspects of ownership performance that were contained in the Annual Budget Statement for 2005/06 or as amended through the supplementary appropriation process.

Summary of Performance

The National Gallery of the Cayman Islands continued to promote and encourage the appreciation and practice of the visual arts, of and in the Cayman Islands. This mandate was achieved through a variety of activities that aimed to reach all members of the Cayman Islands community and the visiting public: outreach programmes, educational programmes, exhibitions, youth programmes, events, workshops, teacher training, school collaborations and educational lectures; and through our art collection (mostly of donated works) and extensive art-based lending library.

These goals were covered over the 3 Outputs this year:

GAL 1: Visual Art Exhibitions and Collections

GAL 2: Visual Art Programmes and Events Outreach Programmes

GAL 3: Visual Arts Information and Education/Training

The scope of the *National Gallery of the Cayman Islands* activities for 2005/06 was as follows:

- 50% outreach and educational programming in particular for youth, at-risk populations of our society, and up and coming developing artists, followed by programming for young children and adult art aficionados and finally, for our visitors. Programmes are specific to various groups of people: Inside Art for prisoners, Art Magnet for the elderly, and Art Trek for primary-aged kids, Artists Away for professional Caymanian artists and Art Sisters for women coping with unusual stressful situations, to name a just few.
- 30% exhibitions, plan on approximately 1500 gallery users per exhibition depending upon subject matter and educational focus, duration is a month to three months per exhibition, free entrance. Workshops and lectures are well received by many cross-sections of the community with attendance up to 30 people per session, as they are either one-on-one or small group interactive activities.
- 10% were events: all are public art centered and usually free of charge, are attended by ranges between 300-5000 depending upon the event.
- 10% is maintaining and developing our collections: national collection and library materials and providing services to support the Minister and Executive Council

Customers and Location of Activities

The services provided by the National Gallery of the Cayman Islands are provided to the customer (users) as follows: all ages of students, amateur and professional artists, targeted outreach participants – the

incarcerated, the recovering institutionalized substance abuser, children in group home care, and both residents and visitors to the islands in general.

Harbour Place houses staff, exhibitions, continuing education, some workshops. Outreach and education programs are housed in all the districts in all three islands at various community halls and civic centres including WB Town Hall, GT Town Hall, South Sound Community Centre, Savannah School Hall, Bodden Town (new location to be determined), North Side Community Centre, East End (new location to be determined), Cayman Brac Heritage House, Little Cayman Trust House; with some programs being conducted on-site at prisons, youth centres, or overseas; and events being held at the Governor's House, Seven Mile Public Beach, and at other locations.

Part A

Outputs Delivered During the Year

2. Statement of Outputs Delivered

GAL 1	Provision of Visual Arts Exhibitions and Management of Art Collections		
<p>Description</p> <p>Provision of educational EXHIBITIONS of visual arts for students, local residents and visitors Provision of expected stewardship of art COLLECTIONS and research materials including: Books and magazines, Art collections, Membership, Artist and Volunteer Database</p>			
Measures	2005/06 Actual	2005/06 Budget	Annual Variance
<p>Quantity</p> <ul style="list-style-type: none"> <input type="checkbox"/> Number of exhibits in Harbour Place <input type="checkbox"/> Number of exhibits in other locations. <input type="checkbox"/> Target of visitors to Harbour Place for each exhibition. <input type="checkbox"/> Target of visitors to exhibits held in other locations. <input type="checkbox"/> Books and magazines displayed <input type="checkbox"/> Works of art in the collection <input type="checkbox"/> 1 Membership and Volunteer Database 	<p style="text-align: center;">7 4 2000 400 1000 –1200 78 1</p>	<p style="text-align: center;">6 2 2000 1000 1000 –1200 78 1</p>	<p style="text-align: center;">1 2</p>
<p>Quality</p> <ul style="list-style-type: none"> <input type="checkbox"/> Exhibitions mounted in accordance with international guidelines. <input type="checkbox"/> Quality determined by visitor numbers and feedback. <input type="checkbox"/> Marked increase in new membership and volunteer base. <input type="checkbox"/> Library holdings through donations and purchase. <input type="checkbox"/> Accession records of collection brought up to date in hard copy and computer files. <input type="checkbox"/> Membership and Volunteer Database kept up to date. 	<p style="text-align: center;">100% All</p>	<p style="text-align: center;">100% all</p>	<p style="text-align: center;">0</p>
<p>Timelines</p> <ul style="list-style-type: none"> <input type="checkbox"/> Exhibition 1 “From Within IV” Outreach programmes annual exhibition and sale July 30- august 6th 2005 <input type="checkbox"/> Exhibition 2“Fahive” group Native Sons August 12-Oct 25th 05 <input type="checkbox"/> Exhibition 3 “Dancing to Art” The artwork of artist Al Ebanks interpreted by dances by Susan Barnes-Pereira, Patrice Donalds and Lorna Reid Nov 10-Jan 6th 2006 <input type="checkbox"/> Exhibition 4 “The Art of Stamps” Caymanian retrospective stamp and stamp-art exhibition co-coordinated with Cayman Philatelic Bureau Jan 12-14 April,2006 <input type="checkbox"/> Exhibition 5 “The Maze” a conceptual sculptural life-size walkthrough maze constructed of thousands of palates and augmented with smaller artworks throughout. In situ on NG land March and April 2006 	<p style="text-align: center;">100% All</p>	<p style="text-align: center;">100% All</p>	<p style="text-align: center;">0</p>

<input type="checkbox"/> Exhibition 6 “Cayfest 2006 Art Exhibition and Sale” end of Apr 21-29 2006 at Harbour Place• Exhibition 7 “Allison Lasley” exhibition of now deceased artist’swork; Lasley was a P/T resident of Cayman; tie-in wi/C.I. Cancer <input type="checkbox"/> Society May 4-Aug 25 th 2006 <input type="checkbox"/> Curatorial and administrative assistance with Exhibition “McCoy <input type="checkbox"/> Prize” to be held this year at the National Museum <input type="checkbox"/> Exhibitions showing local artists at the Ritz and Marriot,	100% All	100% all	0
Location Harbour Place for the exhibitions .Education Center and other	100%	100%	
identified exhibition spaces/sites in the Cayman Islands			
Cost (of producing the output)	112,116.00	89,500.00	22,616
Price (paid by Cabinet for the output)	89,500.00		
Related Broad Outcomes: Shortfall: \$22,616			

Explanation of Annual Variances:

Due to popular demand our exhibition space remains in heavy demand during the post-Ivan environment with 1 more exhibition and 2 more exhibitions at other locations.

Please note that *Actual* figures represent total expenditures for the output and *Budget* figures represent the total as per our Purchase Agreement with Government. The variance total is supported by the Gallery’s other income streams.

3. Statement of Outputs Delivered

GAL 2	VISUAL ART PROGRAMMES, EVENTS AND OUTREACH PROGRAMMES		
<p>Description Provision of programmes that promote the practice and appreciation of the visual arts: Art in the Workplace, Art Magnet, Inside Art Northward, Inside Art Eagle House, Inside Art Fairbanks, Art Trek Tuesday, Artists Away, Native Done, Art Flix, Art Sisters, Art with Bonaventure Group, Art with Francis Bodden Group, Caribbean Haven Art Outreach, Art Zone. Provision of public visual arts events to promote greater awareness of and participation in the visual arts in the Cayman Islands: Art@Governors, Chalkfest, Eco-Art Party, Sandsculpture Competition, Sand Yard Competition, International Museums Day Event, Clothesline Project (with WRC)</p>			
Measures	2005/06 Actual	2005/06 Budget	Annual Variance
Quantity	16	16	
• Art Programmes	7	7	0
• Community visual arts events			
Quality			
<input type="checkbox"/> Art Programmes delivered in accordance with international standards;			
<input type="checkbox"/> •New Children’s Art Review Club are conducted by experienced and trained instructors			
<input type="checkbox"/> Community visual arts events;			
<input type="checkbox"/> Art@Governors2006 targeted to attract more than 3000 people view more than 100 artists demonstrating/displaying artwork.			
<input type="checkbox"/> Chalkfest, an interactive event geared to the general public and targeted to draw 75-100 participants.	100% All	100% all	0
<input type="checkbox"/> International Museums Day Gallery event geared towards helping the public to feel comfortable visiting the Gallery and expected to draw 200 visitors			
<input type="checkbox"/> Eco-Art Party in conjunction with Dept. Environment creating art from recycled, reused objects and materials.			
<input type="checkbox"/> Sandcastle and Sand garden Competition in conjunction with			
<input type="checkbox"/> Tourism Dept. Workshops for sand sculpting and creating			
<input type="checkbox"/> traditional Caymanian sand gardens with competitions.			
Timeliness			
• Art in the Workplace - on request			
• Art Magnet - weekly for two hours ongoing			
• Art Sisters - weekly for two hours ongoing			
• Art Outreach with Francis Bodden group - weekly for two hours ongoing			
• Art Outreach with Bonaventure Group - weekly for two hours	100% All	100% all	0
• Inside Art Northward - weekly for two hours ongoing			
• Inside Art Fairbanks - weekly for two hours ongoing			
• Inside Art Eagle House - weekly for two hours ongoing			
• Walkers Children Art Review Club – weekly for two hours			
• Art Trek Tuesday - once a month ongoing annually			
• Native Done twice weekly sales and monthly meetings annually			
• Art@Governors2006 – January 28, 2006			
• Chalkfest – April 23 2006 as part of Cayfest			
• International Museums Day Gallery on 18 May 2006			

<ul style="list-style-type: none"> • Artists Away Lennon Christian in St. Vincent May 10, 2006 • Eco-Art Party April 22, 2006 with DOEH • Sandsculpture workshops competition November 12th 2005 • Sand Yard Workshop and Competition August 2006 	100%	100%	0
<p>Location</p> <ul style="list-style-type: none"> • Art in the Workplace - on location at place of business • Art Magnet – (NGEC) National Gallery Education Centre • Art Sisters – NGEC • Art with Francis Bodden Home for girls – at FBGH • Art with Bonaventure Group for boys – at BBH • Inside Art - H.M. facilities for Men and Women, and youth • Eco Art Party – Terrace of NG Harbour Place • Art Trek Tuesdays – NGEC • Sandsculpture Competition – Seven Mile Public Beach • Sand Yard Competition – on-site • Native Done - National Gallery for meetings/Butterfly Park for sales • Art@Governors2006 - Government House • Chalkfest- sidewalks of George Town 	100% all	100% all	0
Cost (of producing the output)	250,460	142,670	107790
Price (paid by Cabinet for the output)	142,670.00		
Related Broad Outcomes: Shortfall: \$107790			

Explanation of Annual Variances:

Please note that *Actual* figures represent total expenditures for the output and *Budget* figures represent the total as per our Purchase Agreement with Government. The variance total is supported by the Gallery's other income streams.

4. Statement of Outputs Delivered

GAL 3	VISUAL ART INFORMATION AND EDUCATION/TRAINING		
Description • Provision of visual arts information and recognition of excellence in visual arts. • Provision of targeted visual arts training and skills development programmes. • Participation in biennials, competitions, and other events that disseminate knowledge on Caymanian art internationally			
Mesures	2005/06 Actual	2005/06 Budget	Annual Variance
Quantity			
<input type="checkbox"/> Walkers Childrens Art Review Club	1	1	
<input type="checkbox"/> National Gallery Art Lessons for 7-9 year olds	1	1	
<input type="checkbox"/> Information delivered through: 1 Website	1	1	
<input type="checkbox"/> Number of biennials featuring Caymanian art and artists	1	1	
<input type="checkbox"/> 1 newsletter (four times annually)	2	4	2
<input type="checkbox"/> 1-2 public art projects	1	1	
<input type="checkbox"/> TV-Daybreak appearances	12	12	
<input type="checkbox"/> RADIO-Radio Cayman FM Morning Edition,	6	6	
<input type="checkbox"/> TV-Artist of the Month recognitions award	12	12	
<input type="checkbox"/> Education delivered through Caymanian Art Award programme, the McCoy Prize done in conjunction with the National Museum of the Cayman Islands	1	1	
<input type="checkbox"/> Number of workshops	6	2	4
<input type="checkbox"/> Number of lectures/demos on local artists	4	4	
<input type="checkbox"/> Number of continuing education courses at NGECC	14	14	
<input type="checkbox"/> Number of school tours	60-80	60-80	
Quality			
<input type="checkbox"/> Visual art information prepared accurately, professionally and in a timely manner			
<input type="checkbox"/> Lectures/demos prepared and delivered accurately and professionally	100%	100%	0
<input type="checkbox"/> Workshops and training sessions delivered by qualified personnel	all	all	
<input type="checkbox"/> Quality determined by visitor and participants comments and feedback, and by attendees improved skill level and increased knowledge base			

Timeliness			
<input type="checkbox"/> Walkers Children's Art Review Club 2 hours per week Fridays <input type="checkbox"/> National Gallery Art Lessons for 7-9 year olds 2 hours at week Saturdays <input type="checkbox"/> Website - updated monthly <input type="checkbox"/> Newsletter - produced in May and November. <input type="checkbox"/> Public art project – to be announced <input type="checkbox"/> CITN TV - monthly appearances on Daybreak <input type="checkbox"/> Radio Cayman – regular slots on FM Morning Edition, Talk today, Style FM, Vibe FM, Rooster Z99. <input type="checkbox"/> Demos/lectures - each month co-coordinating with current exhibitions	100% all	100%	0
<input type="checkbox"/> Workshops – Dan and Meredith Corson sand sculpture workshop Nov 12, 2005, Dance workshop re: Dancing to Art Nov 10 2005, National Gallery Photography workshop August 15, 2005, Rose Eva's Sculpture workshop 9, 10, 11 December 2005, Still Life Guide Studio, Little Artists workshops. <input type="checkbox"/> Continuing Education courses each run 2 hours per week, each week, each of the three terms and also the summer period. Ceramics, Acrylics, Drawing, Intermediate Print Making, Life drawing, MetalSmithing, <input type="checkbox"/> Tours – upon request	100% All	100% All	0
Location <input type="checkbox"/> •Delivered from the National Gallery's Harbour Place locations are the following: Website, newsletter, Demos/lectures <input type="checkbox"/> Public Art - in the various districts. <input type="checkbox"/> Workshops - NGEC <input type="checkbox"/> Continuing education courses at NGEC <input type="checkbox"/> School tours at the exhibitions held at Harbour Place and alternative exhibition spaces	100% all	100% All	0
Cost (of producing the output)	198005	61,830.00	136175
Price (paid by Cabinet for the output)	61,830.00		
Related Broad Outcomes: Shortfall: \$136175			

Explanation of Annual Variances:

Increased number of workshops; and newsletters found to be cost effective at 2 publications a year.

Please note that *Actual* figures represent total expenditures for the output and *Budget* figures represent the total as per our Purchase Agreement with Government. The variance total is supported by the Gallery's other income streams.

Part B

Ownership Performance Achieved During the Year

3 Nature and Scope of Activities

Approved Nature and Scope of Activities

To promote and encourage the development and appreciation of the visual arts in the Cayman islands through the hosting of regular art exhibitions and a education programme targeted all age groups.

Compliance during the Year

The NGCI continued to successfully carry out a wide reaching, well instructed education and outreach programme, in conjunction with their exhibition schedule, to a high professional standard.

5 Ownership Performance Targets

5.1 Financial Performance

Financial Performance Measures	2005/6 Actual \$	2005/6 Budget \$	Annual Variance \$
Revenue from Cabinet	294000	294000	-
Revenue from ministries, portfolios, statutory authorities, government companies	NIL	NIL	-
Revenue from others	298089	149000	149089
Surplus/deficit from outputs	NIL	NIL	-
Ownership expenses	560581	427000	133581
Operating Surplus/Deficit	31508	16000	15508
Net Worth	963714	329800	
Cash flows from operating activities	365259	57000	308259
Cash flows from investing activities	(26555)	NIL	26555
Cash flows from financing activities	NIL	16000	(16000)
Change in cash balances	338704	9000	297115

Financial Performance Ratios	2005/6 Actual	2005/6 Budget	Annual Variance
Current Assets: Current Liabilities (Working Capital)	925:nil	1.1:1	
Total Assets: Total Liabilities	964:nil	1.1:1	

5.2 Maintenance of Capability

Human Capital Measures	2005/6 Actual	2005/6 Budget	Annual Variance
Total full time equivalent staff employed	7	5	2
Staff turnover (%)		20%	
Managers	2	3	
Professional and technical staff	1	1	
Clerical and laborer staff	4	1	
Average length of service (number of years in current position) Managers	5	5	
Professional and technical staff	3	3	
Clerical and laborer staff	7	7	
Changes to personnel management system: Deputy Director			

Explanation of Variances:

A key staff member – the deputy director/curator – left the NGCI in September 2005 and was replaced by two members of staff. In addition the Outreach and Education Coordinator position was split into two positions due to increased work load in this department.

Physical Capital Measures	2005/6 Actual \$	2005/6 Budget \$	Annual Variance \$
Value of total assets	963714	525768	437946
Asset replacements: total assets		No Replacement	
Book value of assets: initial cost of those assets	.72:1	Original Cost	
Depreciation: cash flow on asset purchases	.27:1	NIL	
Changes to asset management policies			

Major <u>New</u> Entity Capital Expenditures for the Year	2005/6 Actual \$	2005/6 Budget \$	Annual Variance \$

Major Entity Capital Expenditures continuing from previous years	2005/6 Actual \$	2005/6 Budget \$	Annual Variance \$

5.3 Risk Management

Risk	Status of Risk	Action Taken During 2005/06 to Manage Risk	Financial Value of Risk
Ability to Raise Donations	NIL	Directors Responsibility	100000
	NIL	Management Boards Responsibility	(Assist w/above)

Appendix: Financial Statements for the Year

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Statement of Responsibility
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Balance Sheet
Statement of Cash Flows
Statement of Accounting Policies
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The National Gallery of the Cayman Islands

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

These financial statements have been prepared by National Gallery of the Cayman Islands in accordance with the provisions of the Public Management and Finance Law (2005 Revision)

I 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).

To the best of my knowledge the financial statements are:

- (a) complete and reliable;
- (b) fairly reflect the financial position as at the end of each of the first three quarters and as at 30 June 2006 and the financial performance for each of the first three quarters and for the year ended 30 June 2006; and
- (c) comply with generally accepted accounting practice.

[insert signature]

[insert name]

Chief Officer

National Gallery of the Cayman Islands

[insert date financials completed]

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

		2005/6 Actual	2005/6 Budget	2004/5 Actual
Revenue				
Outputs to Cabinet		294000	294000	254252
Outputs to other government agencies				
Outputs to others		287729	149000	195007
Interest Revenue		10360		4262
Total Operating Revenue		<u>592089</u>	<u>443000</u>	<u>453521</u>
Operating Expenses				
Personnel costs	1	285920	256000	216181
Supplies and consumables	2	202509		172162
Depreciation	3	9266	6000	9472
Capital charge		30473		0
Other operating expenses		32413	6000	13106
Total Operating Expenses		<u>560581</u>	<u>427000</u>	<u>410921</u>
Surplus from operating activities		<u>31508</u>	<u>16000</u>	<u>42600</u>
Gains/losses on foreign exchange transactions		-	-	-
Gains/losses on disposal or revaluation of non-current assets		-	-	-
Surplus before extraordinary items		<u>31508</u>	<u>16000</u>	<u>42600</u>
Extraordinary items				
Net Surplus		<u><u>31508</u></u>	<u><u>16000</u></u>	<u><u>42600</u></u>

The accounting policies and notes on pages [24 to 25] form part of these financial statements.

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2006**

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Opening balance net worth	525768	329800	483168
Net surplus	31508	16000	42600
Property revaluations	406438		
Investment revaluations			
Net revaluations during the period			
Total recognised revenues and expenses	963714	345800	525768
Equity investment from Cabinet			
Repayment of surplus to Cabinet			
Capital withdrawal by Cabinet			
Closing balance net worth	<u>963714</u>	<u>345800</u>	<u>525768</u>

The accounting policies and notes on pages [24 to 25] form part of these financial statements.

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
BALANCE SHEET
AS AT 30 JUNE 2006**

		2005/6 Actual	2005/6 Budget	2004/5 Actual
Current Assets				
Cash and cash equivalents	4	549641	351000	210937
Accounts receivable	5	81128		2648
Inventories	6	3206		3186
Other Current Assets		291359	4000	295490
Total Current Assets		<u>925334</u>	<u>355000</u>	<u>512261</u>
Non-Current Assets				
Property, plant and equipment	7	38380	6800	13507
Other non-current assets				
Total Non-Current Assets		<u>38380</u>	<u>6800</u>	<u>13507</u>
Total Assets		<u>963714</u>	<u>361800</u>	<u>525768</u>
Current Liabilities				
Accounts payable	8	0	0	0
Unearned revenue				
Employee entitlements	9	0	0	0
Other current liabilities				
Total Current Liabilities		<u>0</u>	<u>0</u>	<u>0</u>
Non-Current Liabilities				
Employee entitlements	10	0		0
Other non-current liabilities	11	0		0
Total Non-Current Liabilities		<u>0</u>		<u>0</u>
Total Liabilities		<u>0</u>	<u>32000</u>	<u>0</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>963714</u>	<u>329800</u>	<u>525768</u>
NET WORTH				
Contributed capital				
Asset revaluation reserve				
Accumulated surpluses				
Total Net Worth		<u>963714</u>		<u>525768</u>

The accounting policies and notes on pages [24 to 25] form part of these financial statements.

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

		2005/6 Actual	2005/6 Budget	2004/5 Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Outputs to Cabinet		294000	294000	254252
Outputs to other government agencies				
Outputs to others		287729	149000	195007
Interest received		10360		4262
Payments				
Personnel costs		285920	194000	216181
Suppliers		202509	224000	172162
Other payments			32000	10479
Net cash flows from operating activities	12	365259	7000	54699
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of non-current assets		(34139)		(10446)
Proceeds from sale of non-current assets				
Purchase of fixed deposits		(287906)		(295490)
Proceeds from maturity of fixed Deposits		295490		292826
Net cash flows from investing activities		(26555)	0	(13110)
CASH FLOWS FROM FINANCING ACTIVITIES				
Equity investment		-		-
Repayment of surplus		-		-
Capital withdrawal		-		-
Net cash flows from financing activities		-	(48000)	-
Net increase/(decrease) in cash and cash equivalents		338704		41589
Cash and cash equivalents at beginning of period		210937		169348
Cash and cash equivalents at end of period		549641		210937

The accounting policies and notes on pages [24 to 25] form part of these financial statements.

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF COMMITMENTS
AS AT 30 JUNE 2006**

Type	One year or less	One to five years	Over five years	Total
Capital Commitments				
Land and buildings				
Other fixed assets				
Other commitments [list separately if material]				
Total Capital Commitments				
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				

The accounting policies and notes on pages [24 to 25] form part of these financial statements.

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF CONTINGENT LIABILITIES
AS AT 30 JUNE 2005**

Summary of Quantifiable Contingent Liabilities

\$000

Legal Proceedings and Disputes

Item 1 description

Item 2 description

Total Legal Proceedings and Disputes

Other Contingent Liabilities

Item 1 description

Item 2 description

Total Other Contingent Liabilities

Summary of Non-Quantifiable Contingent Liabilities

Item 1 description

Item 2 description

The accounting policies and notes on pages [24 to 25] form part of these financial statements.

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2006**

General Accounting Policies

Reporting entity

These financial statements are for the National Gallery of the Cayman Islands

Basis of preparation

The 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 financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period

The annual reporting period is for the twelve months ended 30 June 2006.

As this is the first year in which financial statements have been prepared on an accruals basis no comparative figures are available or provided.

Specific Accounting Policies

Revenue

Output revenue

Output revenue, including entity 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 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 National Gallery bank account.

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 (or fair value as at time of first recognition) or valuation.

Other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost (or fair value if acquired prior to 2006) 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.

**NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1: PERSONNEL COSTS

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Salaries and wages (including employee pension contributions)	233132	194000	208153
Employer pension expense	10365		8028
Other personnel costs			
Total Personnel Costs	222767	194000	216181

NOTE 2: SUPPLIES AND CONSUMABLES

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Supply of goods and services	202509	224000	172162
Operating lease rentals			
Other			
Total Supplies and Consumables	202509	224000	172162

NOTE 3: DEPRECIATION

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Buildings	-	-	-
Vehicles	-	-	-
Aeroplanes	-	-	-
Boats	-	-	-
Furniture and fittings	2642	-	6832
Computer hardware and software	3327	-	2265
Office equipment	1012	-	375
Other plant and equipment	2285	-	0
Other assets	-	-	-
Total Depreciation	9266	-	9472

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

	Years
Buildings	
Vehicles	
Aeroplanes	
Boats	
Furniture and fittings	3-5
Computer hardware and software	3-5
Office equipment	3-5
Other plant and equipment	3-5
Other assets	

NOTE 4: CASH AND CASH EQUIVALENTS

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Cash on hand			
Bank accounts	549641	41000	210937
Deposits with Portfolio Finance and Economic (Treasury)			
Total Cash and Cash Equivalents	546641	41000	210937

NOTE 5: ACCOUNTS RECEIVABLE

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Outputs to Cabinet			
Outputs to other government agencies			
Outputs to others	76298		500
Interest receivable	4830		2148
Prepayments			
Interest Receivable			
Other Receivables			
Total Gross Accounts Receivable	81128		2648
Less provision for doubtful debts	0		0
Total Net Accounts Receivable	81128		2648

NOTE 6: INVENTORIES

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Raw Materials (including Consumable Stores)			
Work in Progress			
Finished Goods	3206		3186
Total Inventories	3206		3186

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Cost or Revalued Amount	Accumulated Depreciation	30 June 2006 Book Value Actual	30 June 2005 Book Value Actual
Buildings				
Vehicles				
Aeroplanes				
Boats				
Furniture and fittings	38198	33288	4910	5339
Computer hardware and software	10982	7067	3915	6043
Office equipment	8700	3062	5638	0
Other plant and equipment	14423	5506	8917	2125
Construction in progress	15000	0	15000	0
Other assets (list if material)				
Total	87303	48923	38380	13507

NOTE 8: ACCOUNTS PAYABLE

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Trade Creditors	-	-	-
Operating lease rental	-	-	-
Accruals	-	-	-
Total	-	-	-

NOTE 9: EMPLOYEE ENTITLEMENTS (CURRENT)

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Long service leave and other leave entitlements	-	-	-
Other salary related entitlements	-	-	-
Total Employee Entitlements	-	-	-

NOTE 10. EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Long service leave and other leave entitlements	-	-	-
Other salary related entitlements	-	-	-
Total	-	-	-

NOTE 11: OTHER NON-CURRENT LIABILITIES

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Provision for agency revenue repayable	-	-	-
Provision for restructuring	-	-	-
Accounts payable	-	-	-
Unearned revenue	-	-	-
Other	-	-	-
Total	-	-	-

**NOTE 12: RECONCILIATION OF OPERATING SURPLUS TO CASH FLOWS FROM
OPERATING ACTIVITIES**

	2005/6 Actual	2005/6 Budget	2004/5 Actual
Operating surplus/(deficit)	437946		42600
Non-cash movements			
Depreciation	9266		9472
Increase in provision for doubtful debts			
Services Donated by KPMG	22500		21500
(Decrease)/increase in payables/accruals	(22500)		(21500)
Net (gain)/loss from sale of fixed assets			
(Increase)/decrease in Inventory	(20)		4110
Net gain/loss from sale of investments			
Increase in other current assets	(3453)		0
(Increase)/decrease in receivables	(78480)		(1483)
Net cash flows from operating activities	365259		54699

Important Background Information

1. The National Gallery of the Cayman Islands was established on April 23, 1999 in accordance with the National Gallery Law. Prior to this date, the Gallery operated as an unincorporated entity. The gallery through its governing 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 organizing 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 these Islands. The property of the Gallery is vested in three trustees appointed by the Governor in Cabinet, one of whom is also a member of the Management Board. The Gallery is located at P.O. Box 10197, Harbour Place, Grand Cayman KY1-1002, Cayman Islands
2. The Gallery relies on public and private grants and donations to cover a substantial portion of its operating expenses.
3. Consistent with the practice followed by many galleries, collections and exhibits purchased and donated are not included in the balance sheets. The cost of all objects purchased are recorded as an expense in the statements of operations. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation. The Gallery has 78 works of art in its permanent collection with an insured value of \$102,191.
4. A substantial number of unpaid volunteers make significant contributions of their time to develop the Gallery's programs. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation. The services of KPMG in connection with the Gallery's audited statements are donated, at the applicable cost of CI \$22,500 and are reflected as part of donations in the statement of operations.
5. Effective August 1, 2005 the Gallery entered into a two year operating lease in respect of the education centre premises at \$27,500. The Gallery's education centre premises lease expires August 1, 2007 at which time, the Gallery management intends to renew this lease.
6. During the year ended December 31, 1998, 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 which is valued at US \$543,367 is not reflected in these financial statements.
7. The restricted building fund has been set aside for the development of a new Gallery building. Funds raised for the development of the new Gallery building (\$699,276) cannot be used for any other purpose.
8. The board of directors manages the Gallery's market risk. The investment portfolio is managed within the scope of the Gallery's investment guidelines. The Gallery invests only in US\$ and CI\$ denominated fixed deposits. As the Cayman Islands dollar is fixed to the UAS dollar, the Gallery is not exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse affect on the value of that portion of the Gallery's assets or liabilities denominated in currencies other than the Cayman Islands dollars.