



**CAYMAN ISLANDS
GOVERNMENT**

Financial Statement (Unaudited)

of the

Portfolio of Finance and Economics

For the year ending 30 June 2007

PORTFOLIO OF FINANCE AND ECONOMICS FINANCIAL STATEMENTS (UNAUDITED)

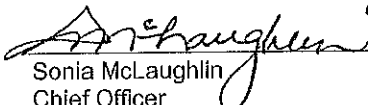
Statement of Responsibility for Financial Statements (Unaudited) Portfolio of Finance and Economics

These financial statements have been prepared in accordance with the provisions of the Public Management and Finance Law, 2005 Revision and The Public Management and Finance (Amendment) Law, 2011.

As Chief Officer and Deputy Chief Financial Officer, we are responsible for the preparation of the Financial Statements.

To the best of our knowledge these statements:

- (a) fairly reflect the financial position as at June 30th, 2007 and performance for the 2006/07 financial year ended 30 June 2007; and
- (b) comply with some of the International Public Sector Accounting Standards under the responsibility of the International Accounting Standards Board.



Sonia McLaughlin
Chief Officer
Portfolio of Finance and Economics



Nina Vandine
Deputy Chief Financial Officer

15 September 2011

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Statement of Financial Performance (Unaudited)
Portfolio of Finance and Economics
For the year ended 30 June 2007

		2006/07 Actual	2006/07 Budget	2005/06 Actual
	Note	\$000	\$000	\$000
Revenue				
Outputs to Cabinet		18,170	18,791	15,979
Outputs to other government agencies		1,155	1,597	1,542
Outputs to others		21,725	15,278	16,116
Interest/ Investment revenue		399	-	169
Other operating revenue		21	92	184
Total Operating Revenue		41,469	35,758	33,990
Operating Expenses				
Personnel costs	1	15,842	14,611	13,441
Supplies and consumables	2	7,863	8,701	7,455
Depreciation	3	635	620	596
Capital charge		347	347	154
Outputs from non-governmental organisations		-	-	-
Transfer payments		-	-	-
Other operating expenses		-	6	-
Total Operating Expenses		24,686	24,285	21,646
Surplus from operating activities and before extraordinary items		16,783	11,473	12,344
Extraordinary items		-	-	-
Net Surplus		16,783	11,473	12,344

Statement of Changes in Net Worth (Unaudited)
Portfolio of Finance and Economics
For the year ended 30 June 2007

		2006/07 Actual	2006/07 Budget	2005/06 Actual
	Note	\$000	\$000	\$000
Opening balance net worth		11,431	8,219	6,088
Net surplus		16,783	11,473	12,344
Prior Period Adjustments		-	-	724,000
Property revaluations		-	-	-
Investment revaluations		-	-	-
Net revaluations during the period		-	-	-
Total recognised revenues and expenses		28,214	19,691	19,156
Equity investment		306	473	1,418
Repayment of surplus		(15,000)	(11,473)	(9,143)
Capital withdrawal		-	-	-
Closing balance net worth		13,519	8,296	11,431

Statement of Financial Position (Unaudited)
Portfolio of Finance and Economics
As at 30 June 2007

		2006/07 Actual	2006/07 Budget	2005/06 Actual
	Note	\$000	\$000	\$000
Current Assets				
Cash and cash equivalents	4	4,121	2,183	2,585
Accounts receivable	5	7,113	2,204	5,708
Inventories	6	-	-	-
Other Current Assets		4	-	105
Total Current Assets		11,238	4,387	8,398
Non-Current Assets				
Property, plant and equipment	7	4,920	4,711	5,089
Other non-current assets		-	-	-
Total Non-Current Assets		4,920	4,711	5,089
Total Assets		16,158	9,098	13,487
Current Liabilities				
Accounts payable	8	2,125	200	1,631
Unearned revenue		-	-	-
Employee entitlements	9	292	48	248
Other current liabilities		222	158	177
Total Current Liabilities		2,639	406	2,056
Non-Current Liabilities				
Employee entitlements	10	-	-	-
Other non-current liabilities	11	-	-	-
Total Non-Current Liabilities		-	-	-
Total Liabilities		2,639	406	2,056
TOTAL ASSETS LESS TOTAL LIABILITIES		13,519	8,692	11,431
NET WORTH				
Contributed capital		13,519	8,692	11,431
Asset revaluation reserve		-	-	-
Accumulated surpluses		-	-	-
Total Net Worth		13,519	8,692	11,431

Cash Flow Statement (Unaudited)
Portfolio of Finance and Economics
For the year ended 30 June 2007

	Note	2006/07 Actual \$000	2006/07 Budget \$000	2005/06 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Outputs to Cabinet		18,575	18,772	22,269
Outputs to other government agencies		1,201	1,954	182
Outputs to others		19,866	15,849	16,338
Interest received		399	-	169
Other receipts		21	92	-
Payments				
Personnel costs		(15,673)	(14,564)	(13,399)
Suppliers		(7,721)	(8,343)	(16,664)
Other payments			(6)	35
Net cash flows from operating activities	13	16,668	12,837	8,930
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of non-current assets		(438)	(473)	(1,807)
Proceeds from sale of non-current assets		-	-	-
Net cash flows from investing activities		(438)	(1,963)	(1,807)
CASH FLOWS FROM FINANCING ACTIVITIES				
Equity investment		306	473	1,899
Repayment of surplus		(15,000)	(11,473)	(9,159)
Capital withdrawal		-	-	-
Net cash flows from financing activities		(14,694)	(10,999)	(7,260)
Net Increase/(decrease) in cash and cash equivalents		1,564	1,364	221
Cash and cash equivalents at beginning of period		2,585	818	2,364
Cash and cash equivalents at end of period	4	4,121	2,183	2,585

Statement of Accounting Policies

General Accounting Policies

Reporting entity

These financial statements are for the Portfolio of Finance and Economics

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 depreciation and or 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 reporting period is the period ended 30 June 2007.

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 generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

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 operating leases are charged to the operating statement in accordance with the terms of the lease.

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).

Accounts Receivables and Prepayments

Accounts receivables are carried at the original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amounts at the end of the year. The amount of any provision for doubtful receivables required would be recognized as an expense in the statement of financial performance.

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 2003) less accumulated depreciation.

Computer Hardware and Software

Computer hardware and software are recorded at cost, and depreciated in accordance with the policy on depreciation.

Depreciation of property, plant and equipment is calculated using the straight-line method at the following rates, to allocate the cost of the assets over their estimated useful lives:

	<u>Years</u>
Buildings	
Infrastructure assets	40-60
Roads and sidewalks	6-50
Water reticulation and sewage	6-50
Other (list separately if material)	5-15
Vehicles	4-12
Aeroplanes	9-20
Boats	9-20
Furniture and fittings	3-20
Computer hardware	3-10
Computer Software	3-10
Office equipment	3-20
Other plant and equipment	5-25
Other assets	3-25
	Based on term of leases
Leasehold Improvements	

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 at the current rates of pay.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

Pension Obligations

Pension contributions for employees are paid to the Public Service Pensions Fund (the "Fund"). The Fund is administered by the Public Service Pensions Board and is operated as a multi-employer non-contributory Fund, whereby the employer pays both employer and employee contributions. Prior to 1 January 2000 the scheme underlying the fund was a defined benefit scheme. With effect from 1 January 2000 the Fund had both a defined benefit and defined contribution element. Participants joining after that date became members of the defined contribution element. Pension scheme contributions are included in personnel costs in the statement of financial performance.

Government Contributions

Government contributions relate to the fixed asset acquisitions, working capital and cash of the Portfolio that are funded by Cabinet.

Notes to the Financial Statements

NOTE 1. PERSONNEL COSTS

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Salaries and wages (including employee pension contributions)	13,667	13,898	11,718
Employer/Government pension expense	677	704	578
Other Personnel Costs	1,497	9	1,145
Total Personnel Costs	15,842	14,611	13,441

NOTE 2. SUPPLIES AND CONSUMABLES

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Supply of goods and services	3,916	5,923	5,248
Operating lease rentals	1,845	2,034	2,188
Other	2,102	745	19
Total Supplies and Consumables	7,863	8,701	7,455

NOTE 3. DEPRECIATION

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Buildings	114	114	115
Roads and sidewalks	-	-	-
Water reticulation and sewage	-	-	-
Other infrastructure assets	-	-	-
Vehicles	55	30	55
Aeroplanes	-	-	-
Boats	-	-	-
Furniture and fittings	57	37	47
Computer hardware and software	70	75	56
Office equipment	50	50	64
Other plant and equipment	37	36	9
Other assets	252	276	250
Total Depreciation	635	619	596

NOTE 4. CASH AND CASH EQUIVALENTS

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Cash on hand	3	-	3
Bank accounts	3,556	2,183	2,582
Deposits with Portfolio Finance and Economic (Treasury)	562	-	-
Other cash or cash equivalents	-	-	-
Total Cash and Cash Equivalents	4,121	2,183	2,585

NOTE 5. ACCOUNTS RECEIVABLE

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Outputs to Cabinet	2,319	1,251	2,724
Outputs to other government agencies	-	-	2,957
Outputs to others	3,106	78	22
Overseas medical advances	-	-	-
Asset sales	-	-	-
Prepayments	-	-	-
Other Receivables	1,688	-	5
Total Gross	7,113	1,329	5,708
Less provision for doubtful debts	-	-	-
Total Net	7,113	1,329	5,708

NOTE 6. INVENTORIES

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Raw Materials (including Consumable Stores)	-	-	-
Work in Progress	-	-	-
Finished Goods	-	-	-
Total Inventories	-	-	-

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Book Value 2006/07	2006/07 Budget	Book Value 2005/06
					\$000
Land					
Buildings	4,661	1,695	2,966	2,882	2,997
Vehicles	313	142	171	35	226
Aeroplanes					
Boats					
Furniture and fittings	707	221	486	181	532
Computer hardware and software	563	373	190	218	120
Office equipment	431	279	152	96	132
Other plant and equipment	1,489	550	939	138	1,082
Construction in progress	16		19		
Other assets				1,130	
Total	8,180	3,260	4,920	4,711	5,089

NOTE 8. ACCOUNTS PAYABLE

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Trade Creditors	143	200	116
Operating lease rental	-	-	-
Other accounts payable	1,982	-	1,515
Accruals	-	-	-
Total	2,125	200	1,631

NOTE 9. EMPLOYEE ENTITLEMENTS (CURRENT)

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Long service leave and other leave entitlements	292	285	248
Other salary related entitlements	-	-	-
Total Employee Entitlements	292	285	248

NOTE 10. EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Long service leave and other leave entitlements	-	-	-
Other salary related entitlements	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

NOTE 11. OTHER NON-CURRENT LIABILITIES

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Provision for agency revenue repayable	-	-	-
Provision for restructuring	-	-	-
Accounts payable	-	-	-
Unearned revenue	-	-	-
Other	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

NOTE 12. RECONCILIATION OF OPERATING SURPLUS TO CASH FLOWS FROM OPERATING ACTIVITIES

	2006/07 Actual	2006/07 Budget	2005/06 Actual
	\$000	\$000	\$000
Operating surplus/(deficit)	16,783	11,473	12,344
Non-cash movements			
Depreciation	635	620	596
Increase in provision for doubtful debts	-	-	-
Decrease in payables/accruals	413	358	(8,975)
Personnel	141	48	55
Net gain/loss from sale of fixed assets	-	-	184
Net gain/loss from sale of investments	-	-	-
Increase in other current assets	-	-	-
Decrease in receivables	(1,304)	339	4,726
Net cash flows from operating activities	<u>16,668</u>	<u>12,837</u>	<u>8,930</u>

NOTE 13. RELATED PARTY DISCLOSURE

The Portfolio of Finance and Economics is unaware of any material financial transactions between this entity and any senior government officials or members of Cabinet other than those of an employer employee nature.

As the Portfolio of Finance is a central Government Agency, it transacts business with approximately 120 other Departments in core Government as well as the wider public section. These business relationships are mainly due to the FMI reform whereby each cost centre seeks to show the true cost of producing its goods or services. These related party transactions will be fully eliminated in the preparation of the accounts for the entire public sector.

A total of \$967,909 was paid out during the fiscal year 2006/07 to eight key management personnel at the Senior Management Level. The total remuneration includes: regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for key management personnel in 2005/06 was approximately \$1,035,067.

NOTE 13. OPERATING LEASE DISCLOSURE

During the 2006/07 financial year, the Portfolio of Finance and Economics rented various accommodations under operating lease agreements as part of its normal course of business. The table summarizes the various transactions.

Organization	Amount
Cayman Corporate Centre	65,039
CIG - Lands and Survey	15,434
CIG - Public Works	2,869
Deloitte & Touche Properties	21,259
Flowers, Clarence B.	33,322
L7 Holdings Ltd.	3,967
MC2 Design Group	1,500
Mini Warehouse Two Ltd.	11,116
Montpelier Properties	175,805
Platinum Properties	1,600
Port Authority of Cayman Islands	7,488
SAGC - Cayman Islands Airport Authority	743,634
Surebuilt Construction	17,030
UBW Ltd.	232,547
Total	1,332,610