



GOVERNMENT OF THE CAYMAN ISLANDS

**OFFICE OF THE
PREMIER**

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30th JUNE 2013

CONTENTS

	Page
1. Statement of Responsibility for Financial Statements	3
2. Auditor General's Report	4 -5
3. Statement of Financial Position	6
4. Statement of Financial Performance	7
5. Statement of Changes in Net Worth	8
6. Cash Flow Statement	9
7. Notes	10 -25



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Cayman Islands Government

OFFICE OF THE PREMIER

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Office of the Premier in accordance with the provisions of the Public Management and Finance Law (2013 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 (2013 Revision).

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 Office of the Premier. However, I was not a part of the Office of the Premier during the fiscal year as Chief Officer and as such I was not responsible for and therefore could not ensure appropriate internal controls were established and maintained throughout the fiscal year and therefore make no representations over the internal controls for the financial year ended 30th June 2013.

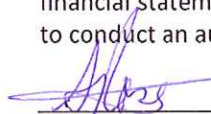
As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Office of the Premier financial statements, representation and judgements made in these statements.

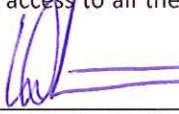
The financial statements fairly present the financial position, financial performance and cash flows of the Office of the Premier for the financial year ended 30th June 2013.

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

- (a) Completely and reliably reflect the financial transactions of the **Office of the Premier** for the year ended 30th June 2013.
- (b) Fairly reflect the financial position as at 30th June 2013 and performance for the Year ended 30th June 2013;
- (c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

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


Samuel Rose
Chief Officer, JP


Wendy Manzanara
Chief Financial Officer

Date- 10th July 2014

Date- 10th July 2014

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly and the Chief Officer of the Office of the Premier

I have audited the accompanying financial statements of the Office of the Premier, which comprise the statement of financial position as at 30 June 2013 and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 25 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2013Revision)*.

Management's Responsibility for the Financial Statements

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

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 about 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 on 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.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 30 June 2013 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Alastair Swarbrick, MA (Hons), CPFA
Auditor General

4 August 2014
Cayman Islands

**OFFICE OF THE PREMIER
STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2013**

		Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Note				
Current Assets					
Cash and cash equivalents	2	1,075	254	254	821
Trade receivables	3	-	252	252	(252)
Total Current Assets		1,075	506	506	569
Non-Current Assets					
Property, plant and equipment	4	192	132	132	60
Total Non-Current Assets		192	132	132	60
Total Assets		1,267	638	638	629
Current Liabilities					
Trade payables	5	15	-	-	(15)
Other payables and accruals	5	111	206	206	95
Employee entitlements	6	23	-	-	(23)
Surplus payable		691	-	-	(691)
Total Current Liabilities		840	206	206	(634)
Non-Current Liabilities					
Total Non-Current Liabilities		-	-	-	-
Total Liabilities		840	206	206	(634)
Net Assets		427	432	432	(5)
NET WORTH					
Contributed capital		427	432	432	(5)
Total Net Worth		427	432	432	(5)

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

**OFFICE OF THE PREMIER
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2013**

		Current Year Actual \$'000	Final Budget \$'000	Original Budget \$'000	Variance (Original vs Actual) \$'000
Revenue					
Sale of goods and services	7	2,534	3,041	3,041	(507)
Total Revenue		2,534	3,041	3,041	(507)
Expenses					
Personnel costs	8	760	993	993	233
Supplies and consumables	9	1,049	2,002	2,002	953
Depreciation	4	30	46	46	16
Net gain on foreign exchange transactions	10	(1)	-	-	1
losses on property, plant and equipment	10	5	-	-	(5)
Total Expenses		1,843	3,041	3,041	1,198
Surplus		691	-	-	691

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

OFFICE OF THE PREMIER

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEAR ENDED 30th JUNE 2013

all figures in \$'000 in CI Dollars

Attributable to Cayman Islands Government

	Contributed Capital	Accumulated Surplus	Total	Total Net worth	Original Budget	Final Budget	Variance (Original vs Actual)
Balance at 30th June 2012 brought forward	-	-	-	-	178	178	(178)
Restated balance	-	-	-	-	178	178	(178)
Changes in net worth for 2012/13							
Equity Investment*	427	-	427	427	254	254	173
Repayment of surplus/dividends to Cabinet	-	(691)	(691)	(691)	-	-	(691)
changes recognized directly in equity	427	(691)	(264)	(264)	254	254	(519)
Surplus for 2012/2013	-	691	691	691	-	-	691
	427	-	427	427	254	254	173
Balance at 30th June 2013	427	-	427	427	432	432	(5)

*The equity investment represents \$254,000 from Cabinet from EI 63 of in the Appropriation Law 2012 and \$173,000 based on a transfer of CIG TV assets from the Ministry of Finance, Tourism and Development - Tourism and Development.

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

**OFFICE OF THE PREMIER
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th JUNE 2013**

	Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	(Original vs Actual) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Receipts</i>					
Outputs to Cabinet		2,534	3,074	3,074	(540)
<i>Payments</i>					
Personnel costs		(737)	(993)	(993)	256
Supplies and consumables		(922)	(2,081)	(2,081)	1,159
Net cash flows from operating activities		875	0	0	875
CASH FLOWS TO INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(54)	-	-	(54)
Net cash flows to investing activities		(54)	-	-	(54)
CASH FLOWS FROM FINANCING ACTIVITIES					
Equity Investment		254	254	254	0
Net cash flows from financing activities		254	254	254	0
Net increase in cash and cash equivalents		1,075	254	254	821
Cash and cash equivalents at beginning of the year		-	-	-	-
Cash and cash equivalents at end of the year	2	1,075	254	254	821

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

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in CUS\$'000)

Description and principal activities

The Office of the Premier (OTP) is a Government owned entity as defined by Section 2 of the Public Management and Finance Law (2013 Revision) and it is domiciled in the Cayman Islands. The Cayman Islands Constitution Order 2009, Section 49 which was signed into law 6th November 2009 provided for the Office of the Premier.

As gazetted under the Public Service Management (Amendment) Bill, 2009. The Office of the Premier is a civil service entity recognized under both the *Public Management and Finance Law (2013 Revision)* and the *Public Service Management Law (2011 Revision)*. The main purpose of the organization is to support the Premier in executing the functions of the office as defined under the Constitution and agreed upon in the Annual Plan and Estimates of the Government of Cayman Islands for the financial year ending 30th June 2013. The OTP advises the Governor on matters of Ministerial, Cabinet, Constitutional Commissions, committees and council appointments, dissolution of the Legislative Assembly as well as regular briefing of the Governor on Government policies and public affairs.

The Office of the Premier is located on the fifth floor of the Government Administration Building, 133 Elgin Avenue, George Town Grand Cayman. The Office of the Premier is located on the fifth floor of the Government Administration Building, 133 Elgin Avenue, George Town Grand Cayman. The OTP was established on 1st July 2012 and included in the Annual Budgeted Statement for the fiscal year ended June 30, 2013 as a stand-alone entity. As such there is no comparative information available.

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 (IFAC) and its International Public Sector Accounting Standards Board (IPSAB) using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) 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 in these financial statements.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in CI\$'000)

Basis of preparation

The financial statements are presented in Cayman Islands (CI\$) 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.

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.

Segment reporting has not been included in accordance with **IPSAS 18** as the entity consists of a single department, the activities of which do not meet the criteria for Segment Reporting as required under **IPSAS 18**.

(b) Budget amounts

The original and final budget amounts for the financial year are as presented in the 2012/2013 Annual Budget Statement and approved by the Legislative Assembly on the 29th August 2012.

(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, 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.

(d) Changes in Accounting Estimates

There have been no changes in the accounting estimates as defined by **IPSAS 3**.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

(e) 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 Office of the Premier derives its revenue through the provision of services to Cabinet. Revenue is recognised at fair value for services provided.

(f) Expenses

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

(g) 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.

(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 from the date of acquisition.

(i) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment and has been reported as a current asset in these financial statements.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

(j) 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 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.

(k) Property, Plant and Equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation. Items of property, plant 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 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>
• Other plant & equipment	5 – 20 years

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in CUS\$'000)

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.

Impairment

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

(I) 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 Office of the Premier 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 Office of the Premier.

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.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

(m) Financial Instruments

The Office of the Premier is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, 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 Office of the Premier 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.

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.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

(n) Services-In-Kind

Donated services are to be recognised as revenue and expense only when the services consist of specialized skills which would have been purchased if not donated.

Other donated services are not to be recognised but disclosure should be made of their nature and fair values (where known).

Where resources received free of charge cannot be reliably measured, details of these resources are to be disclosed in the notes to the financial statement.

Services- in- kind received by the Ministry are deemed non-exchange transactions as defined under IPSAS 23 - Revenue from Non-Exchange Transactions and are disclosed under **Note 7 – Revenue** of these financial statements.

(o) Contingent Liabilities and Assets (including guarantees)

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 obligations 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.

De-recognition

A financial asset is de-recognized when the Office of the Premier 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.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in CI\$'000)

(p) 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 to be 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.

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Office of the Premier maintained at Royal Bank of Canada, with short term deposits invested with the Cayman Islands Government Treasury. As at 30th June 2013, the Office of the Premier's unrestricted cash balances were as presented below. No restricted cash balances were held by the Office of the Premier at 30th June 2013.

Description	Foreign Currency \$'000	Exchange Rate	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Original vs Actual) \$'000
Cash on hand (IRIS Confirmation Account/Petty Cash)	-	1	-	254	254	(254)
CI\$ Operational Current Account held at Royal Bank of Canada	1,075	1	1,075	-	-	1,075
TOTAL	1,075		1,075	254	254	821

Note 3: Trade receivables

The Office of the Premier had no Trade receivables as at 30th June 2013.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in CI\$'000)

Note 4: Property, plant and equipment

Cost or Opening Valuation

	<i>Plant and equipment \$'000</i>	<i>Total \$'000</i>	<i>Original Budget \$'000</i>	<i>Final Budget \$'000</i>	<i>Variance (Orig vs Actual) \$'000</i>
Balance as at 1 July 2012	-	-	178	178	(178)
Additions	54	54	-	-	54
Disposals	-	-	-	-	-
Transfers	167	167	-	-	167
Balance at 30 June 2013	221	221	178	178	43

Accumulated Depreciation and Impairment Losses

	<i>Plant and equipment \$'000</i>	<i>Total \$'000</i>	<i>Original Budget \$'000</i>	<i>Final Budget \$'000</i>	<i>Variance (Orig vs Actual) \$'000</i>
Balance as at 1 July 2012	-	-	-	-	-
Transfers 2012/13	-	-	-	-	-
Impairment Reserve 2012/13	-	-	-	-	-
Depreciation Expense 2012/13	30	30	46	46	16
Eliminate on Disposal 2012/13	-	-	-	-	-
Balance at 30 June 2013	30	30	46	46	16

Net Book value 30 June 2013	191	191	132	132	59
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The assets of the Office of the Premier are all related to the setup of CIG TV. Assets in the amount \$167,486 were transferred from the Ministry of Tourism as at 1st July 2012.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

Note 5: Trade payables, other payables & Accruals

Description	Current \$'000	Non-Current \$'000	Total Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Creditors	1	-	1	-	-	(1)
Creditors other government agencies	14	-	14	-	-	(14)
Total trade payables	15	-	15	-	-	(15)
Accrued Expenses	78	-	78	206	206	128
Accrued Expenses Ministries/Portfolios	30	-	30	-	-	(30)
Other payables	3	-	3	-	-	(3)
Total other payables & accruals	111	-	111	206	206	95
Total trade payables, other payables & accruals	126	-	126	206	206	80

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 6: Employee entitlements

The amount of \$23k shown in the Statement of Financial Position was entirely related to outstanding annual leave entitlement due to the employees of the Office of the Premier and was calculated based on current salary at 30th June 2013.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in CI\$'000)

Note 7: Revenue

Revenue type	Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Outputs to Cabinet	2,534	3,041	3,041	(507)
Total sales of goods and services	2,534	3,041	3,041	(507)

Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands Government. These are detailed in the Annual Budget Statement (ABS) accompanying these statements and are covered by the appropriation law.

No revenue concessions were granted during the financial year ended 30th June 2013.

The Office of the Premier receives various services in kind from other government entities for which payment is made by the Cayman Islands Government on behalf of the OTP. These services include the services of accounting personnel and the use of computers owned by the Ministry of Finance, Tourism & Development (Tourism & Development), computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. In addition to these services the Office of the Premier also has fully furnished office accommodation, water, electricity, paper and printing covered by the Ministry of District Administration, Works, Land and Agriculture (DAWLA).

The Office of the Premier has designated these non-exchange transactions as Services in-Kind as defined under **IPSAS 23 - Revenue from Non-Exchange Transactions**. The value of the services in kind highlighted above has not been recorded in the books of the OTP but are instead being disclosed in keeping with IPSAS. The delivery and the cost of these services are controlled by Cabinet and the OTP has no control over their delivery or value. In addition the Public Management Finance Law (2013 Revision) provided for the temporary suspension of interagency billing and charging within central government departments leaving no mechanisms in place to reliably measure or value services delivered to the Ministry.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

Note 8: Personnel costs

Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Salaries, wages and allowances	645	837	837	192
Health care	64	110	110	46
Pension	37	46	46	9
Leave	14	-	-	(14)
Total Personnel Costs	760	993	993	233

Note 9: Supplies and consumables

Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Supplies and Materials	9	-	-	(9)
Purchase of services	744	1,746	1,746	1,002
Utilities	33	-	-	(33)
Travel and Subsistence	262	250	250	(12)
Recruitment and Training	1	-	-	(1)
Other	-	6	6	6
Total Supplies & consumables	1,049	2,002	2,002	953

Note 10: Net gain on foreign exchange transactions

Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Net (gain) / loss on disposal of property, plant and equipment	5	-	-	(5)
Net gain on foreign exchange transactions	(1)	-	-	1
Total gain	4	-	-	4

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

Note 11: Reconciliation of net cash flows from operating activities to operating surplus

Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Surplus/(deficit) from ordinary activities	691	-	-	691
Non-cash movements				-
Depreciation expense	30	46	46	(16)
Other non-cash movement	4	-	-	4
Changes in current assets and liabilities:				-
(Increase)/decrease in receivables - Cabinet	-	33	33	(33)
Increase/(decrease) in current liabilities	126	(79)	(79)	205
Increase/(decrease) in provisions relating to employee costs	23	-	-	23
Net cash flows from operating activities	875	-	-	875

NOTE 12: Explanation of major variances against budget

The variances for assets and revenue were calculated using actual minus budgeted figures and the variances for liabilities and expenses were calculated using budgeted minus actual figures. Explanations for major variances for the OTP performance against the final budget are as follows:

Statement of financial position

Cash and cash equivalents

The actual year-end cash was higher than budget primarily because of the reduced expenditure resulting from the cancellation /suspension of budgeted programme for which most of the funding was already received. (Refer to savings in operating activities of \$875 thousand as shown in the **Statement of Cash Flows**)

Trade receivables

The negative trade receivables at year-end was primarily due to lower levels of activities due to the mid-year cancellation of some budgeted programmes and activities resulting from changes in the management and personnel of the entity. Once these changes were effected there was no need for further funding hence the absence of year-end receivables.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

NOTE 12: Explanation of major variances against budget (Cont/d)

Property, plant and equipment

The actual purchase of fixed assets was negative as there was no budget for capital outlay during the financial year. It had been envisaged that the existing "in-house assets" slated for transfer would have satisfied the capital needs of CIGTV.

Trade payables, other payables and accruals (excluding employee entitlement discussed below)

The increase of \$634k over budget was primarily due to the inclusion of the \$691k liability representing repayment of surplus which was not included in the budget and still outstanding at year end. The budget assumed that the OTP would have operated at a breakeven position.

Employee entitlement

The negative \$23k variance shown for accrued leave resulted from a failure to budget for the liability.

Surplus payable

The budget projected zero surplus/ (deficit). The reasons for the variance are discussed in the Statement Financial Performance section of this Note (below).

Statement of Financial Performance

Revenue

The negative \$507k variance on budget resulted from suspension/cancellation of some planned programmes and activities of the OTP (Refer to **Trade receivable** variance explanation above).

Personnel costs

Actual personnel costs are lower than the budget by a net of \$233k primarily because of existing and new staff vacancies which were budgeted to be filled during the course of the year under review. Due to the changes in the entity during the course of the year, the programmes deliverables were changed and or delayed hence the budgeted recruitments were suspended.

Supplies and consumables

Actual supplies and consumables are lower than the budget by \$953k primarily due to the structural and programme delivery changes that were effected during the course of the year.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

NOTE 12: Explanation of major variances against budget (Cont/d)

Depreciation

There was a positive variance for depreciation expense due to the budget assuming higher depreciation rates.

Note 13: Commitments

The Office of the Premier does not have any commitments beyond 30th June 2013 nor has it entered any non-cancellable contracts as at 30th June 2013.

NOTE 14: Related party and key management personnel disclosures

Related party disclosure

The Office of the Premier is a wholly owned entity of the government from which it derives a major source of its revenue. The Office of the Premier and its key management personnel transacts with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30th June 2013 and were consistent with normal operating relationships between Government entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel, is defined as Ministers and Chief Officers of the Government. They are also considered to be related parties, and as such received the following remuneration.

Description	Actual Current Year \$'000	Number of persons
Salaries & other short-term employee benefits	154	1
Other long-term benefits	19	
Total	173	1

No loans were granted to key management personnel and or their close relatives during the financial year ended 30th June 2013.

**THE OFFICE OF THE PREMIER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2013**

(Expressed in C\$'000)

NOTE 15: Events occurring after reporting date

The Office of the Premier as a separate reporting entity was discontinued at the 30th June 2013. It is now a department within the Cabinet Office for the 2013-14 financial year. In keeping with the department's status as at 1st July 2013, the structure and staff complement of the Office of the Premier has now been changed.

NOTE 16: Financial instrument risks

The Office of the Premier is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, trade receivable, debtor-Cabinet, creditors, trade payables, other payables and accruals. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit risk

In the normal course of its business the Office of the Premier is subject to credit risk from debtors other than the Cabinet. The Office of the Premier does not have significant concentrations of credit risk for its other financial instruments.

Currency and interest rate risk

The Office of the Premier has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

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

All the financial liabilities (trade payables, other payables and accruals) of the Office of the Premier will be settled in less than six months from the date of these financial statements.