



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2014

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Financial Statements for the year ended 30 June 2014

CONTENTS

	Page
Statement of Responsibility for Financial Statements	2
Auditor General's Report	3-4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Worth	7
Cash Flow Statement	8
Notes to the Financial Statements	9-33

Our Ref: ACW/AUD/1



Govt. Admin Bldg. Box 107
133 Elgin Avenue
Grand Cayman KY1-9000
CAYMAN ISLANDS

Tel: (345) 244-2437
Fax: (345) 949-2922
e-mail: alan.jones@gov.ky

CAYMAN ISLANDS
GOVERNMENT

**Ministry of
Planning, Lands, Agriculture, Housing and Infrastructure
(PLAHI)**

August 10, 2015

Re: Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure (the "Ministry") 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 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.

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 30 June 2014;
- (b) Fairly reflect the financial position as at 30 June 2014 and performance for the Year ended 30 June 2014;
- (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.

Handwritten signature of Alan Jones in black ink.

FOR: Alan Jones
Chief Officer
Date: 10/8/15

Handwritten signature of Carrol Cooper in black ink.

Carrol Cooper
Chief Financial Officer
Date: 10/8/15

AUDITOR GENERAL'S REPORT

**To the Members of the Legislative Assembly and the Chief Officer of Ministry of Planning,
Lands, Agriculture, Housing and Infrastructure**

I have audited the accompanying financial statements of the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure, which comprise the statement of financial position as at 30 June 2014 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 35 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2013 Revision)*.

Management's Responsibilities 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 qualified audit opinion.

Basis for Qualified Opinion***Inability to ascertain the completeness, accuracy, existence and valuation of year-end inventory***

The Department of Vehicle and Equipment Services (DVES) and Department of Agriculture did not have sufficient controls in place to ensure that the Ministry's inventory on hand was reported in the financial statements. The inventory listing presented for audit highlighted differences for a number of items from what my office had verified during the year-end inventory count. In addition, the DVES values its inventory at selling price as opposed to lower of cost or net realizable value. In accordance with "IPSAS 12 – Inventories", inventory is to be valued at the lower of cost and net realizable value. The cost has not been determined and it could not be verified if inventory is valued in accordance with this standard. We were unable to carry out other procedures to satisfy ourselves that this listing is an accurate reflection of the inventory that existed as of 30 June 2014. As a result I am unable to satisfy myself of the completeness, existence, accuracy and proper valuation of inventory as at 30 June 2014.

Supplies and Materials

I did not receive sufficient and appropriate audit evidence to conclude that the Supplies and Materials account amounting to \$6.6 million (under Note 13 to the financial statement classified as Supplies and Consumables) was fairly stated due to poor accounting and significant deficiencies of the controls over inventory management.

Accumulated Surpluses (Deficits)

Because of the disclaimers of audit opinion on the Ministry's financial statements for the years 2005/6 to 2012/13, I am unable to determine the accuracy of the accumulated deficit as reported in the statement of changes in net worth for the year then ended.

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion the financial statements present fairly, in all material respects, the financial position of Ministry of Planning, Lands, Agriculture, Housing and Infrastructure as at 30 June 2014 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Emphasis of Matter

As disclosed in Note 23 to the financial statement the Ministry presented prior year figures that are not comparable to its current year financial statements as required by *IPSAS 1 -Presentation of Financial Statements*. Under the standards, except when an IPSAS permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements.

My opinion is not qualified in respect of this matter.



Alastair Swarbrick, MA (Hons), CPFA, CFE
Auditor General

10 August 2015
Cayman Islands

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE						
STATEMENT OF FINANCIAL POSITION						
AS AT 30 JUNE 2014						
Prior Year Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Current Assets					
3,700	Cash and cash equivalents	3	4,402	4,801	4,801	399
15,095	Trade receivables	4	7,530	14,295	14,295	6,765
3,073	Other receivables	4	951	3,074	3,074	2,123
3,052	Inventories	5	1,623	3,060	3,060	1,437
1,368	Prepayments	5b	59	1,369	1,369	1,310
26,288	Total Current Assets		14,565	26,599	26,599	12,034
	Non-Current Assets					
35,247	Property, plant and equipment	6	17,155	23,899	23,899	6,744
295	Intangible Assets	6b	22	275	275	253
35,542	Total Non-Current Assets		17,177	24,174	24,174	6,997
61,831	Total Assets		31,741	50,772	50,772	19,032
	Current Liabilities					
1,028	Trade payables	7	498	1,028	1,028	530
2,492	Other payables and accruals	7	4,341	2,492	2,492	(1,848)
451	Unearned revenue	9	446	451	451	4
1,163	Employee entitlements	8	520	1,164	1,164	644
	Surplus payable	10	9,968		0	(9,968)
5,133	Total Current Liabilities		15,774	5,135	5,135	(10,639)
5,133	Total Liabilities		15,774	5,135	5,135	(10,639)
56,696	Net Assets		15,968	45,638	45,638	29,671
	NET WORTH					
30,876	Contributed capital		5,270	21,015	21,015	15,745
14,937	Revaluation reserve		10,698	14,307	14,307	3,609
10,883	Accumulated surpluses/(deficits)			10,315	10,315	10,315
56,696	Total Net Worth		15,968	45,637	45,637	29,669

The accounting policies and notes starting on pages 9-33 form an integral part of these financial statements.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE						
STATEMENT OF FINANCIAL PERFORMANCE						
FOR THE YEAR ENDED 30 JUNE 2014						
Prior Year Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Revenue					
66,896	Sale of goods and services	12	42,411	44,095	44,095	1,684
-	Other revenue		-	-	-	-
66,896	Total Revenue		42,411	44,095	44,095	1,684
	Expenses					
39,222	Personnel costs	13	25,330	26,262	26,262	932
24,199	Supplies and consumables	14	17,041	16,577	16,577	(464)
1,911	Depreciation	6	1,513	1,101	1,101	(412)
31	Amortisation of Intangible Assets	6b	38	-	-	(38)
(24)	(Gains)/losses on foreign exchange transactions	15	(23)	-	-	23
126	(Gains)/losses on disposal/revaluation of property, plant and equipment	15	-	-	-	-
(35)	(Gains)/losses from derecognition of assets		-	-	-	-
57	Other expenses		50	56	56	6
65,487	Total Expenses		43,949	43,996	43,996	47
1,408	Surplus or (Deficit) for the period		(1,538)	99	99	1,637

The accounting policies and notes starting on pages 9-33 form an integral part of these financial statements.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE							
STATEMENT OF CHANGES IN NET WORTH							
FOR THE YEAR ENDED 30 JUNE 2014							
	Contributed Capital \$'000	Revaluation Reserve \$'000	Accumulated Surplus/ (deficits) \$'000	Total Net worth \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs. Actual) \$'000
Balance at 30 June 2012	30,749	14,937	9,304	54,990	56,044	56,044	1,054
Prior Year Adjustments	(713)	-	1,579	866	(508)	(508)	(1,374)
Restated balance	30,036	14,937	10,883	55,856	55,536	55,536	(320)
Changes in net worth for 2012/13							
Equity Investment from Cabinet	840	-	-	840	(207)	(207)	(1,047)
Repayment of surplus to Cabinet	-	-	(1,408)	(1,408)	798	798	2,206
Net revenue / expenses recognised directly in net worth	840	-	(1,408)	(568)	591	591	1,159
Surplus/(deficit)for the period 2012/13	-	-	1,408	1,408	-	-	(1,408)
Total recognised revenues and expenses for the period	840	-	-	840	591	591	(249)
Balance at 30 June 2013 carried forward	30,876	14,937	10,883	56,696	56,127	56,127	(569)
	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs. Actual)
Balance at 30 June 2013 brought forward	30,876	14,937	10,883	56,696	56,127	56,127	(569)
Changes in net worth for 2012/13							
Prior Year Adjustments (Note 24)	(26,149)	(4,239)	623	(29,765)	(10,405)	(10,405)	19,360
Restated balance	4,727	10,698	11,506	26,931	45,722	45,722	18,791
Changes in net worth for 2013/14							
Gain/(loss) on property revaluation	-	-	-	-	(629)	(629)	(629)
Equity Investment from Cabinet	543	-	-	543	543	543	-
Repayment of surplus/Dividends to Cabinet	-	-	(9,968)	(9,968)	(99)	(99)	9,869
Net revenue / expenses recognised directly in net worth	543	-	(9,968)	(9,425)	(185)	(185)	9,240
Surplus/(deficit)for the period 2013/14	-	-	(1,538)	(1,538)	99	99	1,637
Total recognised revenues and expenses for the period	543	-	(11,506)	(10,963)	(86)	(86)	10,877
Balance at 30 June 2014	5,270	10,698	-	15,968	45,636	45,636	29,668

The accounting policies and notes starting on pages 9-33 form an integral part of these financial statements.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE					
CASH FLOW STATEMENT					
FOR THE YEAR ENDED 30 JUNE 2014					
Prior Year Actual \$'000		Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	<i>Receipts</i>				
55,208	Outputs to Cabinet	31,452	34,219	34,219	2,767
2,661	Outputs to other government agencies	2,197	1,224	1,224	(974)
12,377	Sale of goods and services - third party	7,848	8,653	8,653	805
-	Donations / Grants	-	-	-	-
308	Other receipts	10	-	-	(10)
	<i>Payments</i>				
(38,608)	Personnel costs	(24,217)	(26,262)	(26,262)	(2,045)
(31,789)	Supplies and consumables	(15,620)	(16,577)	(16,577)	(957)
16	Other payments	(378)	(56)	(56)	322
172	Net cash flows from operating activities	1,293	1,200	1,200	(93)
	CASH FLOWS FROM INVESTING ACTIVITIES				
(1,378)	Purchase of property, plant and equipment	(835)	(543)	(543)	293
-	Proceeds from sale of property, plant and equipment	-	-	-	-
(1,378)	Net cash flows from investing activities	(835)	(543)	(543)	293
	CASH FLOWS FROM FINANCING ACTIVITIES				
2,524	Equity Investment	243	543	543	299
2,524	Net cash flows from financing activities	243	443	443	200
1,318	Net increase/(decrease) in cash and cash equivalents	701	1,101	1,101	400
2,383	Cash and cash equivalents at beginning of period	3,701	3,701	3,701	-
3,701	Cash and cash equivalents at end of period	4,402	4,802	4,802	400

The accounting policies and notes starting on pages 9-33 form an integral part of these financial statements.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 1: Description and Principal Activities

The Ministry of Planning, Lands, Agriculture, Housing and Infrastructure (the "Ministry") is a Government owned entity as defined by the *Public Management and Finance Law (2013 Revision)* and it is domiciled in the Cayman Islands.

The Ministry funds, develops and monitors the implementation of policy, legislation and services in the areas of planning, infrastructure, management of crown estates and public buildings, agriculture, postal and petroleum inspection.

During the year ended 30 June 2014, the Ministry comprised the following departments: Ministry Administration (MDA), Department of Agriculture (DOA), Petroleum Inspectorate (CPI), Department of Vehicle and Equipment Services (DVES), Department of Lands and Survey (LSU), Postal Services Department (POS), Public Works Department (PWD), Recreation, Parks and Cemeteries Unit (RPCU), Department of Vehicle and Drivers Licensing (DVDL), Department of Planning (PLN) and Facilities Management (FM).

The Ministry was restructured at the start of 13/14 following the change of government in May 2013. The following departments were transferred to other ministries/portfolios: Environmental Health, Mosquito Research & Control Unit, Telecommunications, National Weather Service, District Administration and Radio Cayman.

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).

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 2: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

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 and final budget. Explanations of material differences between original budget and actual amounts are provided as required by IPSAS 24.

(b) Budget Amounts

The original budget amounts for the financial year are as presented in the 2013/2014 Annual Budget Statement and were approved by the Legislative Assembly on 7 October 2013. 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 ongoing basis. Revisions to accounting estimates are recognized 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 recognized in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognized as a liability (unearned revenue).

The Ministry derives a significant percentage, 76%, of its revenue through the provision of services to Cabinet. The remainder of the Ministry's revenue comes from other agencies in government and third parties. Cabinet revenue is recognized at the monthly cost to produce the outputs agreed in the Annual Budget Statement for 2013/2014. Other revenues are recognized at the fair value of services provided.

(e) Expenses

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

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 2: Significant Accounting Policies (continued)

(f) Operating Leases

Operating lease payments are recognized 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 recognized as expenses on a straight-line basis over the lease term. Lease incentives received are recognized 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 recognized expenditure paid in advance of receiving services has been recognized as a prepayment.

(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 realizable 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 realizable value. Costs are assigned to inventories using first-in first-out (FIFO) as appropriate.

(j) Property, Plant and Equipment

Property, plant and equipment, are 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 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.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 2: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

<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 recognized in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the 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 the 1st January 2000, the Board operated a defined benefit scheme. With effect from the 1st 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 recognized 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.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 2: Significant Accounting Policies (continued)

(l) Financial Instruments

The Ministry 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 recognized in the Statement of Financial Position.

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

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 unfavorable. Financial liabilities comprise of accounts payable and accrued expenses.

Recognition

The Ministry recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognized 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 amortized cost, being the amount at which the liability was initially recognized less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is de-recognized when the Ministry realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled, or 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 realized.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 2: Significant Accounting Policies (continued)

(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 recognized 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 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) Revenue from Non-Exchange Transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23- Revenue from non-exchange Transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of an item of property, plant and equipment, such service in-kind is recognized in the cost of property, plant and equipment.

(P) The following notes (with the relevant tables) are stated in thousands (CI\$'000).

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 3: Cash and Cash Equivalents

Actual Prior Year	Description	Foreign Currency	Exchange Rate	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
9	Cash on hand			7	9	9	2
161	Cash in transit			78	161	161	83
3,166	CI\$ Operational Current Account			4,084	4,267	4,267	183
216	US\$ Operational Current Account	57	0.84	47	216	216	169
73	Payroll Current Account			38	73	73	35
75	Bank Accounts held at other financial institutions			148	75	75	(73)
3,700	TOTAL			4,402	4,801	4,801	399

The Ministry's cash and cash equivalents at the end of the year was \$4.4 million which was lower than the original budget of \$4.8 million by 8%. However, the Ministry ended the year with an increased cash balance over the previous year by \$1.1 million.

Note 4: Trade and Other Receivables

Actual Prior Year		Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	Trade Receivables				
11,195	Sale of goods and services	3,600	10,395	10,395	6,795
4,610	Outputs to Cabinet	4,103	4,610	4,610	507
-	Outputs to other government	-	-	-	-
-	Other Trade Receivable	-	-	-	-
(710)	Less: provision for doubtful debts	(173)	(710)	(710)	(537)
15,095	Total trade receivables	7,530	14,295	14,295	6,765

Trade receivables

The Ministry's budget for trade receivables was overstated as it included some \$8 million receivables for the Department of Environmental Health which was transferred to the Ministry of Health at the start of the financial year (13/14). **See Note 1.**

Outputs to Cabinet reflect the balance due for May and June 2014.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 4: Trade and Other Receivables (continued)

Other receivables

Actual Prior Year	Other Receivables	Actual Current Year	Original Budget	Final Budget	Variance (Org vs Actual)
55	Advances (salary, Official Travel, etc)	48	55	55	7
9	Dishonoured cheques	24	9	9	(15)
-	Interest receivable	-	-	-	-
3,010	Other Receivable	1,102	3,010	3,010	1,908
-	Loans	-	-	-	-
-	Interentity Due from	11	-	-	(11)
-	Less: provision for doubtful debts	(234)	-	-	234
3,074	Total other receivables	951	3,074	3,074	2,123

The Postal Services Department had outstanding terminal dues of \$0.6 million due to them under international terminal agreements. The same amount that was outstanding the previous year was \$1.1 million.

Actual Prior Year	Receivables	Trade Receivable	Other Receivable	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	Current						
18,168	Past due 1-30 days	5,849	258	6,107	17,368	17,368	11,261
	Past due 31-60 days	105	-	105	-	-	(105)
	Past due 61-90 days	55	82	137	-	-	(137)
	Past due 90 and above	1,522	611	2,133	-	-	(2,133)
	Non-Current						
	Past due 1 year and above	-	-	-	-	-	-
18,168	Total	7,531	951	8,482	17,368	17,368	8,886

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 4: Trade and Other Receivables (continued)

Changes in the provision of doubtful debts:					
Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
(710)	Balance at 1 July	(710)	(710)	(710)	-
-	Additional provisions made during the year	(999)	-	-	999
-	Receivables written off during the period	1,302	-	-	(1,302)
(710)	Balance at 30 June	(407)	(710)	(710)	(303)

Note 5: Inventories

Actual Prior Year	Description	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Original vs Actual)
3,052	Inventory held for use in the provision of goods and services	1,623	3,060	3,060	1,437
	Inventory held for sale				
	Impairment of Inventory				
3,052	TOTAL INVENTORIES	1,623	3,060	3,060	1,437

The Ministry's inventory balance was below budget by \$1.4 million primarily due lower stock level being held by DVES. In addition, the budget was inappropriately predicated on the stock levels of the previous ministry structure (**See Note 1**), which included MRCU, now transferred to the Ministry of Health.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 5b: Prepayments

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
1,369	Accrued Prepayments	59	1,369	1,369	1,310
(0)	Prepaid Insurance				
1,368	Total Prepayments	59	1,369	1,369	1,310

Prepayment of \$1.3 million for insecticides for MRCU (now transferred to the Ministry of Health) was written-off. The payment was made during the previous year.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 6: Property, Plant & Equipment

	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Roads and Sidewalks	Water Retriculation	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Cost or Opening Valuation	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	6,435	23,770	1,058	2,435	985	221	3,463	-	-	16,127	98	19	6,273	60,884	60,884	60,884	-
Additions	11	20	13	24	36	1	6	-	-	264	-	1,619	1,477	3,471	3,470	3,470	(1)
Disposals	(473)	(191)	(127)	(632)	(156)	(7)	(58)	-	-	(470)	(89)	-	-	(2,203)	-	-	2,203
Transfers	(1,650)	4,937	(136)	(14)	(16)	1,650	(133)	27	91	(81)	-	-	(5,693)	(1,018)	(2,202)	(2,202)	(1,184)
Balance as at 30 June 2013	4,323	28,536	808	1,813	849	1,855	3,278	27	91	15,840	9	1,638	2,057	61,134	62,152	62,152	1,018
	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Roads and Sidewalks	Water Retriculation	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	4,323	28,536	808	1,814	850	1,855	3,278	27	91	15,840	9	1,638	2,056	61,135	61,358	61,358	223
Prior-year adjustments	(430)	(22)	(271)	(561)	(27)	(82)	52	(27)	(91)	362	-	-	12	(1,085)	533	533	1,618
Additions	2	-	-	112	(48)	22	0	(0)	(0)	116	-	-	(171)	33	-	-	(33)
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	(3,110)	(11,233)	(312)	(241)	(207)	(1,677)	(3,124)	-	-	(11,727)	(9)	(1,638)	(1,133)	(34,410)	(24,359)	(24,359)	10,051
Balance at 30 June 2014	785	17,281	225	1,125	569	127	206	0	(0)	4,591	0	0	763	25,673	37,532	37,532	11,859
Accumulated Depreciation and Impairment Losses	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Roads and Sidewalks	Water Retriculation	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	3,642	104	677	1,634	613	236	1,814	4	30	14,401	2	6	-	23,163	23,202	23,202	39
Transfers	(98)	-	-	-	-	98	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	322	261	23	315	62	97	194	-	-	547	1	82	-	1,904	2,686	2,686	782
Eliminate on Disposal	-	1,028	-	(206)	-	-	-	-	-	-	-	-	-	822	-	-	(822)
Balance as at 30 June 2013	3,866	1,393	700	1,743	675	431	2,008	4	30	14,948	3	88	-	25,889	25,888	25,888	(1)
	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Office Equipment	Other assets	Infrastructure	Roads and Sidewalks	Water Retriculation	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	3,866	1,393	700	1,743	674	431	2,008	4	30	14,948	3	88	-	25,888	25,888	25,888	-
Prior-year adjustments	(384)	172	(329)	(690)	(67)	(122)	44	(4)	(30)	75	(3)	-	-	(1,338)	-	-	1,338
Transfers	(3,015)	(497)	(243)	(241)	(194)	(203)	(1,914)	-	-	(11,150)	-	(88)	-	(17,545)	(13,326)	(13,326)	4,219
Depreciation Expense	55	1,057	16	135	31	1	29	-	-	189	-	-	-	1,513	1,071	1,071	(442)
Balance at 30 June 2014	522	2,125	144	947	444	107	167	-	-	4,062	-	-	-	8,518	13,633	13,633	5,115
Net Book value 30 June 2013	457	27,143	108	71	176	1,435	1,270	23	61	892	6	1,550	2,056	35,247	35,470	35,470	223
Net Book value 30 June 2014	263	15,156	81	178	125	20	39	0	(0)	529	0	0	763	17,155	23,899	23,899	6,744

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 6: Property, Plant & Equipment (continued)

Asset Revaluation

Property (buildings and structures) were revalued as at the 1st July 2012 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation. Plant and equipment, are 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.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) Restated proportionately with the change in the gross carrying amount of the asset, so that the carrying amount of the asset after revaluation equals its revalued amount or
- (b) Eliminated against the gross carrying amount of the asset.

Valuation methods

The valuations contained within this report have been prepared in accordance with the aforementioned Standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation) The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 6: Property, Plant & Equipment (continued)

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where it perform a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use.

These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$0.5m also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building / building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2001 Asset Register.
- Cayman Islands Government Land Registry Database
- Caymanlandinfo System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

Buildings were revalued as an entire class of asset.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 6: Property, Plant & Equipment (continued)

Impairment

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the period end. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Work in Progress

Work in progress items are valued at cost. No depreciation is applied to work in progress items until such time as they are commissioned.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 6b: Intangible Assets

Cost							
	<i>Computer Software</i>	<i>Assets under construction or development</i>	<i>Impairment Reserve</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 July 2012	448			448	448	448	(0)
Additions	-			-	-	-	-
Disposals	-			-	-	-	-
Balance as at 30 June 2013	448	-	-	448	448	448	(0)
	<i>Computer Software</i>	<i>Assets under construction or development</i>	<i>Impairment Reserve</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 July 2013	448	-	-	448	448	448	(0)
Prior Period Adjustment	(5)			(5)	10	10	(15)
Transfers	31			31	42	42	(12)
Balance at 30 June 2014	474	-	-	474	500	500	(26)
Accumulated Depreciation and impairment losses							
	<i>Computer Software</i>	<i>Assets under construction or development</i>	<i>Impairment Reserve</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 July 2012	122	-	-	122	122	122	(0)
Depreciation Expense 2012/13	31			31	31	31	(0)
Balance as at 30 June 2013	153	-	-	153	153	153	(0)
	<i>Computer Software</i>	<i>Assets under construction or development</i>	<i>Impairment Reserve</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 July 2013	153			153	153	153	(0)
Prior-year adjustments	267			267	-	-	267
Transfers 2013/14	(6)			(6)	43	43	(49)
Depreciation Expense 2013/14	38			38	30	30	8
Balance at 30 June 2014	452	-	-	452	225	225	227
Net Book value 30 June 2013	295	-	-	295	295	295	(0)
Net Book value 30 June 2014	22	-	-	22	275	275	(253)

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 7: Trade Payables, Other Payables & Accruals

Prior Year Actual	Description	Current	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
1,028	Creditors	373	-	373	1,028	1,028	655
-	Creditors Ministries/Portfolios	71	-	71	-	-	(71)
-	Creditors other government agencies	54	-	54	-	-	(54)
7	Payroll Deductions	173	-	173	7	7	(166)
-	Operating Lease	-	-	-	-	-	-
2,105	Accrued Expenses	2,100	-	2,100	2,105	2,105	5
-	Accrued Expenses Ministries/Portfolios	1,652	-	1,652	-	-	(1,652)
-	Accrued Expenses other government ag	4	-	4	-	-	(4)
478	Other payables	385	-	385	478	478	93
(98)	Inter-entity due to	27	-	27	(98)	(98)	(125)
3,520	Total trade payables, other payables & accruals	4,839	-	4,839	3,520	3,520	(1,319)

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

Trade payables were fairly in line with budget. However, the increase in accruals is attributed to unpaid property insurance which is due to the Ministry of Finance and Economic Development, roughly \$1.6 million.

Note 8: Employee Entitlements

Actual Prior Year	Description	Actual Current Year	Original Budget	Revised Budget	Variance (Orig vs Actual)
	<i>Current employee entitlements are represented by:</i>				
10	Annual Leave	3	10	10	7
1,154	Retirement and long service leave	517	1,154	1,154	637
1,163	Total current portion	520	1,163	1,163	644
	<i>Non-current employee entitlements are represented by:</i>				
-	Retirement and long service leave	-	-	-	-
1,163	Total employee entitlements	520	1,163	1,163	644

Annual leave entitlements are calculated on current salary, pay scale, and years of service in accordance with the *Public Service Management Law* and the accompanying Regulations.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 9: Unearned Revenues

Actual Prior Year \$'000	Details	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Original vs Actual) \$'000
	Current Portion				
451	Other unearned revenue	446	451	451	4
451	Total current portion	446	451	451	4
	Non-current Portion				
-	Non-current Unearned revenues	-	-	-	-
451	Total unearned revenue	446	451	451	4

GIS Website subscriptions contribute to over 70% of the unearned revenue. The balance is shared between the Postal Services (stamp usage), and Public Works Department (deposits from other CIG agencies for special projects).

Note 10: Surplus Payable

Surplus payable represents accumulated surplus of \$9.9 million as at June 30, 2014. Under *the Public Management & Finance Law (2013 Revision)* section 39 (3)(f), Ministry may "retain such part of its net operating surplus as is determined by the Financial Secretary". The Financial Secretary has not confirmed whether Ministry can retain the surplus achieved during the year.

Note 11: Revenue from Non-Exchange Transactions

During the year ended 30 June 2014, the Ministry received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 12: Sales of Goods & Services

Actual Prior Year	Revenue type	Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
51,328	Outputs to Cabinet	32,937	34,219	34,219	1,282
714	Outputs to other government agencies	1,296	1,224	1,224	(73)
7,776	Fees and charges	2,966	2,964	2,964	(2)
5,607	General Sales	3,756	4,460	4,460	704
1,379	Rentals	1,096	1,148	1,148	52
91	Other	359	81	81	(278)
66,896	Total sales of goods and services	42,411	44,095	44,095	1,684

Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands Government. These outputs are listed in **Note 18**.

Outputs to other government agencies comprise trade between the Ministry of Planning, Lands, Agriculture, Housing & Infrastructure and other government bodies. These are arm length transactions governed by Service Level Agreements (SLAs) between the contracting parties.

Fees & charges, general sales, rentals & others include administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are gazetted and governed by the relevant revenue laws and regulations.

The Ministry budgeted to earn \$44.1 million in 2013/14, significantly less than 12/13 as a result of the new ministry structure (**See Note 1**).

The Ministry, on a monthly basis, bills Cabinet for the cost to produce and deliver the agreed outputs. During the year under review, the Ministry's overall expenses were significantly reduced due to fiscal measures implemented. These savings were passed on to Cabinet and were reflected in the reduced Cabinet Billings of \$1.6 million compared to the budget.

Cabinet provided 77% of the Ministry's funding while 20% was generated from trading with the public and the remaining 3% from inter-government trading.

Waiver or concessions

The Ministry gave no waiver or concessions during the year ended 30 June 2014.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE
Notes to the Financial Statements
For the year ended 30 June 2014

Note 13: Personnel costs

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
30,467	Salaries, wages and allowances	19,987	20,378	20,378	391
6,939	Health care	4,177	4,627	4,627	451
1,608	Pension	1,046	1,146	1,146	101
116	Leave	(71)	4	4	75
92	Other personnel related costs	191	106	106	(84)
39,222	Total Personnel Costs	25,330	26,262	26,262	932

Personnel Costs were \$0.9 million less than budget. This was driven by the Ministry's strategy to reduce and contain expenditure during the fiscal year, including deliberate delays in filling vacant posts. Note that prior year personnel costs included departments that are no longer with the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure following the new ministry structure. **(See Note 1).**

Note 14: Supplies and consumables

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
9,611	Supplies and Materials	6,641	6,835	6,835	195
7,349	Purchase of services	4,053	4,370	4,370	317
385	Lease of Property and Equipment	204	199	199	(5)
3,835	Utilities	3,111	3,037	3,037	(74)
2,314	General Insurance	1,669	1,707	1,707	38
127	Interdepartmental expenses	101	56	56	(45)
244	Travel and Subsistence	64	78	78	14
157	Recruitment and Training	102	154	154	51
177	Other	1,097	141	141	(956)
24,199	Total Supplies & consumables	17,041	16,577	16,577	(464)

Supplies and Consumables were kept within budget. However, the **"Other"** item above included roughly \$1.0 million in respect to provision for bad debts which was not budgeted.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 15: (Gains) /losses

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
126	Net (gain) / loss on disposal of property, plant and equipment	-	-	-	-
-	Loss on Revaluation of Asset	-	-	-	-
(24)	Net (gain) / loss on foreign exchange Transactions	(23)	-	-	23
102	Total gain/ (losses)	(23)	-	-	23

Note 16: Related party and key management personnel disclosures

The Ministry is a wholly owned Entity of the Government from which it derives its major source of its revenue. The Ministry and its key management personnel transact with other Government entities on a regular basis.

All transactions between government departments and key management personnel are at arm's length and all goods and services supplied at the going rate to the public. While the Ministries and Portfolios do not settle the cost of the services directly with the Ministry, the Cabinet compensates the Ministry for the provision of these services to government departments under the agreed purchase agreements. These transactions are consistent with normal operating relationships between entities under common control are being disclosed in compliance with the requirements of IPSAS.

Key management personnel, for the purposes of this disclosure, is defined as Ministers of the Government, the Chief Officer and Deputies, Chief HR Officer, Chief Financial Officer, Heads of Department and Deputies. The summary of the remuneration paid to the key management personnel is as outlined below. (Number of key management personnel was the same as the prior year).

Actual Prior Year	Description	Actual Current Year	Number of persons
747	Salaries & other short-term employee benefits	2,855	28
	Other long-term benefits		
747	Total	2,855	

There were no loans granted to key management personnel or their close relatives during the financial year.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 17: Segment Reporting

	Vehicle & Drivers' Licensing		Vehicle & Equipment Services		Postal Services		Agricultural Services		Planning & Infrastructure		Other Services		CONSOLIDATED	
	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13
Revenue														
Outputs from Cabinet	51	357	4,696	5,814	1,515	1,185	4,095	4,285	15,568	13,395	7,012	26,292	32,937	51,328
Outputs - Other govt agencies	-	3	708	656	11	18	25	9	325	750	522	579	1,591	2,015
Other revenue	2,152	2,004	5	5	3,005	3,367	1,592	1,902	962	778	166	5,497	7,882	13,553
Total Revenue	2,203	2,364	5,409	6,475	4,531	4,570	5,712	6,196	16,855	14,923	7,700	32,368	42,410	66,896
Expenses														
Personnel	1,829	1,835	1,864	2,006	3,502	3,524	2,999	3,012	13,529	10,732	1,607	18,113	25,330	39,222
Supplies & Consumables	415	349	3,850	4,076	983	977	2,851	3,004	6,279	3,044	2,689	12,749	17,067	24,199
Depreciation	86	88	135	37	255	59	363	124	658	608	54	1,151	1,551	2,067
Total Expenses	2,330	2,272	5,849	6,119	4,740	4,560	6,213	6,140	20,466	14,384	4,350	32,013	43,948	65,488
Surplus/(Deficit) from Operating	(127)	92	(440)	356	(209)	10	(501)	56	(3,611)	539	3,350	355	(1,538)	1,408
Assets														
Current Assets	89	76	1,699	1,810	1,322	1,602	1,897	1,242	3,295	2,091	6,263	19,468	14,565	26,288
Fixed Assets	1,432	1,896	914	1,010	4,758	5,233	4,181	4,666	5,041	5,284	829	17,158	17,155	35,247
Intangible Assets	3	282							18	13			21	295
Total Assets	1,524	2,254	2,613	2,820	6,080	6,835	6,078	5,908	8,354	7,388	7,092	36,626	31,741	61,831
Liabilities														
Current Liabilities	137	487	510	416	523	405	836	338	2,071	1,914	11,697	1,573	15,774	5,133
Total Liabilities	137	487	510	416	523	405	836	338	2,071	1,914	11,697	1,573	15,774	5,133

The Ministry's segments are based on the following services: agriculture, postal, vehicle and drivers' licensing, vehicle and equipment services, planning and infrastructure and other services. Planning and infrastructure services are delivered by the following departments: Planning, Public Works, Lands and Survey, Central Petroleum Inspectorate and Facilities Management; other services are provided by the Ministry Administration.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 18: Appropriations Used

Prior Year Actual	Output Group	Current Year Actual	Budget	Variance
	Appropriation to the Minister			
2,416	PAH 1 - Advice and Support to the Minister of PLAHI	2,034	2,267	233
318	PAH 2 - Emergency Response Services	98	109	11
1,142	PAH 3 - National Mail Service	1,515	1,515	-0
1,570	PAH 4 - Mgmt of Public Recreational Facilities & Cemeteries	1,345	1,345	0
1,643	PAH 5 - Agriculture Regulatory Services	1,565	1,565	0
442	PAH 6 - Agriculture Development Services	307	421	114
116	PAH 7 - Garden and Decorative Services	96	107	10
933	PAH 8 - Management of Special Projects	743	937	194
2,685	PAH 9 - Management of Land Information	2,607	2,932	325
26,877	PAH 10 - Management of Government Properties	12,870	12,936	66
10,688	PAH 11 - Procurement and Maintenance of Government Fleet	4,661	4,656	-6
210	PAH 12 - Handling of Dangerous Substances	192	223	31
	PAH 13 - Provision of Planning Services	0	56	56
	PAH 14 - Management of Planning Applications	2,760	2,986	226
	PAH 15 - Administration of Temporary Housing Initiative	35	54	20
334	PAH 16 - Licensing of Drivers and Vehicles	5	5	0
1,954	PAH 17 - Services to Farmers	2,104	2,104	0
51,328		32,937	34,219	1,282

The Ministry draws-down cabinet funding based on its input costs. During the year ended June 30, 2014, the Ministry realised savings as a result of various initiatives. As a result of this the cabinet funding required was lower than budget by approximately 5%.

Note 19: Subsequent Events

No material events occurred after the reporting date.

Note 20: Financial Instruments Risks

At June 30, 2014, the Ministry held various sums in financial instruments represented by cash and cash equivalents at two financial institutions in the Cayman Islands. As such, the Ministry is exposed to credit related losses in the event of non-performance by the financial institution. However, given the high credit rating of this financial institution, management does not anticipate any material losses as a result of this concentration.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 20: Financial Instruments Risks (continued)

Credit risk

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

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 drawdowns from Cabinet and receipts from third parties. The Ministry maintains target level of available cash to meet liquidity requirements.

All of the Ministry financial liabilities (creditors and payables) will be settled in less than twelve months from the date of these financial statements.

Note 21: Contingent Liabilities and Assets

The Ministry has no contingent assets as at 30 June 2014. Any contingent liabilities relating to the Ministry as at 30 June 2014 are reported in the consolidated accounts of the Cayman Islands Government.

Note 22: Commitments

The Ministry has the following known contractual obligations as at June 2014.

Capital commitments

There were no capital commitments being funded through the entity org.

Operating commitments

Non-cancellable accommodation leases – The Ministry pays an average of \$85k per month for the leases of property for office use and accommodation. Most of these are expected to fall away as departments are moved into the GAB facilities.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 22: Commitments (continued)

Other non-cancellable contracts

Non-cancellable contracts for the supply of goods and services – The Ministry has engaged the service of several corporate entities for annual contracts for the supply of, janitorial, maintenance and security services at the GAB.

Other operating commitments

The Ministry enters into short term leases from time to time for the use of equipment and vehicles in order to carry out specialized work where the cost of outright acquisition and maintenance makes it more practical to lease

Note 23: Comparative Figures

The Ministry has presented prior year comparative information in the financial statements as required under IPSAS 1, Presentation of Financial Statements. However, the prior year information is not comparable given that the Ministry was reorganised after General Election of 2013 and now consists of departments that were not part of the former entity (Ministry District Admin, Planning, Agriculture and Housing). The former entity nor these new departments, was not audited in isolation nor did it prepare and present departmental audited financial statements.

Note 24: Prior Period Adjustment

Contributed Capital	Amount
Opening Balance	30,876
<i>Prior year adjustments following update of fixed assets register</i>	(699)
<i>Adjustments arising from transfer of departments to other ministries</i>	(25,450)
Restated Opening Balance	4,727

Prior period adjustments totaling \$19.8 million were made to book transfers of departments as per the new government organisational structure, following the change in administration in 2013. In addition, adjustments of \$699k were made to property, plant and equipment (as indicated above). At the end of 13/14 the Ministry conducted a complete inventory of fixed assets and accordingly, updated its fixed assets register (FAR). The prior period adjustments were made to reconcile the general ledger to the FAR. See Statement of Changes in Net Worth, page 7.

MINISTRY OF PLANNING, LANDS, AGRICULTURE, HOUSING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 30 June 2014

Note 24: Prior Period Adjustment (continued)

Revaluation Reserve	Amount
Opening Balance	14,937
<i>Prior year adjustments following re-calculation of gain/loss on revaluation of buildings/properties</i>	(4,239)
Restated Opening Balance	10,698

Prior period adjustments totaling \$4.2 million were necessary to correct the calculation of revaluation reserve in respect to buildings and properties at the end of 12/13. See Statement of Changes in Net Worth, page 7.

Accumulated Surplus	Amount
Opening Balance	10,883
<i>Prior year adjustments following update of fixed assets register</i>	83
<i>Adjustments arising from transfer of departments to other ministries</i>	326
<i>Prior year adjustments affecting income and expenditure</i>	214
Restated Opening Balance	11,506

The above prior year adjustments were also made in order to restate the opening balance for the accumulated surplus. See Statement of Changes in Net Worth, page 7.