



**MINISTRY OF
FINANCIAL SERVICES,
COMMERCE AND
ENVIRONMENT**
CAYMAN ISLANDS GOVERNMENT

**Fiscal 2015/16
Annual Report
(1 July 2015 – 30 June 2016)**

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Foreword from the Minister

During the fiscal 2015/16 year (1 July 2015 – 30 June 2016), the Ministry continued its great strides toward achieving our overarching goal of strengthening the local economy, as well as our international reputation. This meant that Caymanians experienced real benefits in terms of jobs and income levels; and it gave all residents increased pride in the fact that as a small island economy, the Cayman Islands' voice was heard more meaningfully and credibly on the global stage.

Put into an expanded context, the benefits are tangible outcomes of the policies and legislation that the Ministry has enhanced or developed since this Government took office in May 2013. They furthermore demonstrate the cumulative effects of committing to steady, significant progress.

What I am most proud of, however, is that these outcomes were made largely in consultation and collaboration with you, the public.

The long-delayed National Conservation Law; the often-repeated calls for a new Trade and Business Licensing Law; the full slate of legislation developed by the Financial Services Legislative Council; and modernised intellectual property legislation, among other pieces, all came to full fruition during the 2015/2016 fiscal year. In short, this Ministry has been committed to hearing and responding to the needs of the people of Cayman.

This is why, despite being Government's smallest Ministry, in total we have commenced about 70 pieces of primary and secondary legislation, across all three of our areas of responsibility. We've been incredibly active, creating long-awaited financial services products, improving the local business framework, and responding prudently to global regulatory initiatives.

I am proud of our accomplishments, and commend all staff across the Ministry for their dedication and commitment. But there is no way that we could have done anything without the support of the people of the Cayman Islands – and this is why I say that you are the drivers for the success of our Islands. Thank you for collaborating with us, and making the Cayman Islands an even more wonderful place to do business and live.

Foreword from the Chief Officer

I am pleased to present the 2015/16 Annual Report and Audited Financial Statements for the Ministry of Financial Services, Commerce and Environment.

Although the departments it oversees have been long established, the Ministry's administrative structure was officially established only in 2013, having been mandated in the 2009 Constitution. It's worth acknowledging, then, that undergirding this second annual report is a strategic reform of the departments, in order to ensure that they capably fulfil the needs of the public.

This undoubtedly is an ongoing process, as the departments and the Ministry evolve, adapt and innovate in response not only to Cayman's present situation in the areas of financial services, commerce and environment, but also with an understanding of future challenges.

Central to our evolution is our motivation for continuous improvement and greater effectiveness. We are both inspired by, and accountable to, a commitment to transparency, in order to demonstrate to the public good governance and value for money. This in turn requires a collective commitment to always find ways to improve our effectiveness, and I commend the hard work and dedication of our staff, across all agencies, who make this a reality every day.

What is also an everyday reality is the fact that the Ministry supports dynamic local industries – including financial services, which is central to our economic strength – and that these industries are heavily influenced by international standards and competitive forces. This is a challenge that cannot be taken lightly. With the help of local and international stakeholders, the Ministry expects to continue providing a strong framework for Cayman's future economic success that builds on the achievements reflected in this annual report, and to do so while providing the best public services possible.

The Ministry's Strategic Framework

As a Ministry, our purpose is to develop an environment in which trade, investment, and entrepreneurship can flourish, while safeguarding the natural environment and resources of the country, to the benefit of Caymanians now, and for future generations.

In fulfilling our purpose, our vision for the jurisdiction is for a competitive business environment that encourages a vibrant, diversified and sustainable economy in the Cayman Islands.

In order to achieve this vision, our focus is on five goals:

- *To facilitate an internationally competitive financial services industry*
- *To facilitate a business climate conducive to local entrepreneurial activity*
- *To protect, and encourage society to value, our Islands' natural environment and resources*
- *To facilitate an internationally competitive maritime industry*
- *To enable creative endeavours through a modern, robust regime for the protection of intellectual property*

Our role is therefore to be a Ministry whose services enhance and encourage sustainable economic activity, and in which the administration of these services is compliant with legislation and in line with best practice.

As a Ministry, we recognise that our success is built on a foundation that starts with our employees. Our values of integrity, commitment, and vision, are therefore important guides to our interactions with colleagues within the Ministry and broader Government, as well as to the public, our customers, and stakeholders.

About the Ministry

Financial Services Administration (FSA)	As the core administration arm of the Ministry of Financial Services, Commerce and Environment, the FSA is central to the development, articulation, and the multi-agency coordination of policies and legislation that support Ministry strategies and departmental sub-strategies. On both the Ministerial and departmental levels, these strategies provide the platform for growth, and for the robust practice of international regulatory standards, that characterise Cayman's financial services industry, local commerce, and environmental conservation efforts.
Dept. for Financial Services (DFS)	The Department provides research, policy advice and legislative support to the Ministry on matters relating to competitiveness of the financial services industry and reputation of the jurisdiction. It is the key channel for consultation and interaction with the financial services industry and other key stakeholders.
Dept. of Commerce & Investment (DCI)	Provides business licensing services to specified sectors, and ensures compliance of licenced businesses with local commerce legislation and local and international standards. This includes the administration of the issuance of Trade & Business Licences, Local Company (Control) Licences, Tobacco Permits, Liquor Licences, Public Film Exhibition Premises Licences, and Special Economic Zone Company Licences.
General Registry (REG)	Officially registers and maintains key records of corporate and vital activities and ensures compliance with relevant legislation and policies. Registration activities involve registers for companies, partnerships, trusts, friendly societies, building societies, trade unions, patents, trade marks, births, deaths, marriages, and public records.
Dept. for International Tax Cooperation (DITC)	Enables the jurisdiction to meet international obligations in tax cooperation matters, in accordance with international instruments and standards, through the provision of competent authority services for exchange of tax information, collaboration with domestic and foreign stakeholders, and engagement with relevant supranational bodies.
Department of Environment (DOE)	Promotes and facilitates responsible management and sustainable use of the natural resources and environment of the Cayman Islands. Activities fall within the broad categories of environmental management recommendations; sustainable development and environmental policy advice; environmental research, monitoring and assessment; marine protection services' public education; and secretariat and permitting services for the National Conservation Council and its committees.

The Ministry provides policy coordination and support to the following Statutory Authorities and Government-Owned Companies (SAGCs):

- Cayman Islands Monetary Authority
- Maritime Authority of the Cayman Islands
- Auditors Oversight Authority
- Cayman Islands Stock Exchange
- Cayman Islands Development Bank

In addition to the board for each of the SAGCs above, the Ministry provides support to the following boards and committees:

- The Trade and Business Licensing Board
- The Liquor Licensing Board
- The Special Economic Zones Authority
- The Film Control Board
- The National Conservation Council

Legislative Framework

There are roughly 213 legislative items¹ that are either the responsibility of the Ministry or which have a significant impact on the policy areas under the Ministry. Of these items, 53% relate to financial services, 36% relate to commerce, 8% relate to the environment, 2% relate to maritime affairs and 2% relate to intellectual property.

The primary laws² that are the responsibility of the Ministry are as follows:

¹ Legislative items refer to laws, regulations, and orders that have an impact on the policy areas of the Ministry. This does not include public sector laws such as those relating to Public Finance, Public Management, FOI, etc.

² Several laws that are relevant to the policy areas covered by the Ministry are not included in this list. For example, the Proceeds of Crime Law which is a significant part of the financial services framework, is not included as it is under the remit of the Attorney General.

Commerce

Advertising Law
Development Bank Law
Film Exhibition Control Law
Friendly Societies Law
Gambling Law
Liquor Licensing Law
Local Companies (Control) Law

Music and Dancing (Control) Law
Secondhand Dealers Law
Special Economic Zones Law
Sunday Trading Law
Tobacco Law
Tobacco Product and Intoxicating Liquor
Trade and Business Licensing Law

Environment

Endangered Species (Trade and Transport) Law
National Conservation Law
National Trust Law

Financial Services

Accountants Law
Auditors Oversight Law
Banks and Trust Companies Law
Building Societies Law
Companies Law
Companies Management Law
Confidential Information Disclosure Law
Contracts (Rights of Third Parties) Law
Cooperative Societies Law
Directors Registration and Licensing Law
Exempted Limited Partnership Law
Insurance Law
International Interests in Mobile Equipment (Cape Town Convention) Law

Legal Practitioners Law
Limited Liability Companies Law
Monetary Authority Law
Money Services Law
Mutual Funds Law
Partnership Law
Reporting of Savings Income Information (European Union) Law
Securities Investment Business Law
Stock Exchange Company Law
Tax Information Authority Law
Trusts Law

Intellectual Property

Copyright (Cayman Islands) Order 2015
Merchandise Marks Law
Patents and Trademarks Law

Maritime Affairs

Abandoned Wreck Law
Maritime Authority Law
Merchant Shipping (Marine Pollution) Law
Merchant Shipping Law

The Ministry Supports Cayman's Economic Growth

In fiscal 15/16, the Ministry's policies and legislation supported growth in all three of its subject areas. Of these, financial services maintained its historic position as the primary driver of Cayman's economic activity, with commerce and the environment contributing significantly to our country's financial stability.

As Table 1 (below) indicates:

- In 2015, an estimated 41% of Cayman's GDP (see Table 1), as well as 9% of overall employment (see Table 2), was generated by the financial and insurance industries³.
- The legal and accounting professions together add a further 10.7% to Cayman's GDP and 6.6% to employment.
- The GDP figures measure direct impact only. However, research has shown that the indirect and induced impacts account for a further 5 – 10% contribution to GDP.⁴

Indirect impacts occur when financial services firms purchase goods and services from suppliers in areas such as real estate, transportation, and the retail trade. Induced impacts arise from the spending by persons employed in the financial services industry and its supply chain.

³ Economics & Statistics Office; Financial services industry: banking, insurance, legal services, estate & trust, company management, fund administration, accountancy, and related regulation and support (including CIMA, the Cayman Stock Exchange, the Cayman Islands Development Bank, and the Cayman Islands National Insurance Company).

⁴ Oxford Economics, *Economic Benefits of the Financial Services Industry in the Cayman Islands*, February 2009.

Table 1: GDP Breakdown for the Financial Services Industry (CI\$000)

	2012	2013	2014	2015
Cayman Islands GDP (at Basic Prices)	2,458,229	2,494,625	2,549,576	2,621,832
<i>Financial and Insurance Activities, of which:</i>				
<i>Monetary Institutions</i>	568,838	572,639	575,966	584,965
<i>Insurance, Pension Funding</i>	213,422	213,697	216,048	224,741
<i>Trust, Securities, Other Financial Inst.</i>	256,188	256,237	259,386	264,176
<i>Professional, Scientific & Technical Activities, of which:</i>				
<i>Legal Activities</i>	140,011	140,492	147,877	152,014
<i>Accounting & Auditing Services</i>	115,428	121,036	123,736	129,284
Total <u>direct</u> contribution of financial, legal and accounting services	1,293,887	1,304,102	1,323,012	1,355,178
% contribution	52.6%	52.3%	51.9%	51.7%

Table 2: Employment in the Financial Services Industry

Industry	2012	2013	2014	2015
Total Employment	36,401	36,070	37,723	39,138
Financial Services	3,229	3,540	3,763	3,536
% of Total Employment	8.9%	9.8%	10.0%	9.0%
Legal Services	1,198	1,364	1,409	1,590
% of Total Employment	3.3%	3.8%	3.7%	4.1%
Accounting Services	739	841	869	981
% of Total Employment	2.0%	2.3%	2.3%	2.5%
Total Employment in Financial, Legal and Accounting Services	5,166	5,745	6,041	6,107
% of Total Employment	14.2%	15.9%	16.0%	15.6%

Note: Estimates of employment in legal and accounting services were derived from applying the percentage share of legal and accounting services to the industry total from the Census 2010 data, and applying it to the Labour Force Survey total employment data for scientific, legal and technical activities.

Direct fees from the financial services sector account for roughly 40% of Government revenue (see Table 3 below). The two main revenue areas are regulatory fees collected by the Cayman Islands Monetary Authority and registration fees collected by the General Registry.

Additionally, trade and business licence fees for accounting firms are collected by the Department of Commerce and Investment. In addition to these revenue areas, a sizeable portion of Immigration-related fees is attributable to financial services employment.

In addition to these direct fees, other revenue areas are influenced by financial services. In particular, a significant proportion of import and stamp duty collection is driven by individuals within this industry. For instance, in 2012, it was estimated that approximately CI\$1.0 million per year in stamp duties was related to financial transactions.

The financial sector also contributes to tourism. An Oxford Economics 2009 study found that more than 31,000 visitors came to the Cayman Islands in 2007 as financial services clients, vendors, or conference participants, staying 100,000 nights and spending CI\$20 million. In recent years, there has been an increase in the number of financial services conferences held locally, so it is likely that this contribution has increased.

Table 3: Financial Services-Related Revenue

	2014/15		2015/16	
Regulatory Licences and Fees	102,679,559	15.6%	104,969,505	14.7%
Legal Entity Registration	139,452,194	21.1%	145,474,164	20.4%
Trade & Business Licences	1,700,000	0.3%	2,014,000	0.3%
Immigration Fees from Financial Services	32,234,886	4.9%	33,622,051	4.7%
Total Financial Services Revenue	276,066,639	41.9%	286,079,720	40.2%
Total Government Revenue	659,639,000	100%	712,421,000	100%

Note: Data on Immigration Fees provided by the Immigration Department; Financial services contribution through customs duties not assessed.

The impacts outlined above focus specifically on financial services. However, the Ministry's policies and legislation relating to enhancing the framework for commerce and the protection of the environment also support Government revenue and subsequently, the economy and public services. For instance, roughly CI\$4.96 million in revenue comes from non-financial services business licence activity (see Table 8 for a breakdown of revenue). It also is important to note that tourism, as are other revenue sectors, is significantly bolstered by the natural environment of the Cayman Islands.

Human Capital

Personnel costs in 2015/16 amounted to \$7.9 million, or 70% of expenses for the year⁵. While a total of 121 posts were accounted to the Ministry in 2015/16, actual headcount was 116 at the end of the year as shown in

Table 4⁶. Of these employees, 89% were Caymanian, 4% were Jamaican, and the remainder were from seven different countries.

Table 4: Ministry for Financial Services & Commerce – Headcount

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
Core Ministry (FSA)	2	6	9	11	13
Dept. Int'l Tax Cooperation (DITC)	3	3	3	5	5
Dept. Commerce & Investment (DCI)	11	7	9	11	15
General Registry (REG)	43	42	42	41	44
Dept. Financial Services (DFS)	7	6	4	5	5
Dept. of Environment (DOE)	28	29	31	33	34
TOTAL	94	93	98	106	116

⁵ See Note 11 on page 58 of the Financial Statements.

⁶ Data on actual headcount has been corrected from the 2014/15 Annual Report for prior years

Figure 1: Staff Profile by Function

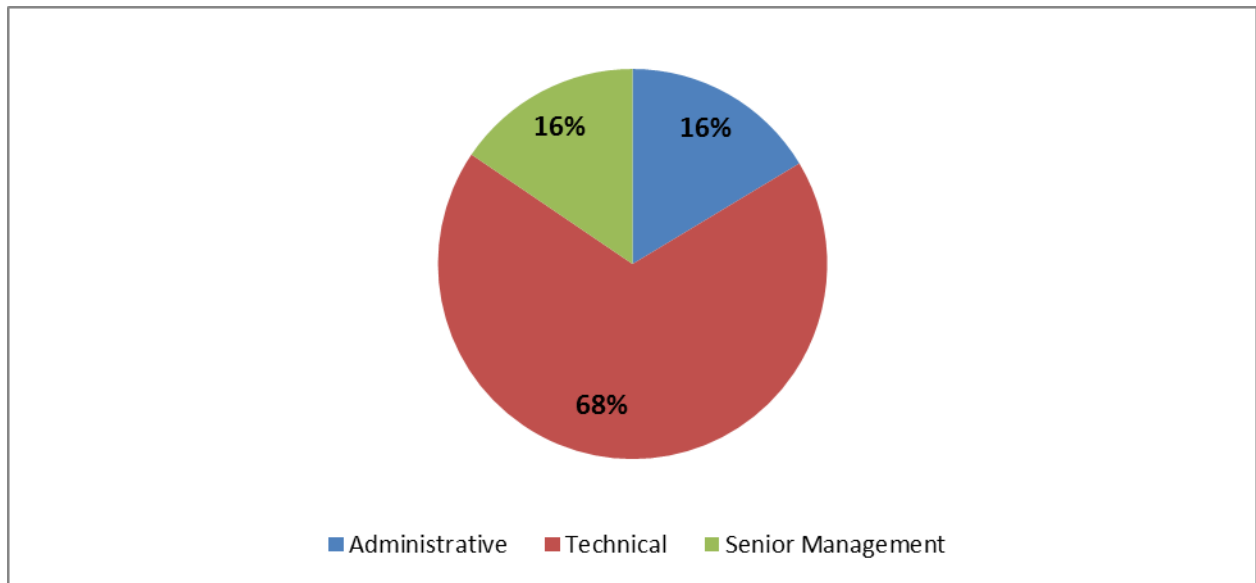


Figure 2: Staff Age Profile

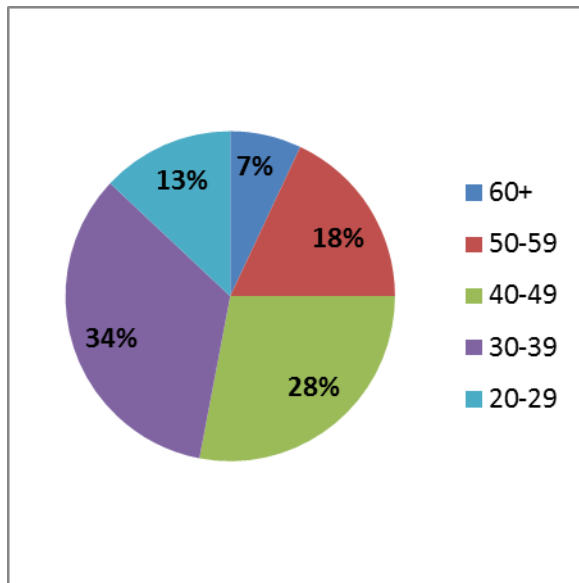


Figure 4: Staff Gender Profile by Department

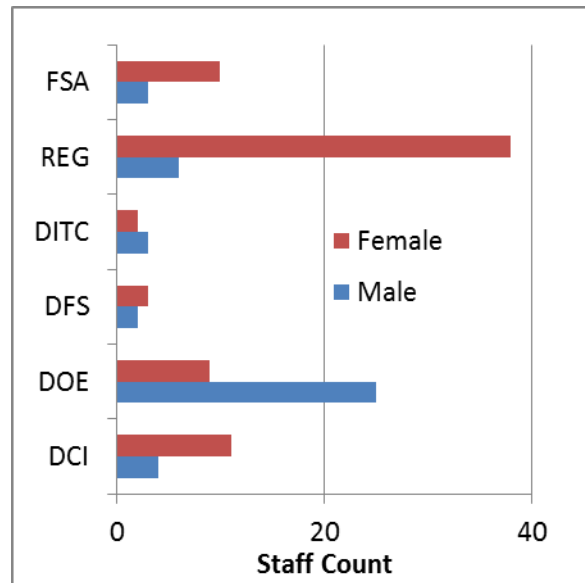


Figure 3: Staff Years of Service Profile

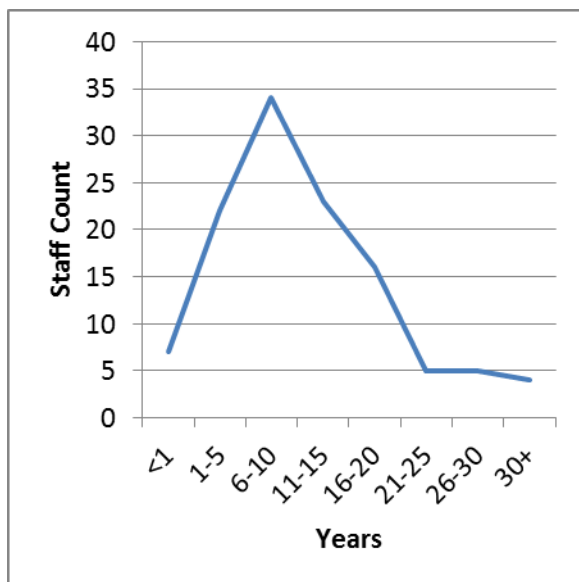
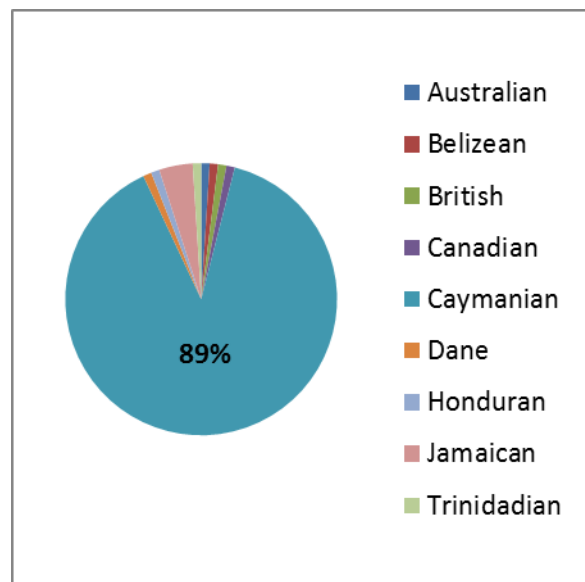


Figure 5: Staff Nationality Profile



Departmental Revenue and Expenditure

Table 5 provides a summary of the total recurrent expenditure by agencies under the Ministry⁷.

Table 5: Total Recurrent Expenditure by Agency

	2015/16 Budget	2015/16 Actual	2014/15 Actual
Core Ministry (FSA)	2,824,775	1,911,822	1,647,266
Dept. for Financial Services (DFS)	639,439	620,560	382,031
Dept. of Commerce & Investment (DCI)	1,760,136	1,148,001	844,346
General Registry (REG)	3,414,981	2,903,983	2,687,935
Dept. for Int'l Tax Cooperation (DITC)	1,184,973	1,275,779	877,124
Department of Environment (DOE)	3,393,178	3,239,229	2,714,157
TOTAL RECURRENT EXPENDITURE	13,217,482	11,099,374	9,152,859

Table 6 provides a summary of the total capital expenditure by agencies under the Ministry⁸.

Table 6: Total Capital Expenditure

	Description	2015/16 Budget	2015/16 Actual	2014/15 Actual
DITC	FATCA, AEOI E-Reporting Software	70,000	199,538	1,195,598
FSA	Website development, systems development	145,450	4,400	0
REG	Additions & Upgrades to Online Registration System	125,000	51,650	35,870
REG	Computer equipment and scanners	11,550	23,196	0
DCI	Vehicle	18,000	14,080	0
DCI	Computer Equipment	5,000	5,558	0
DCI	Website design, development and installation	0	4,400	0
DOE	Office equipment	19,000	19,615	8,099
DOE	Vehicles	80,000	44,115	66,290
DOE	Watercraft & boat engines	187,500	156,546	48,669
DOE	Research equipment	3,000	28,941	16,013
DOE	Enforcement equipment	5,500	16,107	0
DOE	Other Equipment	5,000	3,335	6,097
DOE	Oil Spill Dispersant	0	46,580	0
DOE	Renovations	0	0	26,751
EQUITY INJECTION - MINISTRY ENTITY ASSETS		675,000	618,061	1,403,387

⁷ See the Statement of Financial Performance on page 6 of the Financial Statements for a breakdown of expenses by type.

⁸ See Note 5 on page 50 of the Financial Statements,

Table 7 provides a summary of the amounts spent with external vendors and consultants for amounts greater than \$20,000.

Table 7: Professional Services & Consultants

Vendor/Consultant	Service	Fees & Related Costs (\$)
DELOITTE & TOUCHE		756,596
BRAC INFORMATIC CENTRE		366,334
VIZOR LIMITED		168,750
SIDLEY AUSTIN LLP		168,318
SOLOMON HARRIS, ATTORNEYS - AT - LAW		156,030
SAGC - Cayman Airways		145,039
VAMPT MOTORS LTD		83,979
KIRK OFFICE		83,520
DUSKY MARINE		79,803
DRAKE CONSULTING		70,368
ARTEMIS PROPERTY SERVICES LTD.		66,928
TOTAL UK LIMITED		46,401
LIME		43,239
AFFINITY RECRUITMENT		40,001
HILL & KNOWLTON, INC		37,896
INTERNATIONAL CENTRE FOR PARLIAMENTARY STUDIES		34,569
SHIRLAWS (CAYMAN) LTD		31,500
OECD		29,457
INNOVATIVE IMAGING & SERVICES		26,036
CAYMAN POWER SPORTS & MARINE LTD		21,853

Table 8 provides a breakdown of the major revenue items collected by the Ministry as well as revenue collected by the Cayman Islands Monetary Authority (CIMA) on behalf of the Government. Entity revenue⁹ is used to offset the operational costs of the associated agencies, whereas executive (coercive) revenue goes to the general revenue of the Government. Revenue projections for the annual budget are made by the Revenue Unit of the Ministry of Finance and Economic Development, based on input provided by the relevant agencies.

⁹ See Note 9 on page 57 of the Financial Statements. Entity Revenue is shown as Fees and Charges as part of the Total Sales of Goods and Services.

Table 8: Total Revenue to Central Government

	2015/16 Budget	2015/16 Actual	2014/15 Actual
Entity Revenue	1,568,643	2,048,668	1,729,736
Licensing Admin Fees (DCI)	366,375	484,097	416,028
Private Sector Computing Fees (REG)	1,041,378	1,381,274	1,145,716
Other Company Admin Fees (REG)	159,240	163,954	149,275
Miscellaneous Receipts (DCI, REG, DOE)	1,650	19,343	18,717
Executive Revenue	254,513,290	258,401,354	249,716,447
Business Licences (DCI)	5,589,904	6,617,415	6,662,388
Company Fees (REG)	103,890,036	102,257,325	100,837,021
Partnership Fees (REG)	38,765,788	40,728,617	36,409,262
Trust Registration Fees (REG)	772,985	942,994	910,920
Patents & Trademarks (REG)	1,566,241	1,885,864	1,602,647
Fees relating to Vital Records (REG)	484,089	750,179	477,660
Royalties & Dredging (FSA)	0	163,953	34,283
Environmental Protection Fund Fees (FSA)	0	74,565	47,556
Spear Gun Licences (DOE)	6,000	3,200	5,061
W.I.Z. Boat Licences (DOE)	3,000	7,577	8,431
Fisheries Licences (DOE)	0	160	165
Bank & Trust Licences (CIMA)	31,362,000	31,592,216	32,794,573
Insurance Licences (CIMA)	9,945,750	8,931,060	8,774,532
Mutual Fund Administrators (CIMA)	43,865,499	44,543,701	43,138,518
Money Service Licences (CIMA)	79,000	68,000	70,000
Security Investment Business Licences (CIMA)	12,979,999	14,377,769	12,934,496
Local Company & Corporate Mgmt Fees (CIMA)	2,673,999	2,932,663	2,581,536
Money Transfer Fees (CIMA)	2,400,000	2,524,096	2,385,904
Ship Registration Fees (MACI)	129,000	0	41,494
TOTAL REVENUE	256,081,933	260,450,022	251,446,183

2015/16 Key Activities

As a general indicator of activity, the number of Cabinet Papers submitted in 2015/16 was 12% higher than in the previous fiscal year. Cabinet Papers outline proposals – such as policy decisions or legislative enhancements – that the Ministry staff, on behalf of the Minister, are submitting for Cabinet’s consideration and decision.

The number of Cabinet Papers submitted by the Ministry of Financial Services, Commerce and Environment for the past three years was:

- 2013/14 = 65 papers
- 2014/15 = 81 papers
- 2015/16 = 91 papers

Financial Services

Policy and Legislation

There were several significant developments in support of Cayman’s competitive position as an international financial centre, including continued enhancements to improve adherence to international regulatory standards were high on the agenda.

Legislation

For the fiscal year ended June 2016, the Ministry held industry and/or public consultations, prepared legislative drafting instructions, and advised Cabinet and the Minister on the following legislative matters relating to financial services, all of which were approved in the Legislative Assembly.

- Accountants Law, 2016
- Companies (Amendment) Law, 2015
- Companies (Amendment) Law, 2016
- Confidential Information Disclosure Law, 2016
- Insurance (Capital and Solvency) (Classes B, C, and D Insurers) (Amendment) Regulations, 2016
- Limited Liability Companies Law 2016
- Monetary Authority (Amendment) Law, 2015
- Mutual Funds (Amendment) Law, 2015
- Mutual Funds (Annual Returns) (Amendment) Regulations, 2015
- Securities Investment Business (Amendment) Law, 2015
- Tax Information Authority (Amendment) Law 2016
- Tax Information Authority (Tax Information Agreements) Order, 2016
- Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015

Beneficial Ownership

In February 2016, on the invitation of the Premier and following recognition from the UK that Cayman's existing system was a valid alternative to a public central register for beneficial ownership information, the Ministry hosted representatives from the UK Foreign and Commonwealth Office and the National Crime Agency to discuss further enhancements to Cayman's beneficial ownership information regime.

After discussions and negotiations between the UK, its Overseas Territories (OTs) and Crown Dependencies (CDs), in April Cayman entered into an Exchange of Notes with the UK regarding sharing beneficial ownership information. The UK signed similar agreements with the other OTs and CDs, with all agreements set to come into effect in June 2017.

Correspondent Banking

US banks, seeking to 'de-risk' their commercial activities by terminating or restricting business relationships globally, triggered a local affect that led to the temporary halt of money remittance services in Cayman. To resolve the issue the Ministry, CIMA, and local commercial banks worked diligently to implement a temporary solution until money remittance businesses could adjust and recommence operations locally.

European Union Alternative Investments Fund Managers Directive (AIFMD)

In order to facilitate the extension of the AIFMD passport to the Cayman Islands, the Mutual Funds (Amendment) Law and the Securities Investment Business (Amendment) Law were passed. These legislative changes were designed to establish an opt-in regime for regulating Cayman Islands-domiciled investment funds and managers connected to the European Union.

Work was also done to prepare necessary regulations under these laws in anticipation of the review of Cayman's regime by the European Securities and Markets Authority, which is CIMA's counterpart in the European Union.

Commercial Developments

The introduction of the Limited Liabilities Companies Law was well received by the financial services industry globally, because of its applicability to a broad range of financial services sectors. The new Accountants Law modernised the regulation of this profession, to maintain international standards.

Minor amendments were also made to the Companies Law to provide greater certainty around the filing of changes to a company's register of directors and officers, and the extension of filing deadlines.

International Engagement

Following an invitation from the European Parliament's TAXE2 Committee, the Minister and other Ministry officials engaged in a discussion with European lawmakers on Cayman's regulatory regime and its economic model in April 2016. This provided a prime opportunity, before a key stakeholder audience, to disseminate facts and correct misperceptions about financial services in the Cayman Islands.

The following month, the Premier and Minister attended the UK's Anti-Corruption Summit in London. Before senior representatives from governments around the world, including the US, the Premier made a strong statement on Cayman's participation in the work to fight global corruption, positioning it against work done by some of the major countries. Because of the extensive media coverage, particularly in the UK, that surrounded the summit, the Premier's statement was widely reported.

Registration Statistics

Table 9: New Companies Registered

	2015/16	2014/15	2013/14	2012/13	2011/12
July	1,042	981	785	653	706
August	896	897	747	693	767
September	902	995	784	641	764
October	897	962	837	729	706
November	903	909	817	736	755
December	802	794	650	724	544
January	1,087	1,141	985	811	772
February	926	864	772	719	707
March	902	1,161	967	729	900
April	930	1,100	962	768	933
May	971	994	892	900	720
June	982	1,173	894	886	763
TOTAL	11,240	11,971	10,092	8,989	9,037

Table 10: New Partnerships Registered

	2015/16	2014/15	2013/14	2012/13	2011/12
July	300	246	219	125	164
August	219	240	160	158	132
September	265	207	196	143	144
October	292	311	202	197	153
November	268	284	235	196	203
December	280	258	232	168	167
January	296	231	214	155	156
February	312	295	191	154	150
March	285	295	241	171	208
April	295	303	235	189	215
May	254	296	235	197	149
June	268	333	231	258	172
TOTAL	3,334	3,299	2,591	2,111	2,013

Exchange of Information

As part of our international engagement, in 15/16 Cayman continued our active involvement in the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes. In 15/16 the forum had more than 130 member countries, which by number and mandate made the forum the key international body working on the implementation of the international standards on tax transparency.

Cayman's involvement included being one of the four vice chairs of the forum's Peer Review Group, which develops the methodology and detailed terms of reference for a robust, transparent and accelerated process that members must follow; and being a member of the Automatic Exchange of Information Group. In 2016 the Cayman Islands concluded a six-year term as a member of the forum's Steering Group, which prepares and guides the forum's future work. Additionally, Cayman officials participated as expert assessors in several peer reviews of other jurisdictions, and as trainers in Global Forum seminars.

Continuing Cayman's support of international tax compliance, the AEOI (automatic exchange of information) Portal was launched, and it successfully provided information to the US for FATCA purposes in September 2015. Following this, in October 2015 the Ministry introduced regulations to implement the OECD Common Reporting Standard for the automatic exchange of financial account information for tax purposes.

Exchanging information for tax purposes allows Cayman to constructively engage with foreign governments on issues that affect our financial services industry. Moreover, meeting international obligations to treaty partners in the provision of tax information assists Cayman in avoiding sanctions and other restrictions on the conduct of business locally by foreign jurisdictions.

Detailed statistics on the number of requests from our 15 treaty partners are limited because of confidentiality provisions in the treaties. The total numbers of requests received by calendar year were:

- 2013 = 30 requests
- 2014 = 41 requests
- 2015 = 65 requests
- 2016 (to June 30) = 28 requests

Commerce

Policy and Legislation

Several major changes to licensing legislations occurred during 2015/16 – notably, the commencement of the Trade and Business Licensing, Liquor Licensing, and Second Hand Dealers laws; and the Film Exhibition Control Law. Collectively, the legislation ushered in improvements to the way in which businesses operating locally are licenced and the standards within which they are to operate.

Following public consultation, a new bill to introduce Daylight Savings Time was also proposed, but subsequent feedback from the business community resulted in its withdrawal.

Legislation

For the year ended June 2016, the Ministry held industry and/or public consultations, prepared legislative drafting instructions, and advised Cabinet and the Minister on the following legislative matters related to commerce, all of which were approved in the Legislative Assembly.

- Liquor Licensing (Amendment) Law, 2015
- Second Hand Dealers (Forms) Regulations 2016
- Special Economic Zones (Amendment) Law 2015
- Sunday Trading Order, 2016
- Sunday Trading (Amendment) Law, 2016
- Trade and Business Licensing Directions, 2016
- Trade and Business Licensing (Forms) Regulations, 2015

- Trade and Business Licensing (Appeals) Regulations, 2015
- Trade and Business Licensing (Amendment of Schedules) Regulations, 2015

Licensing Statistics

Table 11: Business Licensing Activity

Licence Type	Issued 2015/16	Issued 2014/15
Cinematograph Exhibition Licence - Renewal	1	1
Tobacco Registration Certificate Grant	30	16
Tobacco Registration Certificate Renewal	129	103
Special Economic Zone Trade Certificate Grant	71	47
Trade & Business Grant Exempt Company (Offshore only)	23	17
Trade & Business Renewal Exempt Company (Offshore only)	127	48
Local Companies(Control) Licence Amendment	2	1
Local Companies(Control) Licence Grant	46	29
Trade and Business Licence Grant	1507	1,524
Trade and Business Licence Renewal	4427	3,507
Liquor & Music License Renewals, Grants, Variations, Extensions, Occasional	888	1,191
TOTAL	7,251	6,484

Enforcement

With the commencement of various pieces of legislation, the Department of Commerce and Investment began to increase its level of enforcement activity. Of particular concern was an effort to ensure that local businesses were compliant with pensions and health insurance requirements for their employees. Steps were also taken to address unlicensed vendors on public property. This significant issue was tackled by the department as part of a cross-Ministerial task force to address an issue that has been outstanding for several years.

Intellectual Property

Policy and Legislation

In a major step forward, Cayman enacted the Copyright (Cayman Islands) Order, 2015 on 30 June 2016. This Order, which extends UK copyright legislation to the Cayman Islands, replaces the 1956 Order and in so doing, offers broader copyright protection to creators such as musicians, songwriters, visual artists, and writers. Further advancement in intellectual property (IP) legislation was forecast for the latter half of the 2016 calendar year.

With these changes to the IP regime, CIPO (the Cayman Islands Intellectual Property Office) was launched to support Cayman's strengthened intellectual property laws.

Legislation

For the year ended June 2016, the Ministry successfully dealt with the following legislative matters relating to intellectual property:

- Copyright (International Organisations) Order, 2016
- Copyright (Application to Other Countries) Order, 2016
- Copyright (Customs) Regulations, 2016
- Copyright (Material Open to Public Inspection) (Marking of Copies of Plans and Drawings) Order, 2016
- Copyright (Material Open to Public Inspection) (Marking of Copies of Maps) Order, 2016
- Copyright (Licensing of Orphan Works) Regulations, 2016
- Designation of Educational Institutions Order, 2016
- Infringing Copies (Notice of Seizure) Order, 2016

Maritime Affairs

Policy and Legislation

Legislation

For the year ended June 2016, the Ministry successfully dealt with the following legislative matters relating to maritime affairs:

- Gambling (Amendment) Law, 2015

Conservation of the Environment

Policy and Legislation

Legislation

For the year ended June 2016, the Ministry successfully dealt with the following legislative matters relating to the environment:

- Endangered Species (Trade and Transport) (Amendment) Law, 2015
- National Trust Bye-laws 2015

The Department of Environment (DoE) and the National Conservation Council (NCC) also continued work on the development of guidance notes and directives to aid the full commencement of the National Conservation Law (NCL).

Research and Monitoring

As part of its ongoing programme of research and monitoring, the DoE undertook the following initiatives:

- *“Socioeconomic Aspects of Turtle Conservation in the Cayman Islands”*, a UK Darwin Plus Initiative in collaboration with the University of Exeter, was completed in April 2015. The research project used interviews, questionnaires, and data from Cayman Turtle Farm to establish demand; investigate cultural and age effects in the consumption of turtle meat; and explore the influence of price and availability of farmed turtle meat in incentivising or reducing take of wild turtles.
- *“Sustainable Management of Threatened Keystone Predators to Enhance reef Resilience in the Cayman Islands”*, a UK Darwin Plus Initiative in conjunction with Marine Conservation International, will conclude in 2018. The project is tracking the movements of key marine predators that have been acoustically tagged, to better inform local management strategies for important species such as sharks, snappers and groupers.
- *“Assessment, protection and actions for important seabird populations in the Cayman Islands”* is a Darwin Plus grant in collaboration with the University of Liverpool that began in April 2016. It aims to determine the at-sea movements and status of important seabird populations, allowing the establishment of sustainable monitoring programmes and development of informed marine and coastal conservation strategies.
- The DoE continued its long-term monitoring programmes for important local resources including coral reefs, Nassau grouper, marine turtles, Queen Conch, Cayman parrots, Sister Islands rock iguanas, blue iguanas, and marine water quality.

- Efforts to combat and control alien invasive species included continuation of the lionfish culling programme and the development of evidence-based strategies for the effective removal of the green iguana.

Protected Area Management

In December 2015 the DoE completed the final round of public consultations on proposals to enhance the current system of marine parks. A consultation report, together with amended proposals that took account of public feedback, was presented to the NCC at its general meeting on 24 February 2016. The NCC approved the amended proposals and these were forwarded to Cabinet for approval as new protected areas under the NCL.

Enforcement

Fiscal 2015/16 saw the introduction of new powers, including the power of arrest, for the DoE's conservation officers under the NCL. Officers subsequently were issued with enforcement equipment permitted under the NCL, and trained to use them appropriately. A significant anchor damage incident in a marine protected area involving a large visiting yacht was investigated and successfully resolved, including the completion of a coral reef repair plan.

CITES

The Ministry issued a total of 40 CITES permits in 15/16. The vast majority of these permits (39) were for the export or re-export of CITES-listed specimens from Cayman for a variety of purposes, including household/personal effects, commercial trade, and pets; but the majority were for scientific research purposes. There was only one CITES Import permit issued for a live household pet.

Environmental Assessment Services

The DoE's Technical Review Committee reviewed 55 planning applications and 20 coastal works licence (CWL) applications. Of the 20 CWL applications received, the DoE recommended 75% (15) for approval and 25% (5) for refusal. Of these, 70% (14) have been approved by Cabinet; 10% (2) have been refused; and 20% (4) are currently awaiting Cabinet's decision. DoE did not recommend any CWL applications for environmental impact assessments (EIAs) during this time period.

Of the 55 planning applications received, 65% (36) reviewed by the DoE were recommended for approval and 22% (12) were recommended for refusal. The remaining 13% (7) were recommended for deferral as the DoE either had insufficient information from the applicant to reach an informed determination, or the DoE had recommended significant changes to the proposals prior to determination. An EIA was recommended for one application, which is the proposed Ironwood golf course and residential communities development application overlapping the districts of North Side and East End in Grand Cayman.

Good Governance

Annual Reports

Of the eight annual reports and audited financial statements that are produced by entities under the Ministry, the following reports were tabled in the Legislative Assembly:

- Annual Financial Statements of the Auditors Oversight Authority for the Year Ended 30 June 2015
- Annual Report of the National Conservation Council for the Year Ended June 2015
- Annual Report and Audited Financial Statements of the Maritime Authority of the Cayman Islands for the Year Ended 30 June 2015
- Annual Report and Audited Financial Statements of the Cayman islands Development Bank for the Year Ended 30 June 2014
- Audited Financial Statements of the Ministry of Financial Services, Commerce and Environment for the Year Ended 30 June 2014
- Annual Report and Audited Financial Statements of the Cayman islands Stock Exchange Limited for the Year Ended 30 June 2014
- Annual Report and Audited Financial Statements of the National Trust for the Cayman Islands for the Year Ended 30 June 2015

Parliamentary Questions

Four Parliamentary Questions were asked and answered in 2015/16. All questions were asked by the Elected Member for North Side, and answered by the Honourable Minister for Environment.

[Question No. 15 and Answer](#)

- Q: Can the Honourable Minister give an update on the implementation of the new spear gun licensing procedure which will allow Caymanians over 18 years of age to purchase new spear guns and parts for spear guns?

- A: As Honourable Members will be aware, Part 5 - Licences and Permits, of the National Conservation Law has not yet been commenced. This means that the spear gun licensing regime which exists under the Marine Conservation Law is still in effect. I am, however, aware that the National Conservation Council has been actively considering the matter of spear gun licensing and I am awaiting their proposals on this issue. Thank you.

Question No. 21 and Answer

- Q: Can the Honourable Minister give an update on the new spear-gun licencing regime?
- A: Part 5 - Permits and Licences - of the National Conservation Law has not yet been commenced. However, the Department of Environment and the National Conservation Council have been working through the preparation of a variety of licensing directives (including those necessary to give effect to the new spear gun licensing regime) in preparation for commencement of Part 5 by the end of this calendar year.

Question No. 22 and Answer

- Q: Can the Honourable Minister state: (a) Who authorised and who installed the dive buoys in the no-dive zone off the coast of Old Man Bay; (b) Who will remove them; and (c) When will they be removed?
- A: To our knowledge, that is the Ministry of Environment and the Department of Environment ("DoE"), there are no-dive moorings inside the boundaries of the Old Man Bay no-dive zone.

DoE has installed 380 public moorings around the Islands in an effort to protect coral reefs from anchor damage, but none of the public moorings are located in any no-dive zones.

The eastern boundary of the Old Man Bay no-dive zone is gazetted as longitude 81 degrees 10 minutes and 0 seconds. The nearest public mooring is longitude 81 degrees 9 minutes and 57 seconds which is 222 feet east of the zone (please see attached map).

If a private individual has installed an unauthorised mooring it would be the responsibility of the Port Authority under section 29 of the Port Regulations 2011 to have the unauthorised mooring removed at the owners' expense.

Question No. 23 and Answer

- Can the Honourable Minister give an update on the plans to address the sand offshore at Sand Point?
- The Department of Environment (DoE) cannot provide a definitive answer on this but DoE and I have visited the site to assess the situation and concluded that, taking

everything into account, it made more sense to try to work with Lands and Survey to prevent the registration of the newly surveyed mean high water mark given the temporary nature of the accretion and the fact that the ‘supply’ of sand could be attributed to Hurricane Ivan.

The DoE is aware that Lands and Survey Department are attempting to acquire advice from a professional coastal engineer in the event that they are challenged on the decision to not register the survey and have to take this matter through the Courts. More detailed information will need to be sought via the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure.

Freedom of Information

A total of 20 Freedom of Information requests were received by the Ministry and its entities in 2015/16, as shown in Table 12. Of these requests, 19 were responded to within the statutory deadlines.

Table 12: Freedom of Information Requests

	Actual 2015/16	Actual 2014/15
Ministry (FSA, DITC, DFS)	1	10
Dept. Commerce & Investment (DCI)	2	8
General Registry (REG)	4	5
Dept. of Environment (DOE)	13	9
TOTAL	20	32

Audit Matters

An unannounced cash count was conducted by the Internal Audit Unit (IAU) on the General Registry and the Department of Commerce and Investment. The audit yielded the following findings:

‘Our review of the cash collections and associated procedures at DCI yielded no variances or reportable findings. Two findings were raised during the cash counts at General Registry of which one, inadequate safeguarding of funds, was deemed to present moderate risk to the entity.’

The two issues identified at the General Registry were promptly addressed.

Also in 2015/16, the Department of Commerce and Investment requested that the IAU conduct a special investigation into the policies, procedures and standing orders that are used in dealing

with licensing applications. The findings identified systemic administrative deficiencies across both the department and the Trade and Business Licensing Board. These issues were immediately addressed as part of a process reengineering exercise that had been commissioned by DCI to assist with the full implementation of the Trade and Business Licensing Law, 2014, which had commenced on 1 January 2016.

Financial Statements for the Year Ended 30 June 2016

Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Ministry of Financial Services, Commerce and Environment 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 maintain 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 of Financial Services, Commerce and Environment.

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

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Financial Services, Commerce and Environment for the financial year ended 30 June 2016.

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

- (a) completely and reliably reflect the financial transactions of the Ministry of Financial Services, Commerce and Environment for the year ended 30 June 2016;
- (b) fairly reflect the financial position as at 30 June 2016 and performance for the Year ended 30 June 2016;
- (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.



Tamara Ebanks
Acting Chief Officer

Date – 31 October 2016



Wendy Manzanares
Chief Financial Officer

Date – 31 October 2016

Auditor General's Report



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

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly and the Chief Officer of the Ministry of Financial Services, Commerce and Environment

I have audited the accompanying financial statements of the Ministry of Financial Services, Commerce and Environment, which comprise the statement of financial position as at 30 June 2016 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 9 to 34 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 audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Financial Services, Commerce and Environment as at 30 June 2016 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 outlined in note (1b) under significant accounting policies the Ministry of Financial Services, Commerce and Environment was authorized under section 11 (5) of the Public Management and Finance Law to make adjustments to its appropriations for exceptional circumstances. As at the date of this report being issued the Supplementary Appropriation Bill has not been passed into Law by the Legislative Assembly.

My opinion is not qualified with respect to this matter..

A handwritten signature in black ink, appearing to read 'Sue Winspear', with a stylized, flowing script.

Sue Winspear, CPFA
Auditor General

31 October 2016
Cayman Islands

Statement of Financial Position
As at 30 June 2016

Prior Year Actual			Current Year Actual	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	Current Assets					
22,255	Cash and cash equivalents	2	23,631	5,716	5,716	(17,915)
10,886	Trade receivables	3	10,480	913	913	(9,567)
4	Other receivables	3	73	-	-	(73)
	Inventories		2	-	-	(2)
16	Prepayments	4	5	-	-	(5)
33,161	Total Current Assets		34,191	6,629	6,629	(27,562)
800	Property, plant and equipment	5	1,037	1,567	1,567	530
1,209	Intangible assets	5b	1,113	1,727	1,727	614
-	Other non-current assets		-	-	-	-
2,009	Total Non-Current Assets		2,150	3,294	3,294	1,144
35,170	Total Assets		36,341	9,923	9,923	(26,418)
	Current Liabilities					
1,226	Trade payables and accruals	6	1,009	258	258	(751)
56	Other payables	6	6	140	140	134
233	Employee entitlements	7	230	162	162	(68)
233	Unearned Revenue	8	235	106	106	(129)
25,874	Repayment of surplus		26,649	-	-	(26,649)
27,622	Total Current Liabilities		28,129	666	666	(27,463)
27,622	Total Liabilities		28,129	666	666	(27,463)
7,548	Net Assets		8,212	9,257	9,257	1,045
	NET WORTH					
7,548	Contributed capital		8,189	8,122	8,122	(67)
-	Revaluation reserve		-	-	-	-
824	Accumulated surpluses		775	1,135	1,135	360
(824)	Repayment of surplus		(752)	-	-	752
7,548	Total Net Worth		8,212	9,257	9,257	1,045



Tamara Ebanks
Acting Chief Officer

Date - 31 October 2016



Wendy Manzanares
Chief Financial Officer

Date - 31 October 2016

The accounting policies and notes on pages 41 to 64 form part of these financial statements.

Statement of Financial Performance
For the year ended 30 June 2016

Prior Year Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs actual) \$'000
	Revenue					
9,811	Sale of goods and services	9	11,764	13,927	13,677	1,913
166	Donations	10	163	-	-	
9,977	Total Revenue		11,927	13,927	13,677	1,913
	Expenses					
6,783	Personnel costs	11	7,854	8,750	8,750	896
1,902	Supplies and consumables	12	2,727	4,374	4,124	1,397
179	Depreciation	5	201	176	176	(25)
60	Amortisation of Intangible Assets	5b	320	67	67	(253)
206	Legal costs	13	-	100	100	100
23	Losses/(gains) on foreign exchange transactions	14	(2)	-	-	2
	Losses on impairment of property, plant and equipment	14	52	-	-	(52)
	Losses on disposal/revaluation of property, plant and equipment	14	-	-	-	-
9,153	Total Expenses		11,152	13,467	13,217	2,065
824	(Deficit)/Surplus for the period		775	460	460	(152)

The accounting policies and notes on pages 41 to 64 form part of these financial statements.

Statement of Changes in Net Worth
For the year ended 30 June 2016

	Contributed Capital	Revaluation Reserve	Accumulated (deficits)/surplus	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs. Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2014 brought forward	6,145	-	-	6,145	6,371	6,371	226
Changes in net worth for 2014/15							
Prior Year Adjustments	-	-	-	-	-	-	-
balance	6,145	-	-	6,145	6,371	6,371	226
Changes in net worth for 2014/15							
Equity Investment from Cabinet	1,403	-	-	1,403	1,751	1,751	348
Net revenue / expenses recognised directly in net worth	1,403	-	-	1,403	1,751	1,751	348
Surplus for the period 2014/15	-	-	824	824	-	-	(824)
Repayment of surplus	-	-	(824)	(824)	-	-	824
Total recognized revenues and expenses for the period	-	-	-	-	-	-	-
Balance at 30 June 2015	7,548	-	-	7,548	8,122	8,122	574
Balance at 30 June 2015 brought forward	7,548	-	-	7,548	8,122	8,122	574
Changes in net worth for 2014/15							
Prior Year Adjustments	23	-	23	23	-	-	(23)
balance	7,571	-	23	7,571	8,122	8,122	551
Changes in net worth for 2015/16							
Equity Investment from Cabinet	618	-	-	618	675	675	57
Net revenue / expenses recognised directly in net worth	618	-	-	618	675	675	57
Surplus for the period 2015/16	-	-	775	775	460	460	(315)
Repayment of surplus	-	-	(752)	(752)	-	-	752
Total recognized revenues and expenses for the period	618	-	23	641	1,135	1,135	494
Balance at 30 June 2016	8,189	-	23	8,212	9,257	9,257	1,045

The accounting policies and notes on pages 41 to 64 form part of these financial statements.

Statement of Cash Flow
For the year ended 30 June 2016

Prior Year Actual			Current Year Actual	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		Note	\$'000	\$'000	\$'000	\$'000
	CASH FLOWS FROM OPERATING ACTIVITIES USED IN					
	<i>Receipts</i>					
12,141	Outputs to Cabinet		8,081	12,094	11,844	3,762
-	Outputs to other government agencies		9	-	-	(9)
449	Sale of goods and services - third party		3,288	1,569	1,569	(1,719)
294	Donations / Grants		120	-	-	(120)
26	Other receipts					
	<i>Payments</i>					
(6,662)	Personnel costs		(7,745)	(8,720)	(8,720)	(975)
(2,045)	Supplies and consumables		(2,473)	(4,474)	(4,224)	(1,751)
(53)	Other payments		(98)	-	-	98
4,150	Net cash flows (used) in/from operating activities	15	1,182	468	468	(714)
	CASH FLOWS FROM INVESTING ACTIVITIES USED IN					
(755)	Purchase of property, plant and equipment		(1,209)	(675)	(675)	534
1	Proceeds from sale of property, plant and equipment					
(754)	Net cash flows used in investing activities used in		(1,209)	(675)	(675)	534
	CASH FLOWS FROM FINANCING ACTIVITIES USED IN					
-	Equity Investment		1,403	675	675	(728)
-	Net cash flows from financing activities used in		1,403	675	675	(728)
3,396	Net (decrease)/increase in cash and cash equivalents		1,376	468	468	(908)
18,859	Cash and cash equivalents at beginning of period		22,255	5,248	5,248	(17,007)
22,255	Cash and cash equivalents at end of period	2	23,631	5,716	5,716	(17,915)

The accounting policies and notes on pages 41 to 64 form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2016

Description and Principal Activities

The Ministry of Financial Services, Commerce and Environment (“the Ministry”) 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.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Ministry as defined in the Annual Plan and Estimates for the Government of Cayman Islands for the financial year ending 30 June 2016.

Note 1: 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.

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.

Note 1: Significant Accounting Policies (continued)

(b) Budget Amounts

The original budget amounts for the financial year are as presented in the 2015/2016 Annual Budget Statement and approved by the Legislative Assembly in June 2015. This original budget amount includes a \$1.5 million increase to FSC13 to cover elements of FSC13 that was taken from the Environmental Protection Fund and was approved in June 2015. The final budget amounts for the financial year are reflective of changes in the appropriation bill for the 2015/2016 financial year. A section 11(5) reallocation of the initial funds from the \$1.5 million increase was actioned to reallocate \$1.1 million from FSC13 and allocate as per the table below. Proposed appropriation changes were provided in a supplementary appropriation budget for approval of the Legislative Assembly. The remaining \$250k was split 20:80 between Monetary Authority and the National Trust respectively, leaving a \$1.25 million increase to the budget. These changes are as followed:

Appropriations to the Minister of Financial Services, Commerce and Environment		
Appropriation Reference Number	Appropriation Name	Supplementary Appropriation
Output Groups		
FSC 10	A Robust, Efficient Regime for the Registration of Corporate and Vital Information, and the Licensing of Business	(19,951)
FSC 11	Fair Competition in Domestic Commercial Activity	71,074
FSC 12	Ministry Strategy, Communications and Operations Support	808,877
FSC 13	Environmental Services and Research	1,500,000
FSC 13	Environmental Services and Research	(1,110,000)
	Total for Min FSCE Entity	1,250,000.00
	CIMA	50,000.00
	National Trust	200,000.00
	Total for Min FSCE Exec	250,000.00
	Total Increase	1,500,000.00

(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 they are determined and in any future periods that are affected by those revisions.

(d) Changes in Accounting Estimates

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

Note 1: Significant Accounting Policies (continued)

(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 Ministry derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognised at fair value of services provided.

(f) Expenses

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

(g) Operating Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as expenses on a straight-line basis over the lease term.

(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 at the date of acquisition.

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

(i) Prepayments

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

(j) Property, Plant and Equipment

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

Note 1: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	Over the unexpired period of lease or the useful life of the improvement
• Computer Equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Telecommunications	5 – 50 years
• Other equipment	5 – 20 years
• Boats and Marine Equipment	5 – 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.

Note 1: Significant Accounting Policies (continued)

(k) Employee Benefits

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

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

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

(l) Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of accounts payable and accrued expenses.

Recognition

The Ministry recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the Statements of Financial Performance.

Note 1: Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is de-recognised when the Ministry realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(m) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(n) Foreign Currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the Statement of Financial Performance.

At the end of the reporting period the following exchange rates are to be used to translate foreign currency balances:

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at year end date;
- 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 1: Significant Accounting Policies (continued)

(o) Comparative Figures

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

(p) 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 a fixed asset, such service in-kind is recognised in the cost of the fixed asset.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Ministry of Financial Services, Commerce and Environment maintained at Royal Bank of Canada and short term deposits invested with the Cayman Islands Government Treasury. As at 30 June 2016 the Ministry held no restricted cash balances (30 June 2015: \$0).

Actual Prior Year	Description	Foreign Currency	Exchange Rate	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000		\$'000	\$'000	\$'000	\$'000
1	Cash on Hand			1	1	1	
21,275	CI \$ Operational Current Account			22,774	5,609	5,609	(17,165)
568	USD \$ Operational Current Account	619	0.8375	519	-		(519)
(5)	CI \$ Payroll Current Account			8	-		(8)
363	CI \$ Grant Account			320	106	106	(214)
53	Cash in Transit			9	-		(9)
22,255	TOTAL			23,631	5,716	5,716	(17,915)

Note 3: Trade Receivables and Other Receivables

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts has been calculated based on expected losses for the Ministry and review of specific debtors. Expected losses have been determined based on an analysis of the Ministry losses in previous periods.

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
73	Sale of goods and services	75			(75)
8,081	Outputs to Cabinet	9,715	913	913	(8,802)
1,386	Entity Revenue Transfer	-			-
1,403	Equity Injection Funding	618			(618)
	Other Trade Receivables	129			(129)
(57)	Less: Provision for doubtful debts	(57)			57
10,886	Total trade receivables	10,480	913	913	(9,567)

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
2	Advances (salary, official travel, etc.)	13			(13)
1	Dishonoured cheques	1	-	-	(1)
1	Other receivables	59	-	-	(59)
4	Total other receivables	73			(73)

Note 3: Trade Receivables and Other Receivables (continued)

As at 30 June 2016 and 30 June 2015, the ageing analysis of trade receivables and other receivables is as follows:

Actual Prior Year	Description	Current	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	Current	-		-	-	-	-
3,859	Past due 1-30 days	10,482		10,482	913	913	(9,569)
6,994	Past due 31-60 days	-		-	-	-	-
-	Past due 61-90 days	-		-	-	-	-
37	Past due 90 and above	-		-	-	-	-
-	Non-current	-		-	-	-	-
-	Past due 1 year and above	71		71	-	-	(71)
10,890	Total	10,553	-	10,553	913	913	(9,640)

Note 4: Prepayments

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
16	Accrued Prepayments	5	-	-	(5)
16	Total Prepayments	5	-	-	(5)

Note 5: Property, Plant and Equipment

Description	Buildings & Other Infra.	Vehicles	Boats	Furniture & Fittings	Computer Hardware	Office Equipment	Other Plant & Equipment	Assets in Progress	Actual 2015/16	Budget 2015/16	Variance (Orig vs Actual)
Balance as at 1 July 2015	286	785	905	315	288	60	429	90	3,158	3,727	569
Additions	3	118	212	-	32	22	76	-	462	500	38
Disposals	(82)	(65)	-	-	-	-	-	-	(146)	-	146
Transfers	27	-	-	-	-	-	-	(45)	(18)	(76)	(57)
Revaluation	22	-	-	-	-	-	-	-	22	-	(21)
Balance at 30 June 2016	256	838	1,117	315	320	82	505	45	3,478	4,151	675

Description	Buildings & Other Infra.	Vehicles	Boats	Furniture & Fittings	Computer Hardware	Office Equipment	Other Plant & Equipment	Assets in Progress	Actual 2015/16	Budget 2015/16	Variance (Orig vs Actual)
Balance as at 1 July 2015	83	656	674	217	279	58	391	-	2,358	2,408	50
Revaluation	(82)								(82)	-	82
Depreciation Expense	19	53	59	14	37	6	13	-	202	176	(25)
Other Adjustments	-	(36)							(36)	-	36
Balance at 30 June 2016	20	673	733	231	316	64	404	-	2,442	2,584	143
Net Book value 30 June 2016	236	165	384	84	4	18	100	45	1,037	1,567	532

Note 5: Property, Plant and Equipment (continued)

Description	Buildings & Other Infra.	Vehicles	Boats	Furniture & Fittings	Computer Hardware	Office Equipment	Other Plant & Equipment	Assets in Progress	Actual 2014/15	Original Budget 2014/15	Variance (Orig vs Actual)
Balance as at 1 July 2014	317	755	902	325	277	60	412	64	3,113	3,521	408
Additions	4	28	3	-	17	-	17	29	97	251	154
Disposals	(35)	-	-	(10)	(9)	-	-	-	(54)	(45)	9
Transfers		2	-	-	3	-	-	(3)	2	-	(2)
Balance at 30 June 2015	286	785	905	315	288	60	429	90	3,158	3,727	569

Description	Buildings & Other Infra.	Vehicles	Boats	Furniture & Fittings	Computer Hardware	Office Equipment	Other Plant & Equipment	Assets in Progress	Actual 2014/15	Original Budget 2014/15	Variance (Orig vs Actual)
Balance as at 1 July 2014	79	593	636	208	255	54	382	-	2,207	2,255	48
Transfers	-	2	-	-	-	-	-	-	2		(2)
Depreciation Expense	19	61	38	15	33	4	9	-	179	174	(5)
Eliminate on Disposal	(15)	-	-	(6)	(9)	-	-	-	(30)	(21)	9
Other Adjustments		-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2015	83	656	674	217	279	58	391	-	2,358	2,408	50
Net Book value 30 June 2015	203	129	231	98	9	2	38	90	800	1,319	519

Note 5b: Property, Plant and Equipment (Intangible Assets)

Description	Computer Software	Assets under construction or development	Impairment Reserve	Actual 2015/16	Budget 2015/16	Variance (Orig vs Actual)
Balance as at 1 July 2015	1,464	-	-	1,464	1,739	(275)
Additions	250	-	-	250	175	75
Disposals	(27)	-	-	(27)	-	(27)
Transfers	-	-	-	-	76	(76)
Balance at 30 June 2016	1,687	-	-	1,687	1,990	(303)

Description	Computer Software	Assets under construction or development	Impairment Reserve	Actual 2015/16	Budget 2015/16	Variance (Orig vs Actual)
Balance as at 1 July 2015	256	-	-	256	196	60
Transfers	-	-	-	-	-	-
Depreciation Expense	320	-	-	320	67	253
Eliminate on Disposal	(2)	-	-	(2)	-	(2)
Other Adjustments	-	-	-	-	-	-
Balance at 30 June 2016	574	-	-	574	263	311

Net book value 30 June 2016	1,113	-	-	1,113	1,727	(614)
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Note 5b: Property, Plant and Equipment (Intangible Assets) (continued)

Description	Computer Software	Assets under construction or development	Impairment Reserve	Actual 2014/15	Original Budget 2014/15	Variance (Orig vs Actual)
Balance as at 1 July 2014	239	-	-	239	239	-
Additions	1,225	-	-	1,225	1,500	(275)
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance at 30 June 2015	1,464	-	-	1,464	1,739	(275)

Description	Computer Software	Assets under construction or development	Impairment Reserve	Actual 2014/15	Original Budget 2014/15	Variance (Orig vs Actual)
Balance as at 1 July 2014	196	-	-	196	196	0
Transfers	-	-	-	-	-	-
Depreciation Expense	60	-	-	60	-	60
Eliminate on Disposal	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Balance at 30 June 2015	256	-	-	255	196	60
Net book value 30 June 2015	1,208	-	-	1,209	1,543	(334)

Note 5: Property, Plant and Equipment (continued)

Asset Revaluation

Property (buildings and structures) were revalued as at the 30th June 2016 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."

Note 5: Property, Plant and 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 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.

Note 5: Property, Plant and Equipment (continued)

Valuation assumptions (continued)

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.

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 of 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 amounts. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Note 6: Trade Payables, Other Payables and Accruals

Actual Prior Year	Description	Current	Non-current	Total Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
600	Creditors	108	-	108	258	258	150
3	Creditors Ministries/Portfolios	14	-	14	-	-	(14)
10	Creditors other government agencies	104	-	104	-	-	(104)
285	Accrued expenses	538	-	538	-	-	(538)
237	Accrued Expenses Ministries/Portfolios	237	-	237	-	-	(237)
91	Accrued Expenses other gov agencies	8	-	8	-	-	(8)
1,226	Total Trades Payables and Accruals	1,009	-	1,009	258	258	(750)
53	Payroll deductions	2	-	2	140	140	138
3	Other payables	4	-	4	-	-	(4)
56	Total Other Payables	6	-	6	140	140	134
1,282	Total	1,015	-	1,015	398	398	(616)

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

Note 7: Employee Entitlements

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
Current employee entitlements are represented by:					
15	Comp time	14	-	-	(14)
218	Annual leave	216	162	162	(54)
233	Total employee entitlements	230	162	162	(68)

The retirement and long-service leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 8: Unearned Revenue

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
233	Unearned Revenue	235	106	106	(129)
233	Total Unearned Revenue	235	106	106	(129)

Unearned revenue represents grant funds received by the Department of Environment from donors to carry out specific activities. Those activities span a number of months which extend beyond June 2016. Funds noted as unearned represents funds received which have not yet been used for the specified activities.

Note 9: Sales of Goods and Services

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
8,081	Outputs to Cabinet ¹	9,715	12,360	12,110	2,395
1,730	Fees and charges ²	2,049	1,567	1,567	(482)
9,811	Total sales of goods and services	11,764	13,927	13,677	1,913

¹ Outputs to Cabinet comprises goods delivered to and services performed on behalf of the Cayman Islands Government. These are detailed in the ABS and are covered by the appropriation law.

² Fees and Charges comprise mainly of other administrative fees and user charges levied on the public for the delivery of government services. The respective rates and fee structures are gazetted and governed by the relevant revenue laws.

No revenue concessions were granted during the financial year ended 30 June 2016.

Note 10: Donations

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
166	Other Donations	163	-	-	(163)
166	Total Donations	163	-	-	(163)

The Department of Environment administers grant funded projects as a part of their operations. Donations are received from international donors as well as from local sources. The donations are recognized as revenue when the entity satisfies its obligation in relation to the liability therefore when the project is carried out (IPSAS 23 - Recognition of Revenue from Non-Exchange Transactions).

Note 11: Personnel Costs

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
5,477	Salaries, wages and allowances	6,483	7,092	7,092	609
954	Health care	1,037	1,247	1,247	211
304	Pension	332	389	389	57
35	Leave	(3)	-	-	3
13	Other personnel related costs	5	22	22	17
6,783	Total personnel costs	7,854	8,750	8,750	896

Note 12: Supplies and Consumables

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
1,157	Purchase of services	1,632	1,646	1,646	14
110	Lease of Property and Equipment	93	108	108	14
202	Travel and Subsistence	280	480	480	200
172	Supplies and Materials	193	228	228	35
60	Utilities	53	75	75	22
80	Interdepartmental expenses	122	132	132	10
95	General Insurance	79	92	92	13
54	Recruitment and Training	74	114	114	39
(28)	Other	201	1,501	1,251	1,050
1,902	Total supplies and consumables	2,727	4,374	4,124	1,398

Note 13: Legal Fees

The Attorney General's Chambers provides litigation services to the Ministry. However during the year ended 30 June 2015 the use of legal services from outside of the Government were authorised by the Attorney General's Office. The costs of these services were \$205,644 in 2015 and \$0 in 2016.

Note 14: (Gains) / Losses

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
(0)	Net losses on disposal of property, plant and equipment	-	-	-	-
23	Losses on asset impairment	52	-	-	(52)
-	Net losses/(gains) on foreign exchange Transactions	(2)	-	-	2
23	Total losses	50	-	-	(50)

Note 15: Reconciliation of Net Cash Flows from Operating Activities to Surplus

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
824	Surplus from ordinary activities	775	460	460	(315)
239	Depreciation expense	521	243	243	(278)
(28)	Provision for Doubtful Debts	-	-	-	-
23	Net losses on disposal of property, plant and equipment	52	-	-	(52)
675	Capitalised Assets	(244)	-	-	244
-	Net losses/(gains) on foreign exchange Transactions	-	-	-	-
	Changes in current assets and liabilities:		-	-	-
(1,273)	(Increase)/decrease in receivables	346	(244)	(244)	(590)
2,722	(Increase)/decrease in other current assets	-	-	-	-
805	Increase/(decrease) in current liabilities	(267)	9	9	276
35	(Increase) in provisions relating to employee costs	(3)	-	-	3
128	(Increase)/decrease in unearned revenue	2	-	-	(2)
4,150	Net cash (used)/from flows from operating activities	1,182	468	468	(714)

Note 16: Revenue from Non-Exchange Transactions

During the year ended 30 June 2016, 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 reliably determined and therefore no expense has been recognised in these financial statements.

Note 17: Contingent Liabilities and Assets

The Ministry has no contingent assets as at 30 June 2016. Any contingent liabilities relating to the Ministry as at 30 June 2016 are reported in the consolidated accounts for the Cayman Islands Government.

Note 18: Commitments

The Ministry has the following operating lease commitments:

Department	One Year or Less	One to five years	Over five years
	\$'000	\$'000	\$'000
General Registry	60	300	-
Department of Commerce & Investment	16	82	-
Total Commitments	76	382	-

Note 19: Explanation of Major Variances against Budget

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

Statement of financial performance*Cabinet Revenue*

Revenue from cabinet was \$2.39 million below budget as the Ministry did not pursue some planned activities leading to reduced expenditure.

Personnel Costs

Personnel costs were \$896k below budget due to cost savings arising from Government's overall financial targets and the delayed recruitment of staff to replace those that left.

Supplies and Consumables

Supplies and consumables were \$1.39 million below budget as the Ministry did not pursue some planned activities leading to reduced expenditure.

Statement of financial position

Trade Receivables

Trade receivables were \$9.6 million higher than the original budget because the output funding from Cabinet was not drawn down within the financial year.

Trade Payables

The balance is \$751k higher than budget because credit balances were not settled until after the year end even though they were budgeted for settlement within the financial year.

Repayment of Surplus

The balance is \$26 million higher than original budget because the surplus for 2013-14 and 2014-15 was not paid over during the financial year end 30 June 2016.

Note 20: Related Party and Key Management Personnel Disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2016 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel including Ministers of the Government, are also considered to be related parties, and as such received the following remuneration.

Actual Prior Year	Description	Actual Current Year	Final Budget	Variance (Orig vs Actual)	Number of persons
\$'000		\$'000			
1,869	Salaries & other short-term employee benefits	1,928	2,181	254	19
1,869	Total	1,928	2,181	254	19

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

Related Party Transactions

SUPPLIER NAME	CI AMOUNT
Caribbean Utilities Company Ltd.	\$2,817.01
CI Society of HR Professionals	\$580.00
CI Society of Professional Accountants	\$1,700.00
Lee's Office Products	\$1,433.99
TOTAL	\$6,531.00

Note 21: Events occurring after Reporting Date

There were no subsequent events to report.

Note 22: Financial Instrument Risks

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

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 a target level of available cash to meet liquidity requirements.

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

Note 23: Financial instruments – fair values

As at 30 June 2016 and 30 June 2015, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

Fair values are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Note 24: Surplus Repayment

As at 30 June 2016 the Ministry recorded surplus payable of \$26,649 ('000). As per section 39 3 (f) of the Public Management and Finance Law (2013 Revision), the entity shall “retain such part of its net operating surplus as determined by the Minister of Finance”. We confirm that as at 30 June 2016, the entity has not been advised that it may retain any operating surplus.

Note 25: Segment Reporting

	Environment		Financial Services		Consolidated	
	2015/16 \$'000	2014/15	2015/16 \$'000	2014/15	2015/16 \$'000	2014/15
Revenue						
Outputs from Cabinet	3,077	2,689	6,638	5,392	9,715	8,081
Fees and Charges	-	-	2,049	1,730	2,049	1,730
Donations	163	166	(0)	-	163	166
Total Revenue	3,240	2,855	8,687	7,122	11,927	9,977
Expenses						
Personnel	2,271	2,076	5,583	4,707	7,854	6,783
Supplies & Consumables	798	504	1,929	1,398	2,727	1,902
Depreciation	170	-	352	206	521	206
Other expenses	1	133	49	129	50	262
Total Expenses	3,239	2,713	7,912	6,440	11,152	9,153
Surplus/(Deficit) from Operating Activities	0	142	775	682	775	824
Assets						
Current Assets	499	5	33,692	33,156	34,191	33,161
Fixed Assets	957	702	1,193	1,307	2,150	2,009
Total Assets	1,456	707	34,885	34,463	36,341	35,170
Liabilities						
Current Liabilities	484	325	27,645	27,297	28,129	27,622
Total Liabilities	484	325	27,645	27,297	28,129	27,622

The Ministry has two (2) distinct segments of activity, Environment and Financial Services. The Department of Environment is classified under the Environment segment and works to promote and facilitate responsible management and sustainable use of the natural resources and environment of the Cayman Islands through various programmes and strategies.

Under the Financial Services segment, the following departments are classified: Financial Services Administration, General Registry, Department of Commerce and Investment, Department of International Tax Cooperation and Department of Financial Services Policy and Legislation.

Outputs Delivered 2015/16

The Outputs delivered in 2015/16 to the Minister of Financial Services, Commerce and Environment as per the annual budget statement for the Ministry of Financial Services, Commerce and Environment.

FSA 1	Support and Policy Advice within the Ministry for Financial Services, Commerce and Environment	
Description: Support to the Minister in the execution of his duties; development and execution of strategies to achieve stated goals and objectives, and the coordination of necessary activities of the agencies under the Ministry. Compliance with requirements and responsibilities stated in law. This Output comprises several categories of activities related to Ministerial services, including the production of Cabinet Papers, Responses to Parliamentary Questions, Speeches, Briefing Notes, and draft correspondence, all provided on request by the Minister. Further activities included relate to statutory obligations, such as the production of budget documents, responses to FOI requests, and the maintenance of a variety of records.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Development and execution of a business plan to facilitate the policy direction of the Minister for Financial Services, Commerce and Environment comprehensive research and consultation where applicable	1	1
Cost	\$1,645,930	\$1,372,282

FSA 2	Frameworks Relating to Financial Services Business, Local Commerce, and Protection of the Environment	
Description: A policy-driven legislative framework that enables financial services providers to satisfy client demand and create new opportunities for industry growth; facilitates local commercial activity; and fulfils obligations under relevant international conventions related to the environment.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Primary Legislation supporting the areas of responsibility for the Ministry. Amendments and new legislation supported by an industry consultation process, and competitor analysis arising from research and attendance at various meetings and events.	87	25 - 35
Cost	\$61,340	\$77,895

FSA 3	Communications Support within the Ministry for Financial Services, Commerce and Environment	
Description: Support to the Minister in the execution of his duties; development and execution of communications in support of stated goals and objectives.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Communications support delivered to all Ministry entities	6	6
Cost	\$202,604	\$565,721

REG 16	Corporate and Vital Information Registry Services	
Description: Processing of registration applications in a number of corporate and vital information registers.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Registration of:		
Births	637	700 - 900
Deaths	177	150 - 200
Marriages	924	900 - 1,100
Companies	11,240	9,500 - 10,000
Partnerships	245,092	2,200 - 2,500
Trusts	201	150 - 200
Patents & Trademarks	555	350 - 400
Friendly Societies, Building Societies & Trade Unions	-	0 - 1
Issuing Certificates		
Companies, Partnerships, Trusts, PTMs	52,240	60,000 - 70,000
Births, Deaths and Marriages	5,952	8,500 - 9,500
Termination Requests		
Companies	16,081	8,000 - 9,000
Partnerships	1,513	400 - 450
Trusts	121	100 - 150
Record Filings - Annual Returns, changes to particulars, registers etc.	191,267	170,000 - 190,000
Assess Penalties for non-compliance (excluding annual fee penalties)	98	500 - 700
Process requests for certified copies of documents	828	9,000 - 11,000
Cost	\$2,144,748	\$2,631,628

REG 17	Assistance with Investigations and Information Requests		
Description: The use of information contained on the various registers can be of importance in criminal investigations as well as for use by local industry regulators. Providing assistance in such information requests is time-consuming in that information provided has to be tailored to the specified request.			
Quantity Measures		2015/16 Actual	2015/16 Budget
Provision of assistance with requests relating to criminal or regulatory investigations		0	120 - 180
Cost		\$35,046	\$40,640

DCI 9	Business Licensing System for Specified Business Types	
Description Processing and issuance of licences for the conduct of local business activity in specific sectors according to relevant legislation.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Number of Business Licence & LCCL renewals / grants processed	6,586	4,500 - 5,000
Number of Cinema Licenses	2	5 - 10
Number of Tobacco Permits renewals / grants processed	158	120 - 140
Number of SEZ Trade Licences renewals / grants processed	37	100 - 175
Number of Liquor / Music and Dance Licences renewals / grants processed	1370	400 - 600
Cost	\$44,233	\$447,360

DCI 10	Framework for Business Development	
Description: Effective local stakeholder engagement on the framework for local commercial activity and improving the viability of small and micro enterprises Improving the ease with which investors pursue business opportunities in the Islands		
Quantity Measures	2015/16 Actual	2015/16 Budget
Hours spent on Legislation supporting local Commerce. Amendments and new legislation supported by an industry consultation process	1037	750 - 1,200
Attendance at trade and investment conferences / meetings (e.g. CAIPA)	1	1 - 3
Cost	\$98,582	\$249,785

DCI 12	Monitoring & Enforcement of Local Licensing Laws	
Description: Enforcement of local licensing laws which fall under the authority of the Department. Maintenance of an enforcement regime will entail a variety of activities undertaken by the department, sometimes in collaboration with other government agencies. These activities include, but are not limited to: surveillance operations, investigations, and background checks on individuals. Creation of a system to address issues relating to anti-competitive practices in local industry. To meet international standards in the regulation of Designated Non-Financial Businesses and Persons (DFNBP) operating in the domestic economy.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Hours spent on enforcement / compliance activities (investigations, due diligence, etc.)	5,517	2,000 - 2,500
Number site visits TBL, Liquor, Tobacco, SEZ	225	120 - 140
Number of site visits Second Hand Dealers	-	50 - 60
Hours spent on Legislation supporting the creation of Fair Trade Unit	-	500 - 1,000
Hours spent on Legislation / NRA supporting the creation of the DFNBP Unit	502	2,000 - 2,500
Cost	\$564,689	\$645,493

ENV 14	Environmental Policy Advice		
Description: To facilitate a national governance model that promotes and ensures the integration of environmental concerns into national planning and decision-making processes. Provide recommendations and policy advice to Ministry of Environment on a variety of environmental matters including: • Establishment of a National Sustainable Development Framework • Climate Change adaptation and mitigation • Implementation of Multi-lateral Environmental Agreements (e.g. Ramsar, Bonn Convention, Convention on Biological Diversity, UN Framework on Climate Change Convention, Cartagena Convention, SPAW Protocol, etc.) • Updating local environmental legislation			
Quantity Measures		2015/16 Actual	2015/16 Budget
Number of fact-based policy papers/reports/recommendations based on comprehensive research and consultation where applicable		4	10 - 20
Number of drafting instructions for Regulations under the NCL (e.g. Coast Works process and the operation of the EPF) prepared		8	2 - 5
Number of new and existing MEAs reviewed		2	1 - 5
Cost		\$833,603	\$205,375

ENV 15	Administration of Environmental Legislation	
Description: To provide a comprehensive legal, policy and operational framework that protects the Islands' natural environment and resources and adequately addresses current and future environmental concerns. Implementation of ESTTL (2004) – Scientific Authority functions Secretariat for National Conservation Council Issuing of Licences and Permits under MC Regulations, NCL and CITES legislation Ocean Disposal Permits		
Quantity Measures	2015/16 Actual	2015/16 Budget
Number of National Conservation Council meetings hosted	26	20 - 30
Number of CITES Import, Export and Re-Export permits processed	17	35 -70
Number of various licences and permits issued	220	150 - 200
Cost	\$1,031,603	\$169,274

ENV 19	Public Education and Environmental Promotion initiatives	
Description: To encourage positive public attitudes and behaviours that support conservation and sustainable management of the natural environment and resources. Environmental promotion and outreach activities Presentations to schools and other institutions on a wide variety of environmental subjects Production of educational packages for general public and schools Media releases including CIG TV, CITN's Environment Break		
Quantity Measures	2015/16 Actual	2015/16 Budget
Number of educational visits conducted	14	10 - 15
Number of field education events	11	3 - 5
Number of Special Events assisted with	4	1 - 2
Number of educational materials distributed	3	10 - 20
Number of media releases	73	10 - 20
Cost	\$606,643	\$150,837

ENV 22	Conservation and Management of Marine Species and Habitats	
Description: To provide a marine conservation framework that is underpinned by sound scientific information derived from research and monitoring programmes and supported by an efficient enforcement approach. Marine Protected Area management (including installation and maintenance of regulatory markers and signs, production of maps and other information materials, etc.) Development of Marine species Conservation Plans Marine species conservation programmes (e.g., Marine Turtle Programme) Annual monitoring and assessment of ecologically and culturally important marine species and habitats Coordination and oversight of visiting scientists programme Damage assessments for incidents, events and activities impacting marine resources Installation public mooring system Invasive lionfish research control Economic valuation of environmental services associated with marine and coastal systems Provision of routine marine water quality monitoring services Enforcement of relevant laws and regulations		
Quantity Measures	2015/16 Actual	2015/16 Budget
Number of days of islands-wide enforcement coverage for marine resources	366	365
Number of annual long-term monitoring and assessment programmes for conch, Nassau grouper, turtles, coral reefs (including fish and benthos) and marine water quality	10	5 - 10
Number of Marine Species Conservation Plans developed	1	1 - 5
Number of externally funded research programmes conducted.	2	2
Number of lionfish research and control programme	1	1
Number of Marine Protected Area Plans	1	1
Number of marine park markers maintained	110	110
Number of moorings maintained	365	365
Cost	\$412,964	\$1,574,258

ENV 23	Conservation and Management of Terrestrial Species and Habitats	
Description: To provide a terrestrial conservation framework that is underpinned by sound scientific information derived from research and monitoring programmes and supported by an efficient enforcement approach. Terrestrial Protected Area management Development of Terrestrial species Conservation Plans Native species conservation programmes (e.g., Sister Islands Rock Iguanas, Blue Iguanas and Cayman Parrot) Annual monitoring and assessment of ecologically and culturally important terrestrial species and habitats Coordination and oversight of visiting scientists programme Invasive species research and control (e.g., Green Iguanas and various plants) Economic valuation of environmental services associated with Terrestrial systems Enforcement of relevant laws and regulation		
Quantity Measures	2015/16 Actual	2015/16 Budget
Number of annual monitoring programmes for key species including Sister Island Rock Iguanas, Blue Iguanas and Cayman Parrots	5	1 - 5
Number of Conservation Plans developed for SI Rock Iguanas, Blue Iguanas, Cayman Parrots, and Mangroves	7	1 - 5
Number of eradication or control programmes implemented (e.g. Green Iguanas).	1	1
Number of days of islands-wide enforcement coverage for terrestrial resources	366	365
Cost	\$164,391	\$485,891

ENV 24	Marine Oil Spill Response	
Description: To create a legal, policy and operational framework that protects the Islands' natural environment and resources from marine oil spills. Production and updating of Cayman Islands (CI) National Marine Oil Spill Contingency Plan Provision of marine oil spill management services Provision of Tier 1 response equipment stockpile		
Quantity Measures	2015/16 Actual	2015/16 Budget
CI National Oil Spill Contingency Plan	1	1
Number of days providing response services for marine oil spills	366	365
Cost	\$12,851	\$118,138

ENV 25	Environmental Assessment Services and Environmental Management Advice	
Description: To facilitate a national governance model that promotes and ensures the integration of environmental concerns into all physical, economic and development planning and decision-making processes. Review and assessment of Coast Works applications Review and assessment of Planning applications Pre-application advice to developers and other applicants Provision of guidelines, scoping reports, Terms of Reference and review of Environmental Statements and other studies for external Environmental Impact Assessments Provision of environmental management advice and recommendations on Best Management Practices to reduce the potential environmental impacts associated with developments and other proposed projects		
Quantity Measures	2015/16 Actual	2015/16 Budget
Number of Coastal Works reports	113	20 - 60
Number of Planning reviews	58	25 - 70
EIA terms of reference, guideline documents and interim, draft and final reports reviewed	1	1 - 6
Number of site visits and meetings	221	20 - 150
Cost	\$14,770	\$299,405

TIA 6	Compliance with Internationally Accepted Standards Regarding Financial Services	
Description: In fulfilment of agreed international obligations, and in order to uphold the positive reputation of the Cayman Islands as an international financial centre, the Cayman Islands Government actively participates in international fora on tax cooperation, and maintains a number of mechanisms for exchange of information for tax purposes.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Hours spent in fulfilment of agreed international obligations	8,074	6,000 -7,300
Cost	\$1,220,836	\$1,184,973

FSS 3	Framework for Modern, Innovative Financial Services Products	
Description: Conducting policy research and providing regular briefings to the Ministry on matters impacting the competitiveness of the financial services industry. Participate in Cayman Islands delegations to various local, regional and international meetings, seminars and conferences.		
Quantity Measures	2015/16 Actual	2015/16 Budget
Hours spent on policy and legislative reports and papers	5,885	6,000 -7,000
Cost	\$639,493	\$639,493