

National Gallery of the Cayman Islands

Financial Statements

For the Year Ended June 30, 2016

NATIONAL GALLERY OF THE CAYMAN ISLANDS

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**National Gallery of the Cayman Islands
Financial Statements
June 30, 2016**

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Except for the non-compliance under Section 4 relating to the use of International Public Sector Accounting Standards ("IPSAS"), these financial statements have been prepared by the National Gallery of the Cayman Islands 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 members of the Management Board and Director of the National Gallery of the Cayman Islands, we are 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 National Gallery of the Cayman Islands.

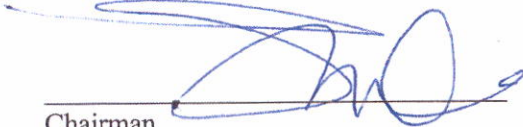
As members of the Management Board, we are responsible for the preparation of the National Gallery of the Cayman Islands' financial statements and for the judgements made in them.

In our opinion, the financial statements fairly present the statement of financial position and statements of financial performance, changes in fund balances and cash flows for the financial year ended June 30, 2016.

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

- (a) completely and reliably reflect the financial transactions of the National Gallery of the Cayman Islands for the year ended June 30, 2016;
- (b) fairly reflect the financial position as at June 30, 2016 and performance for the year ended June 30, 2016;
- (c) comply with International Financial Reporting Standards.

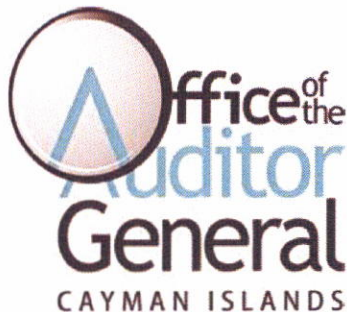
The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General and its agent has been provided access to all the information necessary to conduct an audit in accordance with International Standards on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


Chairman
National Gallery of the Cayman Islands

Date: October 28, 2016


Director
National Gallery of the Cayman Islands

Date: October 28, 2016



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Auditor General's Report

To the Management Board of the National Gallery of the Cayman Islands

In accordance with the Section 60(1)(a)(ii) of the *Public Management and Finance Law (2013 Revision)*, I have audited the accompanying financial statements of the National Gallery of the Cayman Islands (the "Gallery"), which comprise the statement of financial position as at June 30, 2016, and the statements of financial performance, changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 17.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

Auditors' 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion. In rendering my qualified audit opinion on the financial statements of the Gallery, I have relied on the work carried out on my behalf by a public accounting firm who performed their work in accordance with International Standards on Auditing.

Auditor General's Report (continued)

To the Management Board of the National Gallery of the Cayman Islands (continued)

Basis for Qualified Opinion

In common with many non-profit oriented organizations, the Gallery derives a significant portion of its cash receipts from various sources, the completeness which is not susceptible to independent audit verification. Accordingly, my verification of such cash receipts was limited to the amounts recorded in the records of the Gallery and I was not able to determine whether any adjustments might be necessary to cash receipts from donations and events and exhibitions income. The audit report on the financial statements for the year ended June 30, 2015 included a qualification in respect of the same matter.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph above, the financial statements present fairly, in all material respects, the financial position of the Gallery as at June 30, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without further qualifying my opinion, I draw attention to the statement of financial performance which indicates that the Gallery incurred a net loss of \$261,859 during the year ended June 30, 2016 and, to the statement of financial position which indicates as of that date, the Gallery's current liabilities exceeded its current assets by \$26,355. These conditions, along with other matters as set forth in Note 2 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Gallery's ability to continue as a going concern.

Other Matter

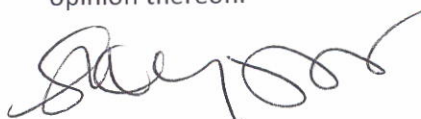
Without further qualifying my opinion, I noted that the Gallery did not comply with the requirements of the *Public Management and Finance Law (2013 Revision)* under the following section:

- Section 4: The financial statements are to be prepared in accordance with International Public Sector Accounting Standards ("IPSAS"). These financial statements are prepared in accordance with International Financial Reporting Standards. No assessment has been made to determine if significant differences in presentation or disclosures exist if these financial statements had been prepared in accordance with IPSAS.

No adjustments are made in these financial statements as a result of this non-compliance with the *Public Management and Finance Law (2013 Revision)*.

Supplemental Information

I have not audited the supplemental information on pages 18 to 24 and, therefore, I do not express an opinion thereon.



Sue Winspear, CPFA
Auditor General

October 28, 2016
Cayman Islands

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Statement of Financial Position

June 30, 2016

(stated in Cayman Islands dollars)

	Note	2016	2015
Assets			
Current assets			
Cash and cash equivalents	4	17,833	168,719
Accounts receivable	2	107,565	103,813
Prepaid expenses		16,736	25,150
Inventory		12,127	9,133
		154,261	306,815
Property, Plant and Equipment	5	2,726,574	2,812,170
Total assets	CI\$	2,880,835	3,118,985
Current liabilities			
Deferred revenue	10	147,589	111,927
Accounts payable		33,027	44,980
		180,616	156,907
Fund balances			
Unrestricted general fund		2,700,219	2,961,956
Restricted building fund		-	122
		2,700,219	2,962,078
Total liabilities and fund balances	CI\$	2,880,835	3,118,985

See accompanying notes to financial statements.

Approved on behalf of the Management Board on October 28, 2016:


Chairman


Director

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Statement of Financial Performance

Year ended June 30, 2016

(stated in Cayman Islands dollars)

	Note	2016	2015
Revenue and support from operations			
Donations	10	137,907	175,373
Events and exhibitions income	10	192,262	224,376
Gallery gift shop income		28,238	32,808
Facility rental		35,467	23,876
		393,874	456,433
Other income			
Government grants	2, 3(d)	401,850	401,850
Membership fees		19,710	35,705
Miscellaneous		19,574	22,933
		441,134	460,488
Cost of goods sold			
Gallery shop	13	20,155	27,533
		20,155	27,533
Expenditure			
Administrative expenses	7	526,365	475,005
Facility expenses	7	216,954	228,383
Program expenses	7, 13	138,298	107,263
Depreciation	5, 7	100,183	102,838
Exhibitions expense	7	71,560	71,821
Other operating expenses	7	23,352	21,067
		1,076,712	1,006,377
Decrease in fund balances for year		(261,859)	(116,989)
Net loss from unrestricted general fund		(261,859)	(116,989)
Gallery building			
Donations	7	-	-
Net income from restricted building fund		-	-
Decrease in fund balances for year		CI\$ (261,859)	(116,989)

See accompanying notes to financial statements.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Statement of Changes in Fund Balances

Year ended June 30, 2016

(stated in Cayman Islands dollars)

		Restricted building fund	Unrestricted general fund	Total
Balance at 30 June 2014		122	3,078,945	3,079,067
Net loss from unrestricted general fund for year		-	(116,989)	(116,989)
Balance at 30 June 2015	CI\$	122	2,961,956	2,962,078
Net loss from unrestricted general fund for year		-	(261,859)	(261,859)
Transfers from restricted building fund		(122)	122	-
Balance at 30 June 2016	CI\$	-	2,700,219	2,700,219

See accompanying notes to financial statements.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Statement of Cash Flows

Year ended June 30, 2016

(stated in Cayman Islands dollars)

	Note	2016	2015
Cash provided by/(applied in):			
Operating activities			
Movement in fund balances:			
Decrease in fund balances for year		(261,859)	(116,989)
Add/deduct:			
Items not involving the movement of cash:			
Depreciation	5	100,183	102,838
Net changes in non-cash operating balances:			
(Increase)/decrease in accounts receivable		(3,752)	7,232
Increase in inventory		(2,994)	(9,133)
Decrease/(increase) in prepaid expenses		8,414	(5,162)
Decrease in accounts payable		(11,953)	(1,618)
Increase in deferred revenue		35,662	47,324
		(136,299)	24,492
Investing activity			
Purchase of property, plant and equipment	5	(14,587)	(23,499)
		(14,587)	(23,499)
(Decrease)/increase in cash and cash equivalents for year			
		(150,886)	993
Cash and cash equivalents at beginning of year		168,719	167,726
Cash and cash equivalents at end of year	CI\$	17,833	168,719

See accompanying notes to financial statements.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

1. Background information

The National Gallery of the Cayman Islands (the "Gallery") was established on April 23, 1999 in accordance with the National Gallery Law. Prior to this date, the Gallery operated as an unincorporated entity.

The Gallery through its Management Board, acquires artworks and collects materials to be held in trust for the purpose of preserving them for posterity and promoting their usefulness in the development of the arts, exhibition, research and education for the public benefit.

Through organising and maintaining permanent and temporary public exhibitions of works of art, the Gallery promotes and encourages the awareness, appreciation and practice of the visual arts in the Cayman Islands.

The National Gallery Law states that the property of the Gallery shall be vested in up to four trustees appointed by the Governor in Cabinet, up to two of whom may also be members of the Management Board. As at June 30, 2016 these appointments had yet to be confirmed by the Governor.

As at June 30, 2016, the Gallery had 9 employees (2015: 7 employees). The Gallery is located at P.O. Box 10197, Esterley Tibbetts Highway, Grand Cayman KY1-1002, Cayman Islands.

2. Ability to continue as a going concern

The Gallery receives public and private grants and donations to fund its operating expenses. During the year ended June 30, 2016, the Gallery received income grants totalling CI\$401,850 (2015: CI\$401,850) from the Government of the Cayman Islands. At June 30, 2016, CI\$100,463 (2015: CI\$100,463) is included in accounts receivable. The amount was received in full subsequent to the year end. This grant equates to only 48% of The Gallery's annual budget leaving a heavy reliance on Fundraising from the private sector.

Private sector and general public donations of funds, goods and services enable the Gallery to continue in operations. Funding shortfalls could therefore lead to a reduction in the number of programmes, events and exhibitions and even result in cutting back staff, as staff ratio is determined by the annual programme, events and exhibition schedules.

The Gallery is proactively developing revenue generating alternatives to fundraising to help offset reliance on this area long-term. These initiatives include facility rentals, membership fees, and the Gift shop. These areas of business are still in their infancy stage. Even though total revenue increased with 2% in the past four years when the Gallery moved into its new facility and doubled the scope of its operations, net profit decreased by 202% over the same period and therefore casts a material uncertainty over the ability of the Gallery to continue as a going concern.

However, under the going concern concept, the financial statements of the Gallery will be prepared on the going concern basis, unless it is inappropriate to assume that the Gallery will continue in operation.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

2. Ability to continue as a going concern (continued)

Accordingly, while the Gallery does rely on grants and donations to sustain its operations and this reliance will continue into the future, these financial statements are prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of reported asset amounts and classification of liabilities.

3. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies adopted by the Gallery are as follows:

(a) Basis of preparation

These financial statements are presented in Cayman Islands dollars and are prepared on the historic cost basis, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income 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, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Standards and amendments to existing standards effective July 1, 2015

There are no standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Gallery.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Gallery's financial statements are disclosed below. The Gallery intends to adopt these standards, if applicable, when they become effective.

IFRS 15, Revenue from Contracts with Customers, replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue-Barter Transactions Involving Advertising Services, when it becomes effective or upon early adoption. The standard is effective for annual periods beginning on or after January 1, 2018 and can be early adopted. IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The adoption of IFRS 15 is not expected to have an impact on the Company's financial position or financial performance.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(c) Recognition of revenue

Revenue is recognised when earned by the Gallery, which usually coincides with the date received. Revenue received which relates to future periods is deferred.

(d) Government grants

Government grants are received for financial support on a quarterly basis and are recorded when they become receivable.

(e) Donations

Donations are recorded when they are received, unless specifically intended for a certain fiscal year.

(f) Interest income

Interest income is recorded on an accruals basis.

(g) Property, plant and equipment

Property, plant and equipment are recorded at cost and depreciated on a straight line basis over the terms of their useful economic lives.

Computer systems and hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Workshop equipment	5 years
Motor vehicles	5 years
Building	50 years

The Gallery capitalizes property, plant and equipment costing \$500 or more.

(h) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash at bank and short term deposits with original maturities of three months or less including short term restricted amounts for specific projects (Note 4).

(i) Accounts receivable

Accounts receivable are measured at cost less any allowance for doubtful accounts. The allowance for doubtful accounts is calculated using specific identification by management for accounts which are long overdue.

(j) Inventory

Inventory is valued at the lower of net realisable value or cost using the specific identification method for their individual costs. Inventory is recorded net of an allowance for obsolete and slow moving items. Any change in the allowance for obsolescence is reflected in the statement of financial performance in the period of change.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(k) Foreign exchange

The Gallery may conduct transactions or hold financial instruments in either Cayman Islands dollars or U.S. dollars. As the Cayman Islands dollar is fixed to the U.S. dollar, no currency losses or gains are recognised. The Cayman Islands dollar to U.S. dollar exchange rate adopted by the Gallery is CI\$0.82:US\$1.00.

(l) Financial instruments

The Gallery has no investment securities only cash and cash equivalents and fixed deposits.

(m) Collections and exhibits

Consistent with the practice followed by many galleries, collections and exhibits purchased and donated are not included in the statement of financial position. The cost of all objects purchased are recorded as an expense in the statement of financial performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation. These assets are presented in the Schedule of Collections and Exhibits (Unaudited) in the Supplementary Information. Values are determined by the Gallery Director to be reasonable estimates of fair market value and are the insured values as at June 30, 2016.

(n) Donated services

A substantial number of unpaid volunteers make significant contributions of their time to develop the Gallery's programs. The Gallery receives a number of donations in kind. The value of this contributed time and donated goods is not reflected in these financial statements since they are not susceptible to objective measurement or valuation.

4. Cash and cash equivalents

	2016	2015
Current accounts	17,833	168,719
	CI \$ 17,833	168,719

A portion of the cash and cash equivalents are restricted for the building fund purposes only.

	2016	2015
Unrestricted	17,833	168,597
Restricted	-	122
	CI \$ 17,833	168,719

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

5. Property, plant and equipment

	Computer Hardware	Furniture & Fixtures	Office Furniture	Workshop Equipment	Building	Total
Cost						
Balance at beginning of the year	62,003	157,567	45,825	13,101	2,937,928	3,216,424
Additions	2,320	1,952	-	-	10,315	14,587
Transfer	-	-	(640)	640	-	-
Balance at June 30, 2016	64,323	159,519	45,185	13,741	2,948,243	3,231,011
Depreciation						
Balance at beginning of the year	55,007	98,430	34,891	12,850	203,076	404,254
Charge for the year	3,090	30,856	6,922	356	58,959	100,183
Balance at June 30, 2016	58,097	129,286	41,813	13,206	262,035	504,437
Net book value at June 30, 2016	CIS 6,226	30,233	3,372	535	2,686,208	2,726,574
Net book value at June 30, 2015	CIS 6,996	59,137	10,934	251	2,734,852	2,812,170

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

5. Property, plant and equipment

	Computer Hardware	Furniture & Fixtures	Office Furniture	Workshop Equipment	Building	Total
Cost						
Balance at beginning of the year	57,551	145,520	45,825	13,101	2,937,928	3,199,925
Additions	4,452	12,047	-	-	-	16,499
Disposals	-	-	-	-	-	-
Balance at June 30, 2015	62,003	157,567	45,825	13,101	2,937,928	3,216,424
Depreciation						
Balance at beginning of the year	47,810	68,827	27,969	12,494	144,316	301,416
Charge for the year	7,197	29,603	6,922	356	58,760	102,838
Disposals	-	-	-	-	-	-
Balance at June 30, 2015	55,007	98,430	34,891	12,850	203,076	404,254
Net book value at June 30, 2015	CIS 6,996	59,137	10,934	251	2,734,852	2,812,170
Net book value at June 30, 2014	CIS 9,741	76,693	17,856	607	2,793,612	2,898,509

6. Land held in a private trust

During the year ended December 31, 1998, the use of a parcel of land was donated to a trust for a period of 80 years, for the exclusive use of the Gallery and for a National Art Gallery to be built upon. The property is not to be subdivided or combined with the surrounding land, and will at all times be held by the trustees, as separate and apart from the adjacent lots. The land is managed by three trustees. Currently, two trustees are active with a third pending. No changes are expected to the original Trust and therefore the possibility of a change in ownership is not deemed to be a concern. The land is not reflected in these financial statements.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

7. Expenses

Expenses comprise the following:

2016

	Administrative	Facility	Program	Exhibition	Other	Depreciation	Total
Staff costs	420,675	-	-	-	-	-	420,675
Printing and promotion	13,330	-	-	-	-	-	13,330
Professional fees	65,817	-	-	-	-	-	65,817
Office supplies	19,988	-	-	-	9,748	-	29,736
Postage and courier	2,960	-	-	-	-	-	2,960
Information technology	-	-	-	-	13,604	-	13,604
Repairs & maintenance	-	62,927	-	-	-	-	62,927
Landscaping	-	42,161	-	-	-	-	42,161
Depreciation	-	-	-	-	-	100,183	100,183
Rent & utilities	-	75,365	-	-	-	-	75,365
Insurance	-	36,501	-	-	-	-	36,501
Art supplies	-	-	138,298	-	-	-	138,298
Collection costs	-	-	-	68,868	-	-	68,868
Bank charges	3,595	-	-	-	-	-	3,595
Miscellaneous	-	-	-	2,692	-	-	2,692
	526,365	216,954	138,298	71,560	23,352	100,183	1,076,712

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

7. Expenses (continued)

2015

	Administrative	Facility	Program	Exhibition	Other	Depreciation	Total
Staff costs	410,159	-	-	-	-	-	410,159
Printing and promotion	7,621	-	-	-	-	-	7,621
Professional fees	42,668	-	-	-	-	-	42,668
Office supplies	-	-	-	-	7,296	-	7,296
Postage and courier	2,991	-	-	452	-	-	3,443
Information technology	-	-	-	-	13,864	-	13,864
Repairs & maintenance	-	58,892	-	-	-	-	58,892
Landscaping	-	63,193	-	-	-	-	63,193
Depreciation	-	-	-	-	-	102,838	102,838
Rent & utilities	-	54,996	-	-	-	-	54,996
Insurance	-	49,215	-	-	-	-	49,215
Art supplies	-	-	107,263	45,512	-	-	152,775
Collection costs	-	-	-	23,398	-	-	23,398
Bank charges	8,704	-	-	-	-	-	8,704
Miscellaneous	2,862	2,087	-	2,459	(93)	-	7,315
	CIS 475,005	228,383	107,263	71,821	21,067	102,838	1,006,377

The Gallery participates in the Silver Thatch Pension Plan (the "Plan"), a defined contribution pension plan, in accordance with the provisions of the Cayman Islands National Pension Law. Contributions made by the Gallery are charged to expenses as they are incurred based on set contribution rates. Contributions in the amount of CI\$18,797 (2015: CI\$17,131) were made to the Plan during the year and are included in staff costs above.

8. Financial instruments and associated risks

(a) Market risk

Market risk is the risk that changes in interest rates and foreign exchange rates will make an instrument less valuable or more onerous.

The Management Board does not believe the Gallery is exposed to any material market risk.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

8. Financial instruments and associated risks (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Gallery.

The maximum amount of credit exposure is represented by the carrying amounts of cash and cash equivalents and accounts receivable on the statement of financial position. Cash and cash equivalents held by the Gallery are held with one major international financial institution in the Cayman Islands. The Gallery is subject to credit risk to the extent that this institution may be unable to fulfil its obligations to repay amounts owed. There are no receivables which are past due or impaired.

(c) Currency risk

The Gallery holds only US\$ and CI\$ cash. As the Cayman Islands dollar is fixed to the US dollar, the Gallery is not exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Gallery's assets or liabilities denominated in currencies other than the Cayman Islands dollars.

(d) Liquidity risk

The Management Board does not believe the Gallery is exposed to any material liquidity risk as all financial assets and financial liabilities have remaining contractual maturities of less than one year.

9. Commitments

During the years ended June 30, 2016 and 2015, the Gallery had no significant financial commitments to any third party.

10. Related parties

The Government of the Cayman Islands, the trustees appointed by the Governor in Cabinet and the members of the Management Board are considered related parties. Also, certain expenses are borne by staff or volunteers and are reimbursed by the Gallery. Transactions and balances with the Government are disclosed in Note 2.

Key management of the Gallery consists of two employees (2015: one employee), the Gallery Director and the Operations and Programmes Manager (2015: the Gallery Director). The compensation paid to these employees was CI\$122,874 (2015: CI\$86,946 for the Gallery Director) comprising salary, healthcare benefits and pension contributions.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Notes to Financial Statements

June 30, 2016

(stated in Cayman Islands dollars)

10. Related parties (continued)

Management board members made cash donations recorded within Donations and Events and exhibitions income in the amount of CI\$112,108 (2015: CI\$149,405), of which CI\$74,445 (2015: CI\$102,681) was deferred during the year ended June 30, 2016.

11. Contingent liabilities

As of June 30, 2016 and June 30, 2015 the Gallery has no quantifiable or non-quantifiable contingent liabilities.

12. Capital

Management controls the capital of the Gallery to ensure that adequate cash flows are generated to fund its programs. The Management Board and Director ensure that overall risk management strategy is in line with this objective. There have been no changes to the strategy adopted by management to control capital of the Gallery since the previous year.

13. Comparative figures

Certain figures have been restated to conform to current year presentation.

14. Subsequent events

There were no subsequent events to report as at October 28, 2016, the date the financial statements were available to be issued.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Supplementary Information

June 30, 2016

(stated in Cayman Islands dollars)

Schedule of Collections and Exhibits (Unaudited)

The Gallery has the following works of art in its permanent collection which are not reflected in the statement of financial position:

Reference	Type	Name	2016	2015
1001	Painting	Ching Ching	800	800
1002	Painting	Picking Breadfruit	800	800
1003	Painting	Two Worlds (At Least)	400	400
1004	Painting	Madman's Wife	400	400
1005	Painting	Carnival Dancers	450	450
1006	Painting	Yarmouth Mill	650	650
1007	Painting	Poinciana Trees at Government House	3,500	3,500
1008	Painting	Elijah and the Mantle	5,000	5,000
1009	Painting	Balam, The Ass	5,000	5,000
1010	Print	The World Praying for Peace	1,200	1,200
1011	Painting	Iguana	6,000	6,000
1012	Painting	Mangroves	5,000	5,000
1013	Lithograph	Silenciosa	500	500
1014	Lithograph	Obidiente	500	500
1015	Lithograph	Pasiva 5/6	500	500
1016	Painting	Untitled	4,000	4,000
1017	Painting	The Reef Paintings – Study #4	2,000	2,000
1018	Print	Fathoms #14	1,000	1,000
1020	Print	Artist Proof (untitled)	900	900
1021	Painting	Sheep and Chickens in Stable Interior	10,000	10,000
1022	Painting	The Path	2,500	2,500
1024	Painting	Pedro's Bluff	1,200	1,200
1025	Print	Iconic (PC)	150	150
1027	Painting	Flower Tree (Poinciana Tree)	1,250	1,250
1028	Print	Asta Su Abuelo	2,000	2,000
1029	Print	Village of Stowe, Vermont	2,000	2,000
1030	Painting	Among Friends #2	6,000	6,000
1031	Drawing	Tattooed Dancer	1,500	800
1033 (A)	Sculpture	Untitled sculpture	300	300
1033 (C)	Sculpture	Untitled sculpture	300	300
1036	Drawing	Couple	500	500
1037	Drawing	Egg	500	500
1038	Drawing	Homenaje a Maillol	500	500
Carried forward			CIS 67,300	66,600

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Supplementary Information

June 30, 2016

(stated in Cayman Islands dollars)

Schedule of Collections and Exhibits (Unaudited) (continued)

Reference	Type	Name	2016	2015
Brought forward			67,300	66,600
1039	Print	Untitled I	50	50
1040	Print	Untitled II	50	50
1041	Print	Gold on Black	50	50
1042	Print	Untitled III	50	50
1043	Print	Untitled	125	125
1044	Print	Untitled IV	50	50
1045	Print	Untitled	175	175
1046	Print	Untitled	200	200
1047	Print	Mi Casa	75	75
1049	Sculpture	Untitled	300	300
1050	Print	Suppression of Expression	400	400
1051	Print	Catboats	400	400
1052	Print	Untitled	400	400
1053	Lithograph	Home Sweet Home	500	500
1055	Poster	Ignorance = Fear	400	400
1056	Print	Leonardo da Vinci Codex	10,000	10,000
1057	Painting	Kings II	10,000	10,000
1058	Painting	Meneage Street	1,200	1,200
1059	Painting	Ghosts of War	500	500
1060	Sculpture	That Morning	2,000	2,000
1061	Painting	Sweet Lady	2,000	2,000
1062	Painting	Lady With A Tray	300	300
1063	Painting	Three Palms	300	300
1064	Painting	Peaceful Palms	995	995
1065	Painting	Silver Thatch	750	750
1066	Painting	Boggy Sand Road	1,500	800
1067	Painting	A Quiet Beach With Boats	1,000	600
1068	Painting	George Town Harbour	1,000	425
1069	Painting	Untitled II	250	85
1070	Painting	Pines on the Beach	1,000	675
1071/1072	Painting	Red Mangroves I & II	2,500	2,250
1073	Painting	Dorothy Bush's Home	1,500	850
1074	Painting	Fisherman	1,200	1,200
Carried forward			CI\$ 108,520	104,755

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Supplementary Information

June 30, 2016

(stated in Cayman Islands dollars)

Schedule of Collections and Exhibits (Unaudited) (continued)

Reference	Type	Name	2016	2015
Brought forward			108,520	104,755
1075	Painting	Structures	1,200	240
1076	Painting	Untitled I	1,000	1,000
1077	Print	Untitled	200	200
1078	Painting	Rain Gauge	3,500	3,500
1079	Sculpture	Starry Starry Night	3,000	3,000
1080	Painting	The Women Have Become The Truth	3,500	2,400
1081	Quilt	Love Quilt	2,000	2,000
1082(A)	Painting	Les Danseurs d'Ailleurs	1,000	1,000
1082(B)	Painting	Blue Bossa 1	800	800
1082(C)	Painting	Blue Bossa 2	800	800
1083	Sculpture	Figure of a Woman #2	5,000	5,000
1084	Painting	Caymanian House	1,500	800
1085	Painting	Art At Governors	1,000	1,000
1086	Painting	Kings of Satwa	3,500	3,500
1087	Painting	Warriors of Time	3,500	3,500
1088	Painting	Casting Nets	3,500	3,500
1089	Painting	3 A Lick, No Taws	8,000	8,000
1090	Painting	Harold's Picky Head Boy	3,000	3,000
1091	Sculpture	80 Degrees West, Old Issac's	6,000	6,000
1092	Sculpture	The Antilles current, parted...	1,500	1,500
1093	Sculpture	Death of the Ajax	2,400	2,400
1094	Drawings	Folio of Academic Art drawings	250	250
1095	Painting	He Is Risen	5,000	5,000
1096	Painting	Mitche Miller and His Thing	6,000	6,000
1097	Drawing	Portrait of Susanna Catherine Connolly	4,000	4,000
1098	Print	Time is At Hand	500	150
1099	Painting	One of a Kind	3,500	3,500
1100	Video	21st Century Cayman Documentary	800	800
1101	Painting	Girls at the Vanity Table	6,500	6,500
1102	Painting	The MS Miss Sheila	5,000	5,000
1103	Painting	Miss Lassie's House	2,000	2,000
1104	Painting	Mangrove III	7,000	7,000
1105	Painting	Close to the Bark	3,600	3,600
Carried forward			CIS 208,570	201,695

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Supplementary Information

June 30, 2016

(stated in Cayman Islands dollars)

Schedule of Collections and Exhibits (Unaudited) (continued)

Reference	Type	Name	2016 ¹	2015 ¹
Brought forward			208,570	201,695
1106	Thatch	Thatch Basket	60	60
1107	Thatch	Thatch Basket	200	200
1108	Painting	Ovid's Conch III	10,000	10,000
1109	Craft	Noah's Ark	200	200
1110	Still Life	Ceci N'est Pas Un Investissement	4,000	2,000
1111	Wood	Thatch Rope Frame	1,000	1,000
1113	Painting	PalmettoPoint	1,200	1,200
1114	Photographs	Folio of photographs	500	500
1115	Painting	Safe Harbour	3,000	3,000
1116	Drawing	Tortuga and Three Angels	6,000	6,000
1117	Sculpture	Sailboat	25,000	25,000
1118	Graphic art	The National Gallery	6,500	6,500
1119	Painting	Reef by Night	8,000	8,000
1120	Painting	Woven Sea Fan	700	700
1121	Sculpture	Adjacent	30,000	30,000
1122	Painting	Almond Tree	650	650
1123	Painting	Artist's Garden Under Breadfruit Tree	1,000	1,000
1124	Painting	Blue Wave, South Sound	1,200	1,200
1125	Painting	Cayman Cottage, South Church St	1,000	1,000
1126	Painting	Cottage with Yellow Door	1,200	1,200
1127	Print	Cyclist	50	150
1128	Painting	Driftwood	1,500	1,500
1129	Painting	Fisherman	800	800
1130	Painting	French Harbour with Boats	850	850
1131	Painting	George Town Waterfront	12,000	12,000
1132	Sculpture	Invisible Man	LOAN	LOAN
1133	Sculpture	Kiss	LOAN	LOAN
1134	Painting	Light & Shade Caymanian House	1,200	1,200
1135	Painting	Light & Shade Private House	1,200	1,200
1136	Painting	Mangroves	1,200	1,200
1137	Sculpture	Orchid	LOAN	LOAN
1138	Painting	Paradise Found Paradise Lost	5,000	5,000
1139	Painting	Pending Storm	1,200	1,200
Carried forward			CIS 334,980	326,205

"LOAN" indicates the item is on loan and is not the property of Gallery and is entered in the database for tracking purposes only. Furthermore, the item is insured by the owner, and not by the Gallery.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

Supplementary Information

June 30, 2016

(stated in Cayman Islands dollars)

Schedule of Collections and Exhibits (Unaudited) (continued)

Reference	Type	Name	2016 ¹	2015 ¹
Brought forward			334,980	326,205
1140	Sculpture	Petals	LOAN	LOAN
1141	Painting	Pink Cottage	1,200	1,200
1142	Photograph	Plastic in Paradise (Perfect Ten)	3,000	3,000
1143	Painting	Riding High	3,000	3,000
1144	Painting	Robert Frost	1,000	1,000
1145	Sculpture	Rose	LOAN	LOAN
1146	Painting	Seagrape	2,500	2,500
1147	Sculpture	See No Evil	LOAN	LOAN
1148	Sculpture	Spirit Within	LOAN	LOAN
1149	Painting	Spirits in the Rain	3,500	1,600
1150	Painting	Still Life with Coconut	500	500
1151	Sculpture	Stones We Throw At Women	LOAN	LOAN
1152	Sculpture	Stones We Throw At Women II	LOAN	LOAN
1153	Painting	Beach Walk With Dogs	1,200	1,200
1154	Painting	Boating on South Sound	600	600
1155	Painting	Boats Moored at Morgans Harbour	1,200	1,200
1156	Painting	Untitled (Dock with Mangroves)	1,500	1,500
1157	Painting	Fishermen mending nets	1,200	1,200
1158	Painting	Sail boats in South Sound	1,000	1,000
1159	Painting	Yellow Cottage on Beach	1,200	1,200
1160	Painting	Beach Walk	10,000	10,000
1161	Painting	Street Scene	1,200	1,200
1162	Sculpture	Woman Riding Bike	300	300
1163	Painting	Three Women Picking Fruit	1,000	1,000
1164	Painting	Liquid Gold	2,900	2,900
1165	Ceramic	Calabaza	360	360
1166	Ceramic	Bones of Arecaceae	600	600
1167	Ceramic	Arias in Mango Trees	600	600
1168	Ceramic	Waves	700	750
1169	Painting	The Sailboat	3,000	1,600
1170	Ceramic	Untitled	500	500
1171	Painting	When I'm Gone	2,000	2,000
1172	Painting	360 Cayman Panorama	4,000	4,000
Carried forward			CIS 384,740	372,715

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NATIONAL GALLERY OF THE CAYMAN ISLANDS

Supplementary Information

June 30, 2016

(stated in Cayman Islands dollars)

Schedule of Collections and Exhibits (Unaudited) (continued)

Reference	Type	Name	2016 ¹	2015 ¹
Brought forward			384,740	372,715
1173	Painting/collage	Untitled (South Sound 1)	2,000	2,000
1174	Painted panel	Miss Lassie Kitchen (1)	5,000	5,000
1175	Painted panel	Miss Lassie Kitchen (2)	5,000	5,000
1176	Painted panel	Miss Lassie Kitchen (3)	5,000	5,000
1177	Painted panel	Miss Lassie Kitchen (4)	5,000	5,000
1178	Photo series	Luminescent Forms (9 panels)	1,750	1,750
1179	Painting	Untitled (Red and Yellow)	1,200	1,200
1180	Painting	Fashion Shop	3,000	3,000
1182	Painting	Belief	10,000	-
1183	Painting	Yellow House	6,000	-
1184	Painting	Untitled II	1,000	-
1185	Painting	Untitled II	1,000	-
1186	Painting	Looking Glass	800	-
1187	Sculpture	White Plaits, Blue Braids	3,000	-
1188	Sculpture	Five Hundren' Years in These Shoes?	2,000	-
1189	Sculpture	Generations	750	-
1190	Multi Media	The Cayman History Show	N/A	-
1191	Photography	If Anyone Knows Why	2,000	-
1192	Painting	Over the Bridge	800	-
1193	Painted Maisonite	Clothing Line	3,000	-
1194	Painted Maisonite	Untitled	3,000	-
1195	Painting	Like Minds	1,200	-
1196	Ceramics	Frigate Birds	1,500	-
1197	Painting	"2 Sailboats"	150	-
1198	Painting	"2 Turtles & a Boat"	150	-
1199	Sculpture	21 st Century Gigs	LOAN	-
1200	Painting	"3 Turtles & A Boat on the Sand"	150	-
1201	Painting	"5 Turtles & Sailboats"	150	-
1202	Painting	"7 Sailboats"	150	-
1203	Painting	"7 Turtles in the Sand"	150	-
1204	Sculpture	Carved Gourd	LOAN	-
1205	Print	"Cayman Islands"	50	-
1206	Print	"Caymanian Cottage"	50	-
Carried forward			CIS 449,740	400,665

¹ "-" indicates the item does not form part of the collection.

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NATIONAL GALLERY OF THE CAYMAN ISLANDS

Supplementary Information

June 30, 2016

(stated in Cayman Islands dollars)

Schedule of Collections and Exhibits (Unaudited) (continued)

Reference	Type	Name	2016	2015
Brought forward			449,740	400,665
1207	Digital Print	Dready's Enhanced Cayman	LOAN	-
1208	Sculpture	"Fish Skeleton"	10,000	-
1210	Print	"Head O'Bay, Cayman Islands"	50	-
1211	Print	"Hone Sweet Home"	50	-
1212	Painting	"Mangrove Swamp"	1,200	-
1213	Print	"Men Playing Dominoes"	50	-
1214	Sculpture	Non Verbal Form Study: Chameleon & Alabaster	LOAN	-
1215	Sculpture	Non Verbal Form Study: Champagne and Chattrouse	LOAN	-
1216	Digital Print	Now & Then Series	10,000	-
1217	Painting	Shark & Turtle	150	-
1218	Painting	Ship Comes In	1,500	-
1219	Painting	South Sound	LOAN	-
1220	Painting	South Sound I	LOAN	-
1221	Painting	Still Life of the Artist's Studio	LOAN	-
1222	Painting	Storm over North Sound	50	-
1223	Painting	Thatch Fish Basket	100	-
1224	Painting	Turtle Pen	150	-
1225	Painting	Turtles in Pen and on Dock	150	-
1226	Painting	Turtling Boat	150	-
1227	Painting	Two Turtles	150	-
1228	Print	Unknown Musicians and Dancers	50	-
1229	Painting	Yo - Ho	LOAN	-
Carried forward			CI\$ 473,540	400,665

The values above have been determined by the Gallery's Director to be reasonable estimates of fair market values as at June 30, 2016.