



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2013**

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT

Financial Statements for the year ended 30 June 2013

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MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Education, Training & Employment in accordance with the provisions of the *Public Management and Finance Law (2013 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2013 Revision).

As Chief Officer I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Ministry of Education, Training & Employment.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry of Education, Training & Employment 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 Education, Training & Employment for the financial year ended 30 June 2013.

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

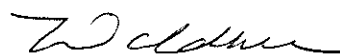
- (a) Completely and reliably reflect the financial transactions of Ministry of Education, Training & Employment for the year ended 30 June 2013;
- (b) fairly reflect the financial position as at 30 June 2013 and performance for the Year ended 30 June 2013;
- (c) comply with International Public Sector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

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



Christen Suckoo
Chief Officer

Date- 26/Aug/16



Nicola Anderson-Wildman
Chief Financial Officer

Date- 26/Aug/16

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly and the Chief Officer of the Ministry of Education, Training & Employment

I have audited the accompanying financial statements of the Ministry of Education, Training and Employment ("the Ministry"), which comprise the statement of financial position as at 30 June 2013 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 29 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2013 Revision)*.

Management's Responsibilities for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

Property, Plant & Equipment and related accounts

I did not receive sufficient and appropriate audit evidence to conclude on the accuracy, existence and completeness of Property, Plant and Equipment in the amount of \$227.7million and the applicable note disclosures as at 30 June 2013 due to the following:

Revaluation of Buildings

Effective 1 July 2012, the Ministry has been carrying its buildings pursuant to the revaluation model. However, during the audit material differences were noted between the Ministry's carrying amounts and the revalued amounts as per the valuator's report. As a result buildings were not fairly stated as at 30 June 2013.

Additionally, I did not receive sufficient and appropriate audit evidence to conclude on the balance of \$5.5million included in the statement of Financial Performance for revaluation losses. Due to the lack of supporting documents I was not able to opine on this balance.

Depreciation

Depreciation expense of \$5.8million recorded in the Statement of Financial Performance includes depreciation charges for buildings, these charges were calculated using the depreciation rate for buildings as opposed to the rates that would be applicable for each component of building assets as is required by IPSAS 17. As a result I was unable to determine the accuracy of depreciation of \$3.7million charged on buildings for the year.

Impairment

International Public Sector Accounting Standard 21: "Impairment of Non-cash-Generating Assets" requires management to assess whether there is an indication that the entity's assets may be impaired and, if such indication exists, estimate the recoverable service amount of the assets and recognize an impairment loss to the extent that the carrying value exceeds the recoverable service amount.

Included in Property, Plant & Equipment are three assets that are being carried at cost as at 30 June 2013. Of these, one of the assets was subsequently assessed for impairment by the Ministry in 2016 and was determined to be impaired; the asset however was not written down to its recoverable service amount and is being carried at cost as at 30 June 2013. The two other assets as outlined in Note #21 Events occurring after reporting date were not assessed for impairment and are also being carried at cost as at 30 June 2013.

Due to the above I was therefore not able to determine the magnitude of any adjustments that are required to Property, Plant and Equipment for these assets recorded on the statement of financial position at June 30, 2013 and any impact on the statement of financial performance for the year then ended.

Scope Limitation- Other classes of Property, plant & equipment

Included in property, plant & equipment were balances totaling \$3.7million related to work in progress that I did not receive sufficient and appropriate audit evidence to conclude on. Due to the lack of supporting documents I was not able to opine on these balances.

Scope Limitation- Prior period adjustments

I did not receive sufficient and appropriate audit evidence to conclude that adjustments made to prior periods were accurate. Included in the adjustments is a significant amount to property, plant and equipment of \$4million. Due to the absence of this information I was unable to satisfy myself that the amount reported at Note # 1 (r) in the Financial Statements is fairly stated.

Accumulated Deficit

I was unable to satisfy myself that the accumulated deficit of \$20.0million as recorded in the statement of financial position is fairly stated due to the issues noted above.

Note Disclosure- Commitments

I could not assert to the accuracy of the amount of \$19.7million recorded for commitments for property, plant and equipment noted in Note #18- Commitments as the balance comprised of amounts for capital expenditure undertaken during the financial year.

Comparative Figures

Due to the scope limitations arising from the lack of supporting evidence for Property, Plant & Equipment and Prior Period Adjustments as outlined above I was not able to verify the accuracy and completeness of the comparative figures as restated in the Statement of Financial Performance.

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion the financial statements present fairly, in all material respects, the financial position of Ministry of Education, Training & Employment as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Sue Winspear, CPFA
Auditor General

26 August 2016
Cayman Islands

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013
(Expressed in Cayman Islands Dollars)

Re-stated Prior Year Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
	Current Assets					
30,069	Cash and cash equivalents	2	41,088	35,095	35,095	(5,993)
12,647	Trade receivables	3	9,234	13,030	13,030	3,796
1,139	Other receivables	3	14	1,139	1,139	1,125
41	Prepayments	4	2	41	41	39
43,896	Total Current Assets		50,338	49,305	49,305	(1,033)
	Non-Current Assets					
220,234	Property, plant and equipment	5	227,522	233,413	235,625	5,891
102	Intangible assets	5	140	-	-	(140)
220,336	Total Non-Current Assets		227,662	233,413	235,625	5,751
	Total Assets					
264,232			278,000	282,718	284,930	4,718
	Current Liabilities					
1,545	Trade payables	6	346	4,027	4,027	3,681
1,674	Other payables and accruals	6	4,428	984	984	(3,444)
90	Unearned revenue	7	3	90	90	87
349	Employee entitlements	8	260	488	488	228
3,658	Total Current Liabilities		5,037	5,589	5,589	552
	Total Liabilities					
3,658			5,037	5,589	5,589	552
	Net Assets					
260,574			272,963	277,129	279,341	4,166
	NET WORTH					
278,225	Contributed capital		293,012	291,675	293,887	(1,337)
(17,651)	Accumulated surpluses/ (deficits)		(20,049)	(14,546)	(14,546)	5,503
260,574	Total Net Worth		272,963	277,129	279,341	4,166

The accounting policies and notes on pages 8 to 30 form an integral part of these financial statements.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2013
(Expressed in Cayman Islands Dollars)

Prior Year Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
Revenue						
70,257	Sale of goods and services	9	74,528	76,515	73,692	1,987
3	Investment revenue	10	6	-	-	(6)
-	Donations	11	189	-	-	(189)
70,260	Total Revenue		74,723	76,515	73,692	1,792
Expenses						
48,873	Personnel costs	12	48,607	52,054	49,231	3,447
14,876	Supplies and consumables	13	16,540	17,727	17,727	1,187
5,523	Depreciation	5	5,811	6,512	6,512	701
-	Amortization of intangible assets	5	88	222	222	134
1,010	Litigation costs	14	548	-	-	(548)
(382)	Gains/(losses) on derecognition of Entity Asset or Liability	15	-	-	-	-
(7)	Gains/(losses) on foreign exchange transactions	15	13	-	-	(13)
-	Net gains/(losses) on disposal	15	1	-	-	(1)
-	Gains/(losses) on disposal/revaluation of property, plant and equipment	15	5,513	-	-	(5,513)
69,893	Total Expenses		77,121	76,515	73,692	(606)
367	Surplus or (Deficit) for the period		(2,398)	-	-	2,398

The accounting policies and notes on pages 8 to 30 form an integral part of these financial statements.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
GOVERNMENT OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2013
(Expressed in Cayman Islands Dollars)

	Contributed Capital \$'000	Accumulated Surplus/(deficits) \$'000	Total Net worth \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
Balance at 30 June 2011	234,006	(17,146)	216,860	179,199	216,941	(37,661)
Adjustment for prior year error	-	93	93	-	-	(93)
Prior year adjustments	-	(965)	(965)	-	1,120	965
Restated balance	234,006	(18,018)	215,988	179,199	218,061	(36,789)
Equity Investment from Cabinet	44,219	-	44,219	44,219	44,136	-
Net revenue / expenses recognised directly in net worth	44,219	-	44,219	44,219	44,136	-
Surplus/(deficit)for the period 2011/12	-	367	367	-	1,499	(367)
Total recognised revenues and expenses for the period	44,219	367	44,586	44,219	45,635	(367)
Balance at 30 June 2012 carried forward re-stated	278,225	(17,651)	260,574	223,418	263,696	(37,156)
	Contributed Capital	Accumulated Surplus/(deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance at 30 June 2012 brought forward	278,225	(17,651)	260,574	223,418	223,418	(37,156)
Changes in net worth for 2011/12					-	-
Prior year adjustments	(2)	-	(2)	40,279	40,279	40,281
Restated balance	278,223	(17,651)	260,572	263,697	263,697	3,125
Changes in net worth for 2012/13						
Equity Investment from Cabinet	14,789	-	14,789	13,432	15,644	(1,357)
Net revenue / expenses recognised directly in net worth	14,789	-	14,789	13,432	15,644	(1,357)
Surplus/(deficit)for the period 2012/13	-	(2,398)	(2,398)	-	-	2,398
Total recognised revenues and expenses for the period	14,789	(2,398)	12,391	13,432	15,644	1,041
Balance at 30 June 2013	293,012	(20,049)	272,963	277,129	279,341	4,166

The accounting policies and notes on pages 8 to 30 form an integral part of these financial statements.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013
(Expressed in Cayman Islands Dollars)

Prior Year Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig vs Actual) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Receipts</i>						
85,030	Outputs to Cabinet		73,047	75,874	75,874	2,827
62	Outputs to other government agencies		-	-	-	-
1,922	Sale of goods and services - third party		1,886	641	641	(1,245)
3	Interest received		4	-	-	(4)
-	Donations / Grants		191	-	-	(191)
-	Other receipts		70	-	-	(70)
<i>Payments</i>						
(47,905)	Personnel costs		(48,153)	(52,054)	(52,054)	(3,901)
(24,336)	Supplies and consumables		(14,575)	(19,436)	(19,436)	(4,861)
(529)	Other payments		(367)	-	-	367
14,247	Net cash flows from operating activities	16	12,103	5,025	5,025	(7,078)
CASH FLOWS FROM INVESTING ACTIVITIES						
(44,219)	Purchase of property, plant and equipment/		(19,453)	(13,431)	(15,643)	6,022
(44,219)	Net cash flows from investing activities		(19,453)	(13,431)	(15,643)	6,022
CASH FLOWS FROM FINANCING ACTIVITIES						
44,219	Equity Investment		18,369	13,431	15,643	(4,938)
44,219	Net cash flows from financing activities		18,369	13,431	15,643	(4,938)
14,247	Net increase/(decrease) in cash and cash equivalents		11,019	5,025	5,025	(5,994)
15,822	Cash and cash equivalents at beginning of period		30,069	30,070	30,070	1
30,069	Cash and cash equivalents at end of period		41,088	35,095	35,095	(5,993)

The accounting policies and notes on pages 8 to 30 form an integral part of these financial statements.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Description and principal activities

The Ministry of Education, Training & Employment, (hereafter referred to as 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 Minister of Education, Training & Employment as defined in the Annual Plan and Estimates for the Government of Cayman Islands for the financial year ending 30 June 2013.

In addition, the Ministry has reported the activities that it administers on behalf of Cabinet.

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) Statement of Compliance and Basis of Preparation

The financial statements of the Ministry have been prepared on an accrual basis in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Cayman Islands dollars, which is the functional and reporting currency of the Ministry. Except where note, all values in these financial statements are rounded to the nearest thousand (\$000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flows statement is prepared using the indirect method.

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.

(b) Budget Amounts

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

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Significant Accounting Policies (continued)

(c) Judgments and Estimates

The preparation of financial statements is in conformity with IPSAS that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(d) Changes in Accounting Estimates

As of June 30, 2016, there were no material changes in accounting estimates as defined by IPSAS 3.

(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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Lease payments under operating lease, net of lease incentives received, are recognised as expenses on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months from the date of acquisition.

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

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Significant Accounting Policies (continued)

(i) Prepayments

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

(j) Inventories

No inventories are currently held by the Ministry.

(k) Property, Plant and Equipment

Buildings are revalued as at July 1, 2013 by the Lands and Survey Department and are stated at revalued amounts less accumulated depreciation. Plant and equipment, is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

In accordance with IPSAS 17, when an item of Property, Plant & Equipment is revalued any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• 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
• Cleaning, refuse and recycling equipment	3 – 15 years
• Construction and other equipment	3 – 25 years
• Telecommunications	5 – 50 years
• Books, music, manuscripts and works of art	2 – 10 years
• Clothing	0 – 4 years
• Other equipment	5 – 20 years
• Library assets	5 – 10 years
• Scientific and laboratory equipment	4 – 25 years

**MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Significant Accounting Policies (continued)

k (i) Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Financial Performance.

k (ii) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

An intangible asset with a finite life is amortized over its useful life:

Software 4 – 10 years

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

An intangible asset with an indefinite useful life should not be amortised. Its useful life should be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

(l) 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 reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

**MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Significant Accounting Policies (continued)

(m) 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, trade receivables and other 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.

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 of Education, Training & Employment realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(n) 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.

**MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Significant Accounting Policies (continued)

(o) Foreign Currency

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

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(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 computer repairs and software maintenance by the Computer Services Department, human resources management by the Portfolio of the Civil Service and office space from the Ministry of Planning, Lands, Agriculture, Housing & Infrastructure. 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.

(q) Comparative Figures

Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(r) Prior Period Adjustment

2011/12 amounts on the Statement of Financial Position, Statement of Changes in Networth and related notes have been adjusted to reflect some corrective amounts. Within amounts reflected as prior period adjustment there is a legacy amount of \$4.055m which relates to Property Plant & Equipment that was subsequently found to be unsupported. As such an adjustment to the networth was made in the current fiscal year 2012/13. There were other adjustments made in relation to prior years. These changes were due to systematic and legacy issues unsupported amounts were adjusted for, and also amounts related to former departments that required adjustments. Effects on the re-stated Financial Statements are summarized below:

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: (r) Prior Period Adjustment (continued)

Summary of Adjustments to Balance Sheet	Description	\$000
Net decrease in Current Assets	Due to systematic and legacy issues unsupported amounts were adjusted for some of which included legacy entries for amounts which we could no longer claim could be made due to lack of substantiation or change in circumstance.	(\$97)
Decrease in Fixed Assets	Due to systematic and legacy issues unsupported amounts were adjusted for, and also amounts related to former departments Sports and Cadets that required adjustments.	(\$4,055)
Net decrease in Liabilities	Due to systematic and legacy issues unsupported amounts were adjusted for and also amounts related to former departments Sports and Cadets that required adjustments, e.g. unused or incorrectly processed purchase orders systematically hanging due to varying issues.	\$4,245
Net change in network (as per Statement of Changes of Network)		\$ 93

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of the Ministry maintained at Royal Bank of Canada; and short term deposits invested with the Cayman Islands Government Treasury. As at 30 June 2012 and 30 June 2013, the Ministry's unrestricted cash balances were as presented below. No restricted cash balances were held by the Ministry at 30 June 2013.

Actual Prior Year \$'000	Description	Foreign Currency \$'000	Exchange Rate	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Original vs Actual)
1	Cash on hand (IRIS Confirmation Account/Petty Cash)			1	1	1	-
482	Cash in transit (IRIS Remittance Account)			5	482	482	477
25,921	CI\$ Operational Current Account held at Royal Bank of Canada			35,931	30,946	30,946	(4,985)
122	US\$ Operational Current Account held at Royal Bank of Canada	730	0.8375	612	122	122	(490)
1,156	Payroll Current Account held at Royal Bank of Canada			2,149	1,156	1,156	(993)
2,387	Treasury Internal Deposits			2,390	2,388	2,388	(2)
30,069	TOTAL	730		41,088	35,095	35,095	(5,993)

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.

Re-stated Actual Prior Year	Trade Receivables	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
835	Sale of goods and services	1,210	835	835	(375)
12,661	Outputs to Cabinet	9,022	12,661	12,661	3,639
(97)	Adjustments	-	-	-	-
(752)	Less: provision for doubtful debts	(998)	(466)	(466)	532
12,647	Total trade receivables	9,234	13,030	13,030	3,796

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 3: Trade receivables and other receivables (continued)

<u>Actual Prior Year</u>	<u>Other Receivables</u>	<u>Actual Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Org vs Actual)</u>
19	Advances (salary, Official Travel, etc)	7	19	19	12
1	Interest receivable	4	1	1	(3)
<u>1,119</u>	Other Receivable	<u>3</u>	<u>1,119</u>	<u>1,119</u>	<u>1,116</u>
<u>1,139</u>	Total other receivables	<u>14</u>	<u>1,139</u>	<u>1,139</u>	<u>1,125</u>

<u>Re-stated Actual Prior Year</u>	<u>Receivables</u>	<u>Trade Receivable</u>	<u>Other Receivable</u>	<u>Actual Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Orig vs Actual)</u>
13,162	Past due 1-30 days	9,096	11	9,107	14,169	14,169	(5,062)
13	Past due 31-60 days	10	-	10	-	-	10
116	Past due 61-90 days	205	-	205	-	-	205
-	Past due 90 and above	236	-	236	-	-	236
<u>1,247</u>	Past due 1 year and above	<u>684</u>	<u>3</u>	<u>687</u>	<u>-</u>	<u>-</u>	<u>687</u>
<u>14,538</u>	Total	<u>10,231</u>	<u>14</u>	<u>10,245</u>	<u>14,169</u>	<u>14,169</u>	<u>(3,924)</u>

Changes in the provision of doubtful debts:

<u>Actual Prior Year</u>	<u>Description</u>	<u>Actual Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Orig vs Actual)</u>
(477)	Balance at 1 July	(752)	(466)	(466)	286
(665)	Additional provisions made during the year	(279)	-	-	279
<u>390</u>	Receivables written off during the period	<u>33</u>	<u>-</u>	<u>-</u>	<u>(33)</u>
<u>(752)</u>	Balance at 30 June	<u>(998)</u>	<u>(466)</u>	<u>(466)</u>	<u>532</u>

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 4: Prepayments

<u>Actual Prior Year</u>	<u>Description</u>	<u>Actual Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Orig vs Actual)</u>
<u>41</u>	Accrued Prepayments	<u>2</u>	<u>41</u>	<u>41</u>	<u>39</u>
<u>41</u>	Total Prepayments	<u>2</u>	<u>41</u>	<u>41</u>	<u>39</u>

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
Note 5: Property, plant and equipment

											Tangible Assets	Intangible Asset	Grand Total			
Cost or Opening Valuation	Plant and equipment	Building	Furniture	Computer Hardware	Office Equipment	Leasehold Improvement	Other assets	Infrastruct- ure	Motor Vehicles	Assets under construct- ion or develop- ment	Total	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	1,279	84,194	3,414	5,397	2,060	-	2,149	25	1,504	157,573	257,595	284	257,879	257,880	257,880	1
Adjustments										(4,054)	(4,054)		(4,054)			4,054
Additions	90	3,280	334	1,214	196	459	219	1	146	35,803	41,742	71	41,813	44,135	44,135	2,322
Balance as at 30 June 2012 (re-stated)	1,369	87,474	3,748	6,611	2,256	459	2,368	26	1,650	189,322	295,283	355	295,638	302,015	302,015	6,377

Cost or Opening Valuation	Plant and equipment	Building	Furniture	Computer Hardware	Office Equipment	Leasehold Improvement	Other assets	Infrastruct- ure	Motor Vehicles	Assets under construct- ion or develop- ment	Total	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	1,369	87,474	3,748	6,611	2,256	459	2,368	26	1,650	189,322	295,283	355	295,638	302,015	302,015	6,377
Additions	1,832	11,524	3,550	2,484	460	13	1,130	167	-	-	21,160	237	21,397	13,433	15,645	(7,964)
Transfer/ Adjustment	-	51,091	-	-	-	-	-	-	(131)	(117,736)	(66,776)	0	(66,776)	0	0	66,776
Balance at 30 June 2013	3,201	150,089	7,298	9,095	2,716	472	3,498	193	1,519	71,586	249,667	592	250,259	315,448	317,660	65,189

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
Note 5: Property, plant and equipment

Accumulated Depreciation and Impairment Losses	Plant and equipment	Building	Furniture	Computer Hardware	Office Equipment	Leasehold Improvement	Other assets	Infrastructure	Motor Vehicle	Assets under construction or development	Total	Computer Software	Total	Original Budget	Final Budget	Var. (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	1,006	58,203	1,812	4,284	1,898	-	1,306	15	1,171	-	69,695	181	69,876	69,875	69,875	(1)
Transfer/Adjustments 2011/12	(5)	6	(4)	(5)	6	(96)	(6)	-	0	-	(104)	7	(97)	-	-	97
Depreciation Expense 2011/12	162	3,788	261	641	162	107	212	3	122	-	5,458	65	5,523	5,426	5,426	(97)
Balance as at 30 June 2012	1,163	61,997	2,069	4,920	2,066	11	1,512	18	1,293	-	75,049	253	75,302	75,301	75,301	(1)

Accumulated Depreciation and Impairment Losses	Plant and equipment	Building	Furniture	Computer Hardware	Office Equipment	Leasehold Improvements	Other assets	Infrastructure	Motor Vehicle	Assets under construction or development	Total	Computer Software	Total	Original Budget	Final Budget	Var. (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	1,163	61,997	2,069	4,920	2,066	11	1,512	18	1,293	-	75,049	253	75,302	75,301	75,301	(1)
Transfer/Adjustments 2012/13	600	(61,997)	669	1,274	171	(1)	588	(5)	(12)	-	(58,713)	111	(58,602)	-	-	58,602
Depreciation Expense 2012/13	199	3,752	382	656	117	107	344	156	96	-	5,809	88	5,897	6,734	6,734	837
Balance at 30 June 2013	1,962	3,752	3,120	6,850	2,354	117	2,444	169	1,377	-	22,145	452	22,597	82,035	82,035	59,438

Net Book value 30 June 2012 (re-stated)	206	25,477	1,679	1,691	190	448	856	8	357	189,322	220,234	102	220,336	226,714	226,714	6,378
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Net Book value 30 June 2013	1,239	146,337	4,178	2,245	362	355	1,054	24	142	71,586	227,522	140	227,662	233,413	235,625	5,751
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Note 5 b: Property, Plant and Equipment (continued)

There was a Government wide revaluation of land and building category of assets conducted independently by the Lands & Survey Department effective July 1, 2013. Some of the valuations of the Ministry's properties were done by third party chartered surveyors. Adjustments to buildings and the subsequent depreciation and accumulated depreciation are therefore reflected in the figures displayed above. The Lands and Survey Department arranged two valuations by third party chartered surveyors on the Clifton Hunter High School property. The more conservative figure of \$68.6 million is represented in the financials of 2013.

Summary of major projects in work-in-progress:

<u>Prior year \$'000</u>	<u>Description</u>	<u>Current year \$'000</u>	<u>Original Budget \$'000</u>	<u>Final Budget \$'000</u>	<u>Variance (Orig vs Actual) \$'000</u>
3,662	New school project (New John Gray Campus only)	634	386	634	(248)
<u>3,662</u>	Total	<u>634</u>	<u>386</u>	<u>634</u>	<u>(248)</u>

Clifton Hunter High School is shown under the respective asset categories as the school went into service during the 2012/13 fiscal year.

Note 6: Trade payables, other payables and accruals

<u>Re-stated Prior Year Actual</u>	<u>Description</u>	<u>Current</u>	<u>Total Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Orig vs Actual)</u>
547	Accrued Expense	144	144	1,289	-	1,145
998	Creditors	202	202	2,738	-	2,536
1,289	Other payables, creditors Ministries/Portfolios	4,038	4,038	191	-	(3,847)
<u>385</u>	<u>Payroll Deductions</u>	<u>390</u>	<u>390</u>	<u>793</u>	<u>-</u>	<u>403</u>
<u>3,219</u>	Total trade payables, other payables & accruals	<u>4,774</u>	<u>4,774</u>	<u>5,011</u>	<u>-</u>	<u>237</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. Donations of \$77,785 is included in the amounts shown as other payables.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 7: Unearned revenue

The unearned revenues represent amounts related to the Cayman Islands National Archive for a specific conservation publication

Actual Prior Year \$'000	Details	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Original vs Actual) \$'000
	Current Portion				
90	Other unearned revenue	3	90	90	87
90	Total unearned revenue	3	90	90	87

Note 8: Employee entitlements

Actual Prior Year	Description	Actual Current Year	Original Budget	Revised Budget	Variance (Orig vs Actual)
	Current employee entitlements are represented by:				
349	Annual Leave	260	488	-	228
349	Total current portion	260	488	-	228
349	Total employee entitlements	260	488	-	228

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

Note 9: Revenue

Actual Prior Year	Revenue type	Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
68,407	Outputs to Cabinet	72,617	75,874	73,051	3,257
1,685	Fees and charges	1,749	550	550	(1,199)
10	General sales	12			(12)
113	Rentals	118	81	81	(37)
42	Other	32	10	10	(22)
70,257	Total sales of goods and services	74,528	76,515	73,692	(1,987)

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note10: Investment revenue

<u>Actual Prior Year</u>	<u>Source</u>	<u>Actual Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Orig vs Actual)</u>
3	Interest on deposits held with Cabinet	6	-	-	(6)
<u>70,257</u>	<u>Total sales of goods and services</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>(6)</u>

Note 11: Donations

This donation is specifically in relation to the building of the new George Town Library in line with the agreed level of contribution towards this project. The amount represented is cash.

<u>Actual Prior Year \$'000</u>	<u>Source</u>	<u>Actual Current Year \$'000</u>	<u>Original Budget \$'000</u>	<u>Revised Budget \$'000</u>	<u>Variance (Original vs Actual) \$'000</u>
-	Maples & Calder	189	-	-	(189)
-	Total donations	189	-	-	(189)

Note 12: Personnel costs

<u>Actual Prior Year</u>	<u>Description</u>	<u>Actual Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Orig vs Actual)</u>
40,112	Salaries, wages and allowances	39,388	41,532	39,606	2,144
6,191	Health care	6,926	7,849	7,054	923
2,144	Pension	2,138	2,383	2,281	245
44	Leave and compensatory time	(88)	1	1	89
<u>382</u>	<u>Other personnel related costs</u>	<u>243</u>	<u>289</u>	<u>289</u>	<u>46</u>
<u>48,873</u>	<u>Total Personnel Costs</u>	<u>48,607</u>	<u>52,054</u>	<u>49,231</u>	<u>3,447</u>

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 13: Supplies and consumables

<u>Actual Prior Year</u>	<u>Description</u>	<u>Actual Current Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance (Orig vs Actual)</u>
6,397	Purchase of services	7,243	7,248	7,229	5
3,979	Utilities	4,558	4,458	4,458	(100)
1,596	General Insurance	2,678	2,898	2,898	220
863	Supplies and Materials	891	1,658	1,678	767
1,148	Other	508	637	636	129
381	Lease of Property and Equipment	324	315	315	(9)
199	Recruitment and Training	151	251	251	100
125	Interdepartmental expenses	125	125	125	0
<u>188</u>	<u>Travel and Subsistence</u>	<u>62</u>	<u>137</u>	<u>137</u>	<u>75</u>
<u>14,876</u>	Total supplies and consumables	<u>16,540</u>	<u>17,727</u>	<u>17,727</u>	<u>1,187</u>

Note 14: Litigation costs

The Attorney General's Office provides service to the Ministry. However during the year ended 30 June 2013 the use of legal services from outside of the Government were authorised by the Attorney General's Office. The costs of these services were \$548 thousand in 2013 and \$1.01 million in 2012.

Note 15: Gains / (Losses)

During the period the Ministry disposed of asset that was for the purposes of producing our outputs. Internal approval was obtained to dispose of these assets inclusive of motor vehicles. Revaluation loss represents amounts related to buildings which were independently revalued by the Lands & Survey Department. Amounts are in excess of the revaluation surplus amounts. Also reflected, along with a net loss on foreign exchange transactions.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
-	Net (gains)/loss revaluation of property, plant and equipment	5,513	-	-	(5,513)
	Net gains/(losses) on disposal	1			(1)
(7)	Net (gain) / loss on foreign exchange Transactions	13	-	-	(13)
(382)	Net (Gain)/Loss on Derecognition of Asset/Liability	-	-	-	-
(389)	Total gain/ (losses)	5,527	-	-	(5,527)

Note 16: Reconciliation of net cash flows from operating activities to surplus/ (deficit)

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
367	Surplus/(deficit) from ordinary activities	(2,398)	-	-	2,398
	Non-cash movements				
5,523	Depreciation & amortization expense	5,899	6,734	6,734	835
382	Derecognition of Assets/Liabilities		-	-	-
	Loss on revaluation	5,513			(5,513)
6	Foreign exchange gains/(losses)	13	-	-	(13)
664	Doubtful debt expense	279	-	-	(279)
1	(Gain)/losses on sale of property plant and equipment	(1)	-	-	1
	Changes in current assets and liabilities:		-	-	-
	(Increase)/decrease in receivables - Cabinet	3,639	-	-	(3,639)
1,678	(Increase)/decrease in other current assets	1,126	-	-	(1,126)
(11,464)	Increase/(decrease) in current liabilities	(1,472)	(1,708)	(1,708)	(236)
(2)	Increase/(decrease) in provisions relating to employee costs	(158)	-	-	158
5,669	(Increase)/decrease in receivables & prepayments	(337)	-	-	337
14,247	Net cash flows from operating activities	12,103	5,026	5,026	(7,077)

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 17: Contingent liabilities and assets

In relation to legal matters, estimates are developed by the Office of the Attorney General who is charged under the Constitution with the handling of the defense in these matters, using the current facts and known circumstances. The factors considered in developing the legal provisions include the merits and jurisdiction of the litigation, the nature and number of other similar current and past litigation cases, the nature of the subject matter of the litigation, the likelihood of settlement and current state of settlement discussions, if any.

The Ministry is routinely engaged in litigation arising in the ordinary course of its business. It does not believe that any such litigation will individually or in aggregate, have a material adverse financial effect on the Ministry. It is Government's policy to rigorously assert its position in such cases. Should the Government be unsuccessful in these matters, it does not expect the outcome to materially affect the results of operations or financial position. The Ministry does not have any probable contingent liabilities at the time of reporting.

Note 18: Commitments

<u>Prior Year Actual \$'000</u>	<u>Type</u>	<u>One year or less \$'000</u>	<u>One to five Years \$'000</u>	<u>Over five Years \$'000</u>	<u>Total \$'000</u>
Capital Commitments					
44,219	Property, plant and equipment	14,790	5,000	-	19,790
44,219	Total Capital Commitments	14,790	5,000	-	19,790
Operating Commitments					
3,769	Other operating commitments	4,486	5,075	-	9,561
3,769	Total Operating Commitments	4,486	5,075	-	9,561
47,988	Total Commitments	19,276	10,075	-	29,351

The Ministry currently has short term accommodation leases for the premises it occupies in the George Town area and also in West Bay. Most annual leases are being reviewed and at most are up for renewal within 1-5 years. Fixed term leases expire between October 2013 and April 2017. The amounts disclosed above as future commitments are based on the current rental rates.

In the 12/13 fiscal year the main capital commitment related to the finalization of the Clifton Hunter Campus. The Ministry has potential minor capital works contracts for the next future years, and also other capital purchases committed, as such a minimal amount is indicated above.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 19: Explanation of major variances against budget

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

Statement of financial performance

Cabinet revenue

Revenue from cabinet was \$3.2 million below budget due to corresponding operational savings. This resulted in less being billed to Cabinet.

Other Revenue

Revenue from other sources was \$1.27 million above budget due mainly to a change in the Pensions law which resulted in an increase in fees.

Personnel Costs

Personnel costs were \$3.4 million below budget due to varying reasons, including the strategic decisions taken to postpone recruitment in order to manage the budget and cash flow. It was also a result of delays in approval of recruitment due to the managed moratorium process as well as natural attrition.

Supplies and consumables

Supplies and consumables were \$1.2 million below budget due to restrictions on Government wide budgetary spending to maintain required fiscal cash savings along with prudent monitoring of spend.

Depreciation

Depreciation expenses were \$701 thousand below budget due to adjustments made to assets through purchases and as a part of the revaluation process.

Statement of financial position

Cash and cash equivalents

The actual year-end cash balances were \$5.99 million above budget due to the Ministry's strategy and associated processes for managing cost-effectiveness and settling our largest receivables in a timely manner.

Debtors and other receivables

The actual year-end debtors and other receivables balances were net \$4.96 million below the original budget due mainly to the fact that billings to Cabinet from the Ministry were lower than budgeted.

Fixed assets

Fixed assets were \$5.75 million below the original budget mainly due to the result of losses through the asset revaluation process.

Creditors and other payables

Creditors, accruals and other payables were \$552 thousand less than the original budget mainly due to the timing of payments against forecast.

MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Statement of cash flows

Cash from operating activities

The increase in cash from operating activities over budget is due to significant receipts of cash in relation to Cabinet invoices.

Cash from investing activities

The increase in cash from investing activities over budget is due to cash expended on capital assets and capital projects from funds received through additional amounts re-allocated to the Equity injection.

Cash from financing activities

The increase in cash from financing activities over budget is due to cash expended on capital assets and capital projects from funds received through additional amounts re-allocated to the Equity injection.

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 2013 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 salaries paid by this Ministry are summarised below.

Actual Prior Year	Description	Actual Current Year	Number of persons
\$000		\$000	
625	Salaries and other short-term employee benefits	786	7
625	Total	786	

During the year, the Ministry had no transactions which are considered a related party to key management personnel.

Ministry with Cayman MINISTRY OF EDUCATION, TRAINING & EMPLOYMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 21: Events occurring after reporting date

There was an independent valuation co-ordinated by the Lands & Survey Department and performed by a third party valuator in 2016. The valuation was done of the New John Gray construction property for effect June 30th, 2013. This valuation will result in an impairment of approximately \$6.38 million. The financial statements do not reflect this adjustment.

In June 2016, the Central Tenders Committee accepted the recommendation to award the contract for the Completion of the New John Gray High School Gymnasium: Phase 2 of the Overall Project for the value of \$5.5 million.

After the May 2013 General Elections the Ministry's name changed to the Ministry of Education, Employment & Gender Affairs. Financial changes were effective July 1, 2013. This resulted in the restructuring of the Cayman Islands National Archives transferred from the Ministry. While no new departments were added to the Ministry, the Gender Affairs Unit was added to the core Ministry's portfolio and is now included in the Ministry.

The Chief Officer of the Ministry changed in October 2015 to Mr. Christen Suckoo.

Post the reporting date, work-in-progress site works at George Town Primary are actively being considered as an option for an upcoming Ministry capital works projects. We expect that a decision will be made during the 2016/17 fiscal year to confirm whether this property will be utilised for a particular project. Also, occurring since reporting date is the confirmation that due to budgetary and other restrictions it has been directed that full impairment loss should be calculated on the construction work in progress for Beulah Smith High Campus project as there is no intention for work to re-commence in the foreseeable future.

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

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

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NOTE: 23 Segment reporting

The Ministry segment report is prepared on the basis of three major areas: education & training, employment and other services. Operations of the education and training services include provision of these services to primary and secondary students and also training of adults with disabilities and provision of library services. Operations in employment include the services provided in administering of the labour and pension law and enforcement of the same as well workforce development.

<u>PRIOR YEAR</u>					<u>CURRENT YEAR</u>			
Education & Training \$000	Employment \$000	Other \$000	Total \$000		Education & Training \$000	Employment \$000	Other \$000	Total \$000
Revenue								
64,877	2,342	1,188	68,407	Outputs from Cabinet	69,325	2,191	1,102	72,618
787	1,057	9	1,853	Sale of goods and services and other revenue	930	969	12	1,911
-	-	-	-	Other revenue	194	-	-	194
65,664	3,399	1,197	70,260	Total Revenue	70,449	3,160	1,114	74,723
Expenses								
46,346	1,587	940	48,873	Salaries and wages	46,034	1,748	825	48,607
20,150	622	248	21,020	Other expenses	27,718	522	274	28,514
66,496	2,209	1,188	69,893	Total Expenses	73,752	2,270	1,099	77,121
(832)	1,190	9	367	Net Surplus/ (Deficit)	(3,303)	890	15	(2,398)
Assets								
42,938	846	112	43,896	Current Assets	50,049	143	146	50,338
219,494	778	64	220,336	Fixed Assets	226,911	186	565	227,662
262,432	1,624	176	264,232	Total Assets	276,960	329	711	278,000
Liabilities								
3,361	250	47	3,658	Current Liabilities	5,029	4	4	5,037
-	-	-	-	Non-current Liabilities	-	-	-	-
3,361	250	47	3,658	Total Liabilities	5,029	4	4	5,037

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NOTE: 23 Segment reporting (Continued)

The Ministry uses segment reporting to identify allocated resources to the operating segments and assesses their performance. The reportable segments are identified, and the disclosures selected, in line with the internal financial reporting system and based on the group accounting policies.