

NATIONAL DRUG COUNCIL
2005 ANNUAL REPORT



One Nation

One Choice

One Voice

Drug Free

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Letter to the Minister



Dear Mr. Minister:

The work of the NDC suffered a setback in the aftermath of Hurricane Ivan which devastated our Grand Cayman community on September 11, 2004. However, our dedicated staff was committed to carrying out whatever task that best suited the community in its time of need. After assisting in disaster centers around the islands, the Secretariat team found a new location from which to continue the operations of the NDC in accordance with its mandate. Even though funding was reduced, our focus for the year was revitalization of the community. Our community partners and stakeholders increased collaborative efforts and one of our success stories was the introduction of the "Fearless Factor Summer Camp", with funding provided mainly by the Rotary Clubs of the Cayman Islands.

The Council participated in a retreat to review strategies and action plans under the National Anti-Drug Strategic Plan.

It is my pleasure to present the Annual Report of the NDC for the period of July 1, 2004 to June 30, 2005 in accordance with the National Drug Council Law (2003 Revision).

Sincerely,

A handwritten signature in blue ink that reads "Annie A. Multon". The signature is fluid and cursive, with the first name "Annie" being more prominent.

Mrs. Annie A. Multon
Chairman, NDC

Report from the Secretariat



The recovery period following Hurricane Ivan brought about a new focus and rebirth for the National Drug Council. The NDC office was totally destroyed by Hurricane Ivan and the organisation endured many hardships. Subsequent, the office was relocated and transformed into a disaster center. Staff of the NDC were trained and deployed to operate as managers and field workers in disaster centers around the islands. Later, the NDC team regrouped and continued to carry out our mandate.

In September 2005, Ministerial responsibility changed and the NDC was again appropriately placed under the Ministry of Health and Human Services. We are excited about this change as it allows us to carry out our mandate by focusing on policy development, advocacy, research and evaluation. The NDC was able to extend its provisions of policy advice to the Minister and Cabinet on matters relating to drug abuse which resulted in the introduction of Drug Treatment Court.

In terms of our research capabilities we were unable to conduct the Cayman Islands Student drug Use Survey (CISDUS) due to operation status of schools and the student populous. To improve in-house capabilities, our Senior Project Officer received training from the Centre of Addiction and Mental Health (CAMH) in Toronto Canada. This will enable us to perform research analysis with oversight from CAMH.

The research capacity of the NDC has been instrumental in communicating the types of public education programmes needed. As part of a community assessment following the hurricane, a need was identified for a summer programme with focus on revitalization. From this, the NDC coordinated its first summer camp "Fearless Factor" which was funded by the Rotary Clubs of the Cayman Islands with additional sponsorships from private agencies. The camp was held in both Grand Cayman and Cayman Brac.

In regard to our National Plan, a retreat was held to review relevant strategies and action plans under the National Anti Drug Strategy. On the international front, the NDC was invited to the Regional International Conference in Barbados. Notably, it was around this time that Cayman obtained associate member status with the CARICOM, which will allow the NDC to participate more fully in CARICOM initiatives.

Much of this work would not have been achieved without the shared dedication, commitment, camaraderie and excellent team dynamics of the NDC staff. Overall we have had a rewarding year as our new focus mirrors our mandate. We are enthusiastic and looking forward to continuing our efforts in making Cayman a drug free society.

A handwritten signature in black ink, appearing to be 'S. Miller', with a long horizontal line extending to the right.

Simon Miller
Project Officer

National Drug Council (NDC)

Our Mission

The Mission of the National Drug Council (NDC) of the Cayman Islands is to eradicate substance abuse and to cooperate with foreign governments and agencies in order to facilitate a more effective way of addressing global trafficking of illicit drugs. The goals and objectives of the NDC are realized through a fully integrated address to substance misuse and abuse, which brings the community of thought to bear on its planning, operations, research and programmes as mandated by the National Strategic Plan for Drug Abuse Prevention and Rehabilitation.

As a statutory authority under the NDC Law (2001 Revision), the NDC has the autonomy necessary to co-ordinate the delivery of services by both governmental and non-governmental organizations in the field of substance abuse. The NDC recognizes the importance of adopting a balanced approach to reducing both the demand for and supply of substances that are being abused, whether illegal or legal.

Our Strategy

The NDC's strategy for addressing the drug abuse problem is outlined in the National Strategic Plan for Drug Abuse Prevention and Rehabilitation, which was published in 1996. This document serves as the Master Plan that guides the activities of the NDC and its partner agencies. It was drafted from input received from all stakeholder agencies as well as a broad cross-section of the Cayman community. This consultative process spanned a calendar year and resulted in the drafting of a plan that represents the views of the people of the Cayman Islands. It is significant in that it is consistent with our shared philosophy that the community is an important resource in developing effective strategies to address drug abuse.

The plan allows the NDC and its partners to determine their respective roles in the realization of the National Strategy, which sets specific objectives in the following areas:

- Prevention
- Treatment and Rehabilitation
- Research
- Education of young people
- Public Education
- Supply Control

In the 2004-2005 fiscal year the NDC facilitated a retreat to review strategies and action plans under the National Anti-Drug Strategic Plan.

Our Funding

The NDC is primarily funded through a grant from the Cayman Islands Government. For the fiscal year 2004-5 the NDC received a total of KYD \$350,000 for general operations and in addition raised approximately KYD\$25,000 in sponsorship from the private sector.

Our Partnerships

The NDC relies on its partnerships with both governmental and non-governmental agencies to discharge its functions and co-ordinate the implementation of the master plan.

In relation to the Prevention and Educational aspect of the NDC, our partners are CASA, Department of Education, Community Development Unit, R.C.I.P. and Community relations.

In relation to Law Enforcement and Legislation aspect of the NDC, our partners are Immigration, Customs, R.C.I.P and D.T.F.

In relation to the Treatment and Rehabilitation aspect of the NDC, our partners are Employee Assistance Program, Department of Social services, Probation and Aftercare, Health Services and Department of S.A. Services.

In relation to the Research and Statistical aspect of the NDC, our partners are R.C.I.P/ D.O.S.A.S, HM Prison, D.T.F, Health Services, Liquor Licensing Board and the Department of Education.

Our Mandate

The NDC's mandate is to provide policy advice, information, develop programmes and conduct research in the following key areas:

- Public Information
- Public Education
- Social Policy
- Research & Statistics

Our Achievements

PUBLIC INFORMATION CAMPAIGNS AND SPECIAL PROJECTS

The aim of the Public Information campaign is to utilize the local media (radio, print and T.V) to provide the general public with up-to-date factual information about the negative consequences of substance abuse and to reduce the impairment associated with substance abuse and misuse. Some of our better established public information campaign that remained a fixture during the 2004-2005 fiscal year included

Purple Ribbon bus: We flooded the media with stickers, table cards and ribbons to bring awareness to the hazards associated with the misuse/abuse of substances by the general public. Over 40 restaurants and bars participate yearly. The purple ribbon bus campaign is primarily run on the 31st of December. Our aim is to ensure the safety of the general public by removing drunk drivers off the street and providing them with transportation. Our aims are continually met as the number of D.U.I.'s during New Years Eve continues to decline.

Designated Driver: The designated driver campaign is a dual campaign that is run much the same way as the purple ribbon bus campaign. The differences manifest

itself in the frequency by which it runs. Whereas the purple ribbon bus solely operates during New Years Eve, the designated driver campaign runs from December to January.

Website: The purpose of the National Drug Council website is to inform the public of the dangers associated with the misuse of substances; it is design to inform the general public of the many functions of the NDC as not many people are clear as to what we do. The website targets teenage children but has informative information for parents as well. Our goal by establishing this website is to facilitate the exchange of information between the NDC Office and the public locally, regionally and internationally. By establishing this website we also utilize the Internet as an alternative means of increasing public exposure to information on the substance abuse problem.

Drug Awareness Month: Our Drug Awareness Month campaign was devastated by hurricane Ivan; drug awareness month, usually held in October, our most active month at the National Drug Council, a wide assortment of events and public information campaign are carried out throughout this event. Events incorporated in Dug Awareness Month includes, a garage sale, church service announcements, school presentations, t-shirt campaign, Brac Movie Night and Freestyle Friday.

PUBLIC EDUCATION

The aim of the Public Education Campaign is to educate our youth about substance abuse. We purposely target the education sector. We run some of our Public Education Campaign during drug awareness month but there are also programs that bring awareness outside of Drug Awareness Month.

T.I.P.S: One of the more established programs is our T.I.P.S. campaign, T.I.P.'s stands for Training for Intervention Procedures. This program focuses on establishing acceptable standards for the selling and serving of alcoholic beverages. This workshop is intended to coach servers at bars and restaurants on the dangers of intoxication, through this program server's will incorporate skills and expertise in a positive, meaningful and profitable way, encourage responsible drinking behaviour, help to forestall possible troublesome situations and exercise a degree of control within the environment of social drinking.

Basic Drug Education Programmes: These programmes include an 8 week course for prison inmates. Modules encompass basic drug education for legal and illegal substances. Other components include modules encouraging inmates to choose a healthy and positive lifestyle.

SOCIAL POLICY

In terms of social policy, the NDC is responsible for bringing the community of thought to bear on policies and programmes related to the prevention and treatment of drug abuse. The NDC host a strategic planning meeting, bringing together all the key players to review overall achievements and make recommendations for suture policies and programmes.

National Anti-Drug Policy Meeting: The social policy meeting was conducted in the form of a retreat. This was a very productive meeting which touched on all topics related to fighting drugs in the Cayman Islands. Topics discussed were Role models, Government, Resources, Education/Prevention, Personnel, Communication, Collaboration, Community Involvement/Family, Enforcement/Prison, legal, research, networking, training, health and youth and sports. This was a very efficient retreat and we were able to cover all aspects of drug related problems in the Cayman Islands and how to go about fighting it effectively.

RESEARCH AND STATISTICS

The NDC plays a proactive role in terms of initiating, supporting and publishing studies, reports and other documents on drug abuse.

Prison Prevalence: A questionnaire was devised specifically for drug use amongst inmates at HM Prison, due to some material constraints the plan was abandoned for a later date. The idea behind this research was to identify and possibly stamp out drug use amongst inmates.

Cayman Islands Student Drug Use Survey: CISDUS is a biannual survey conducted in the schools, we survey students from seventh to twelfth grade; our aim is to accurately investigate the extent and nature of alcohol-related and drug-related problems; Attitudes, beliefs and perceptions about alcohol and other drug use; and Public and mental health issues related to drug use amongst adolescents. We are able to identify trends the size of the adolescent drug using population, the factors that correlate with drug use and the identification of high risk groups. Unfortunately due to Hurricane Ivan we were not able to conduct CISDUS in 2004.

Drug Free Workplace Survey: An Island drug use survey was conducted and completed in August 2004, we set out to uncover the extent of drug use in the workforce. We sent out questionnaires to many of the Islands businesses, we included all sectors, private and public; we compartmentalised industries into major categories that included agriculture, financial, Government etc. This survey was completed but was lost due to hurricane Ivan.

Treatment and Rehabilitation

Although the NDC does not operate treatment centres in the Cayman Islands, it does play a significant role in promoting and encouraging the development of new initiatives in this area through its collaboration with the Department of Substance Abuse Services (DOSAS). The NDC Supports the development and implementation of treatment and rehabilitation services that are readily available and meet the diverse needs of those suffering from chemical dependency.

Supply Reduction and Control

The Police Service and Customs have responsibility for controlling the supply of harmful substances on the Island. The NDC fully supports them in this area. The Police

Commissioner, the Head of the Drugs Task Force and the Assistant Collector of Customs sit on Council, and are thereby involved in discussion and interaction.

Appendix A

National Drug Council

Financial Statements

Year ended 30 June 2005

National Drug Council

Financial Statements

Year ended 30 June 2005

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**National Drug Council
Financial Statements
30 June 2005**

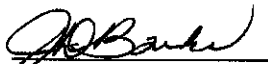
STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

These financial statements have been prepared by the National Drug Council in accordance with the provisions of the Public Management and Finance Law, (2005 Revision). The financial statements comply with generally accepted accounting practice as defined in International Public Sector Accounting Standards and International Financial Reporting Standards

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, (2005 Revision).

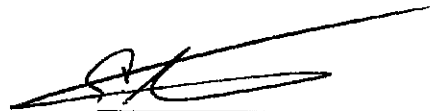
To the best of my knowledge the statements are:

- (a) complete and reliable;
- (b) fairly reflect the financial position as at 30 June 2005 and performance for the financial year ended 30 June 2005; and
- (c) comply with generally accepted accounting practice



Mrs. Julene Banks
Chairperson

Date: *24th May, 2007*



Mr. Simon Miller
A/National Drugs Coordinator

Date: *24th MAY 2007*



Cayman Islands

National Drug Council
CERTIFICATE OF THE AUDITOR GENERAL
To the Members of the National Drug Council

I have audited the accompanying financial statements of the National Drug Council (the Council), which comprise the balance sheet as at 30 June 2005, and the statement of net surplus/(deficit) and retained earnings, and statement of 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 12 in accordance with the provisions of Section 22(1) of the *National Drug Council Law (2003 Revision)* and section 60(a) of the *Public Management and Finance Law (2005 Revision)*.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 upon 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 we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

The Council's accounting records are inadequate to support the validity and completeness of donations and fee income. I was not able to carry out satisfactory alternative audit procedures to

be able to obtain reasonable assurance that these receipts were properly recorded. In addition, there was no accrual for the cost of electricity consumed by the Council for the eight months it occupied its new premises, as the amount has not been billed by the Landlord to the Council and thus the utilities expense and accounts payable are understated.

Qualified Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the validity and completeness of donations, miscellaneous income, utilities expense and account payable, these financial statements present fairly, in all material respects, the financial position of the National Drug Council as at 30 June 2005, and the results of its operations and its cash flow for the year then ended in accordance with International Financial Reporting Standards.



Dan Duguay, MBA, CGA
Auditor General

Cayman Islands
24 May 2007

National Drug Council
Balance Sheet
As at 30 June 2005

(Stated in Cayman Islands Dollars)

	Notes	2005	2004
ASSETS			
Current Assets			
Cash and cash equivalents	2(b)	\$85,373	\$96,201
Insurance Receivable	10	86,115	-
Prepaid expenses		2,667	2,974
Total current assets		174,155	99,175
Fixed assets	2(c), 3, 10	40,675	7,008
Total assets		\$214,830	\$106,183
LIABILITIES AND EQUITY			
Current Liabilities			
Deferred donation income	2(d), 4(b)	-	\$26,851
Accounts payable		36,315	20,730
Accrued vacation		7,989	13,383
Total current liabilities		44,304	60,964
EQUITY			
Retained earnings		170,526	45,219
Total current liabilities and equity		\$214,830	\$106,183

See accompanying notes.

Approved on behalf of the Board on May 2nd, 2007


Mrs. Julene Banks
Chairperson


Mr. Simon Miller
A/National Drugs Coordinator

National Drug Council
Statement of Net Surplus/(Deficit) and Retained earnings
For the Year ended 30 June 2005

(Stated in Cayman Islands Dollars)

	Notes	2005	2004
General surplus:			
Revenues			
Outputs to Government	2(f),9	\$350,000	\$470,904
Amortisation of deferred income – assets transferred	2(e), 4(a)	-	1,050
Insurance Proceeds	10	86,115	-
Non-government grant income:			
Donations	4(b)	48,447	16,389
Miscellaneous Income		6,697	2,054
Total revenues		491,259	490,397
Expenses			
Personnel emoluments		225,467	265,909
Grants & contributions – special events	6	31,328	64,551
Rent	7	26,880	35,750
Operating maintenance		18,005	25,112
Utilities		15,665	29,768
Surveys and other public information projects	5	15,369	30,252
Audit and accounting fees		13,500	14,700
Loss on destruction of fixed assets	3	7,008	-
Supplies & materials		5,815	10,319
Depreciation – assets purchased	3	5,795	11,582
Scranton project		1,120	4,046
Travelling and subsistence		-	18,305
Depreciation – assets transferred		-	1,050
Total expenses		365,952	511,344
Net surplus/(deficit) for period		125,307	(20,947)
Retained Earnings at beginning of period		45,219	66,166
Retained Earnings at end of period		\$170,526	\$45,219

See accompanying notes.

National Drug Council
Statement of Cash Flows
For the Year ended 30 June 2005

(Stated in Cayman Islands Dollars)

	Notes	2005	2004
Operating activities			
Net surplus/(deficit) from operations		\$125,307	\$(20,947)
Adjustment for non cash transactions:			
Loss on destruction of fixed assets	3	7,008	-
Depreciation expense-contributed assets		-	1,050
Depreciation expense-purchased assets	3	5,795	11,583
		<u>138,110</u>	<u>(8,314)</u>
Adjustments to reconcile net surplus/(deficit) from operations to net cash provided by/(used in) operating activities:			
(Increase) in Insurance Receivable	10	(86,115)	-
Decrease in prepaid expenses		307	74
(Decrease)/Increase in deferred donation income	4(b)	(26,851)	19,934
Decrease in deferred income		-	(1,050)
Increase in accounts payable		15,585	7,883
Decrease in accrued vacation		(5,394)	-
Net cash provided by operations		<u>35,642</u>	<u>18,527</u>
Investing activity			
Purchase of fixed assets	3	(46,470)	-
Net cash (used in) investing activities		<u>(46,470)</u>	<u>-</u>
Net change in cash and cash equivalents		(10,828)	18,527
Cash, beginning of year		96,201	77,674
Cash, end of year		<u>\$85,373</u>	<u>\$96,201</u>

See accompanying notes.

National Drug Council
Notes to the Financial Statements
For the Year ended 30 June 2005

1. Organization

The National Drug Council (the "NDC") became a statutory body in the Cayman Islands with the passage of the National Drug Council Law, 1997 and began operations on January 1, 1998. Its functions are diverse and include many aspects of coordinating the efforts in the Cayman Islands in respect of drug abuse education, treatment and rehabilitation, to support drug demand and supply reductions programmes; and to provide overall advisory capabilities to the Ministry of Health and Human Services ("the Ministry") with the collection of data, coordination of resources and manpower, and reports or laws addressing drug abuse and prevention and rehabilitation. As at 30 June 2005 the NDC had 5 employees (2004: 5 employees).

2. Significant accounting policies

The NDC's financial statements have been prepared in accordance with International Financial Reporting Standards and are stated in Cayman Islands dollars and are prepared on the accrual basis under the historical cost convention. The following is a summary of the most significant accounting and reporting policies used in preparing the financial statements:

a) Use of Estimates

The preparation of the financial statements requires the Council to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financials statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

b) Cash and cash equivalents

Cash and cash equivalents include amounts due from bank on demand and interest bearing deposits with an original maturity of three months or less. All cash and cash equivalents are held with a bank in the Cayman Islands.

c) Fixed Assets

During the period ended 30 June 2005 fixed assets located in the offices of the NDC had a net book value of \$40,675 (2004: \$7,008). The value of the fixed assets purchased prior to the establishment of the NDC were treated as a non-monetary grant from the Government and classified as deferred income that was recognized as income over the estimated useful life of the assets. The assets were taken into account based on their original cost less two years depreciation. For purposes of calculating depreciation, the book value at the date of transfer was treated as the opening cost for the NDC. Depreciation is being calculated on a straight-line basis on the opening cost over the estimated useful lives of the purchased assets as follows:

National Drug Council
Notes to the Financial Statements (continued)
For the Year ended 30 June 2005

2. Significant accounting policies (continued)

c) Fixed Assets (continued)

	Purchased Assets Useful Lives
Office equipment	3
Office furniture	6
Computer equipment	3
Leasehold improvements	4

Expenditures of a capital nature under \$1,000 are expensed.

d) Deferred grant funds and income

Donation and grant income received for specific projects are credited to income in periods in which expenses on such projects are incurred.

e) Amortization of Deferred Income – Assets Transferred

The NDC amortizes deferred income relating to assets contributed to the NDC by the Government at the time of its establishment (See note 4).

f) Outputs to Government

Government has agreed to purchase certain outputs from the NDC. These outputs include public education and information campaigns, research and statistics, policy advice and Law reform. As the NDC has no other significant source of funding for its operational expense, its ability to continue as a going concern is contingent on this continued support from Government. Output revenue is recognized as income when earned.

g) Disclosure about Fair value of Financial Instruments

The NDC recognised financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains or losses arising from changes in the fair value of the assets or liabilities are recognised in the statement of Net Surplus/(Deficit) and Retained Earnings. Financial instruments are measured at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets measured at their estimated value.

The carrying amounts of all financial instruments on the balance sheet are reasonable estimates of the fair values and no gains or losses have been recognised in the Statement of Net Surplus/(Deficit) and retained Earnings for the changes in the fair value of the assets or liabilities.

National Drug Council
Notes to the Financial Statements (continued)
For the Year ended 30 June 2005

2. Significant accounting policies (continued)

g) Foreign Currency Translation

Revenue and expense transactions involving currencies other than Cayman Islands dollars are translated to Cayman Islands dollars at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the balance sheet dates. Gains and losses on exchange are taken to the statement of net surplus/(deficit) and retained earnings.

3. Fixed Assets

On 12 September 2004 the Cayman Islands experienced the devastating effects of hurricane Ivan which caused widespread damage throughout the Islands. The premises and contents of the offices of the NDC were destroyed beyond repair. The net book value of the leasehold improvements and the contents of \$7,008 have been written off for the year ended 30 June 2005. During the year ended 30 June 2005 all fully depreciated donated and purchased items were removed from the books and records of the NDC.

	Office Equipment	Office Furniture	Computer Equipment	Leasehold Improvements	Total
Cost:					
Balance at 1 July 2004	\$ 32,253	\$ 15,319	\$ 29,122	\$ 19,754	\$96,448
Additions during year	21,629	3,011	21,830	-	46,470
Disposal during the year	(32,253)	(15,319)	(29,122)	(19,754)	(96,448)
Balance at 30 June 2005	21,629	3,011	21,830	-	46,470
Accumulated depreciation:					
Balance at 1 July 2004	25,816	14,748	29,122	19,754	89,440
Depreciation for year	4,179	706	910	-	5,795
Disposal during the year	(25,816)	(14,748)	(29,122)	(19,754)	(89,440)
Balance at 30 June 2005	4,179	706	910	-	5,795
Net book value at 30 June 2005	\$ 17,450	\$ 2,305	\$20,920	\$ -	\$40,675
Net Book value at 30 June 2004	\$ 6,437	\$ 571	\$ -	\$ -	\$7,008

National Drug Council
Notes to the Financial Statements (continued)
For the Year ended 30 June 2005

4. Amortised deferred income

a) Assets transferred

As noted 2(e), NDC has been amortising the deferred income relating to the fixed assets contributed to the entity upon its establishment.

	30 June 2005	30 June 2004
Total assets received	\$ -	\$ 51,675
Amortisation brought forward	-	50,625
Amortisation for the period	-	1,050
Total amortisation carried forward	-	51,675
Net deferred income	\$ -	\$ -

b) Donations

	30 June 2005	30 June 2004
Deferred donations brought forward	\$ 26,851	\$ 6,917
Donations received for year	21,596	36,323
Amounts recognised as income for year	(48,447)	(16,389)
Deferred Donation income carried forward	-	26,851
Total deferred donation income	\$ -	\$ 26,851

5. Surveys and other public information projects

A portion of the Government grant income and public contributions have been made to support the following significant surveys and other public information projects:

Surveys and other public information projects	30 June 2005	30 June 2004
PIC – Alcohol & Tobacco	\$ 9,294	\$ -
National Strategic Plan	-	13,490
Local Promotion	-	11,660
Other	6,075	5,102
Total	\$ 15,369	\$30,252

National Drug Council
Notes to the Financial Statements (continued)
For the Year ended 30 June 2005

6. Grants & Contributions – Special events

A portion of the Government purchases of outputs and public contributions have been made to support the following significant special events:

Special events	30 June 2005	30 June 2004
Drug Awareness Month	\$ 22,513	\$64,551
Purple Ribbon Bus	8,815	-
Total	<u>\$ 31,328</u>	<u>\$64,551</u>

7. Rental expense

The NDC operated from leased premises at Two Paddington Place ('the landlord'), George Town, Grand Cayman. This lease, which is currently between the Cayman Islands Government and the landlord, requires a minimum payment of \$2,750.00 per month and expired in February 2004. The NDC operated under a month to month lease until the premises were destroyed in September 2004 during hurricane Ivan.

On 3 November 2004, the NDC entered into a one year lease agreement with Cayman Free Press for the premises at Compass Centre at \$2,667 per month. Subsequent to 30 June 2005, a new one year lease has been signed by NDC with same terms and conditions as the previous lease.

8. Pension

The NDC participates in a defined contribution plan. Contributions of 5% are made by the employee and matched by the employer as required under the National Pensions Law. The total amount expensed and paid for the year ended 30 June 2005 was \$11,756 (2004 - \$11,268). This amount is included in personnel emoluments in the Statement of Net Surplus/(Deficit) and Retained Earnings. No amount was payable to NDC's pension provider as at 30 June 2005.

9. Related parties

The NDC is a statutory body of the Government of the Cayman Islands. The Council is economically dependent upon the Ministry for the purchase of its services in accordance with the purchase agreement with Government. For the year ended 30 June 2005, the Council received \$350,000 (2004: \$470,904) from Government for services sold.

For the year ended 30 June 2005, the NDC purchased services from Creative Digital Video in the amount of \$ 2,500 (2004: \$6,548) for video promotions and various activities related to Drug Awareness Month for the financial year ended 30 June 2005. These services were purchased from the owner of Creative Digital Video who is directly related to the NDC coordinator by marriage.

National Drug Council
Notes to the Financial Statements (continued)
For the Year ended 30 June 2005

10. Hurricane Ivan Impact

In September 2004, hurricane Ivan devastated the Cayman Islands causing extensive damage to the National Drug Council offices. The net book value of fixed assets was written off in their entirety as a loss on disposal of fixed assets in the amount of \$7,008 (see also note 3). An insurance settlement of \$86,115 was received by NDC in July 2006 (see also note 11) and is recognized as insurance proceeds in the Statement of Net Surplus/(Deficit).

As a result of hurricane Ivan, the NDC relocated offices and now operates out of the Compass Centre Building. For a period of time after the relocation, the NDC operated as a Disaster Assistance Centre for the general population in response to the many issues arising out of the effects of the hurricane. Therefore, the NDC temporarily ceased its normal operations in respect of drug abuse education, treatment and rehabilitation, to support drug demand and supply reductions programmes; and to provide overall advisory capabilities as required by its mandate under the Law. In November 2004, the Ministry reduced the budget for normal operations to \$267,000 for the remaining nine months in the year ending 30 June 2005, resulting in a significant reduction in the amounts spent on drug related research, education, programs and special events.

11. Subsequent events

The NDC has received insurance settlement for damages caused by hurricane Ivan in the amount of \$86,115 in July 2006. The settlement was based on the cost of leasehold improvements recorded in the financial statements.

Appendix B

Council Members

As of June 2005

Annie Multon	Chairman
Judith Seymour	Vice Chairman
Catherine Chestnut	Coordinator
Derek Haines	R.C.I.P.
Jeff Jackson	Customs
Linda Mcfield	C.A.S.A.
Donald Mclean	Pharmacist
Ruth Anglin	
Julene Banks	Lawyer
Anne Owens	Office of Financial Secretary
Bryan Bothwell	Churches
Andrea Bryan	Ministry of Health
Nyda Flatley	Education
Deanna Lookloy	Children and Family Services
Mark Lockhart	Psychiatrist
Margaret Ramsey-Hale	Judiciary
Ercely Bodden	Lions
Dwight Scott	Prisons
Dorine Whittaker	Ministry of Community Services

* *The core membership of the Implementation Committee is comprised of these individuals.*

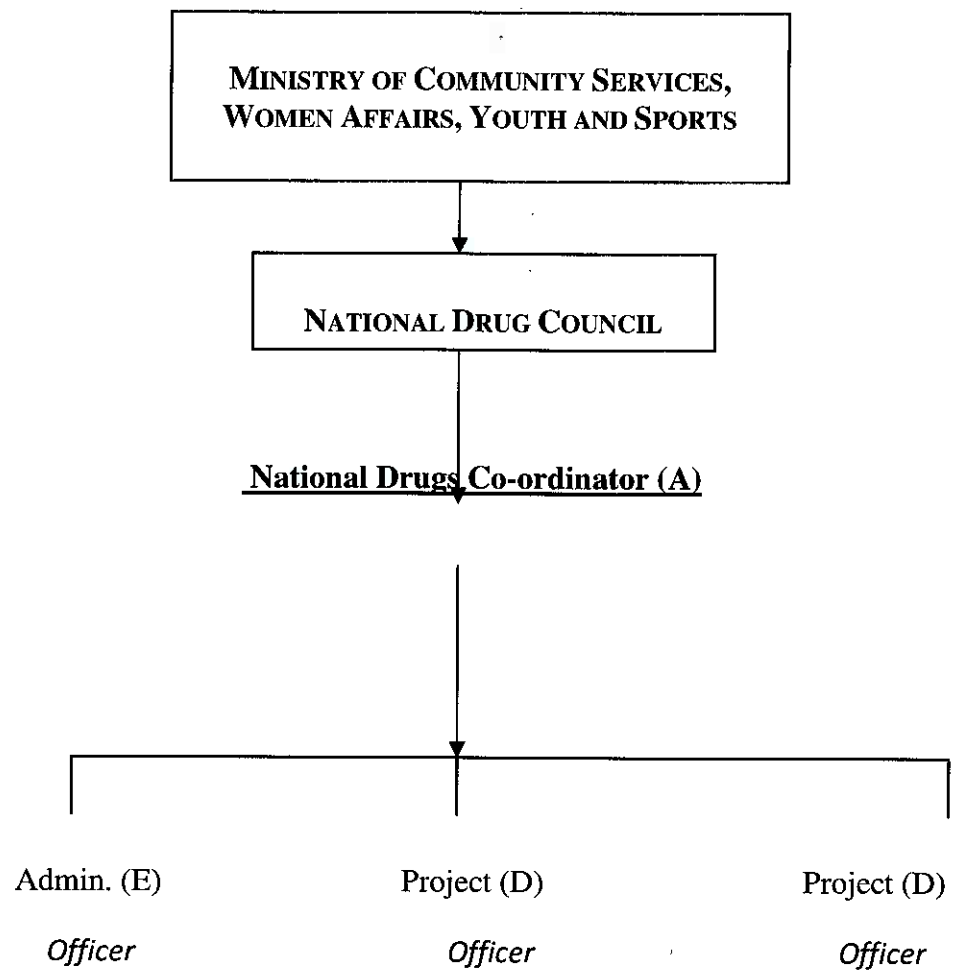
NDC Staff Members

As of June 2005

Catherine Chestnut	Coordinator
Simon Miller	Project Officer
Andrew Wiggans	Project Officer
Ruby McLaughlin	Administrative Assistant

Appendix C

NDC Organisational Chart



Appendix D

Salary Scale

ALPHA CODE	INCREMENTAL DIFFERENTIAL 2.50%	ANNUAL SALARY INCLUDING 5% PENSION	MONTHLY SALARY INCLUDING 5% PENSION	MONTHLY BASIC SALARY	MONTHLY PENSION
A	1	72,000	6,000	5,700	300
	2	73,800	6,150	5,843	308
	3	75,648	6,304	5,989	315
	4	77,544	6,462	6,139	323
	5	79,488	6,624	6,293	331
	6	81,480	6,790	6,451	340
	7	84,000	7,000	6,650	350
B	1	57,600	4,800	4,560	240
	2	59,040	4,920	4,674	246
	3	60,516	5,043	4,791	252
	4	62,028	5,169	4,911	258
	5	63,576	5,298	5,033	265
	6	65,160	5,430	5,159	272
	7	66,792	5,566	5,288	278
	8	68,460	5,705	5,420	285
	9	72,000	6,000	5,700	300
C	1	50,400	4,200	3,990	210
	2	51,660	4,305	4,090	215
	3	52,956	4,413	4,192	221
	4	54,276	4,523	4,297	226
	5	55,632	4,636	4,404	232
	6	57,024	4,752	4,514	238
	7	58,452	4,871	4,627	244
	8	60,000	5,000	4,750	250
D	1	42,000	3,500	3,325	175
	2	43,056	3,588	3,409	179
	3	44,136	3,678	3,494	184
	4	45,240	3,770	3,582	189
	5	46,371	3,864	3,671	193
	6	47,532	3,961	3,763	198
	7	48,720	4,060	3,857	203
	8	50,400	4,200	3,990	210
E	1	36,000	3,000	2,850	150
	2	36,900	3,075	2,921	154
	3	37,824	3,152	2,994	158
	4	38,772	3,231	3,069	162
	5	39,744	3,312	3,146	166
	6	40,740	3,395	3,225	170
	7	41,760	3,480	3,306	174
F	1	27,600	2,300	2,185	115
	2	28,296	2,358	2,240	118
	3	29,004	2,417	2,296	121
	4	29,724	2,477	2,353	124
	5	30,468	2,539	2,412	127
	6	31,224	2,602	2,472	130
	7	32,004	2,667	2,534	133
	8	32,808	2,734	2,597	137
	9	33,624	2,802	2,662	140
	10	34,464	2,872	2,728	144
	11	36,000	3,000	2,850	150

National Drug Council
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