Cayman National Cultural Foundation

CREATIVITY : HERITAGE : EDUCATION

ANNUAL REPORT 2020

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From the Chairman

Martyn CW Bould, MBE

Given that our culture is a reflection of the way we live, who we are as a people, the struggles that we've had, the way we eat, the way we worship and the way we enjoy ourselves, any description of 2020 is bound to mention COVID-19 and its impact on our culture and how the Cayman National Cultural Foundation has been able to carry out its mission of stimulating, facilitating and preserving Caymanian cultural and artistic expression.

As gatherings of people were restricted, we, like many other businesses, had to modify our operations by working from home and meeting virtually. The Foundation was able to present a series of plays over the radio, reaching a much larger audience than before. So out of a problem developed a positive solution.

I would like to congratulate all those who have made significant contributions to the development of our arts and culture, many of whom were recognised at our recent National Arts & Culture Awards. The public's growing appreciation of the many aspects of our cultural expression bears witness to the increasing awareness of Caymanian culture and its importance in our society.

I wish to thank our most supportive Ministry of Culture, my fellow board members, our hardworking and dedicated staff, our volunteers and particularly our sponsors for making the Foundation's work possible and continuing the tradition of showcasing all that is Caymanian for the enjoyment of all.

From the Artistic Director

Henry D. Muttoo, MBE

For reasons which never cease to confound, there remains a palpable disconnect between artists and those whose duty it is to look after not only the physical well-being of the society but also the health of its soul.

Those who continue to pay lip service only to art, artists and culture animators run the risk of ending up with a life but nothing to live for. Jeanette Winterson, in her book, *Art Objects*, puts the proverbial 'finger' on the problem:

"We are an odd people: We make it as difficult as possible for our artists to work honestly while they are alive; either we refuse them money or we ruin them with money; either we flatter them with unhelpful praise or wound them with unhelpful blame, and when they are too old, or too dead, or too beyond dispute to hinder anymore, we canonise them, so that what is wild is tamed and what was objecting becomes authority."

SUMMARY OF ORGANISATION

Description

The Cayman National Cultural Foundation (the "Foundation" or "CNCF") is a non-profit organisation regulated by the government of the Cayman Islands. The Foundation was formed on 9 October 1984 in accordance with the Cayman National Cultural Foundation Law, 1984. The Cayman National Cultural Foundation Law 2013 was enacted? on 9 August of that year. The work of the Foundation covers the full scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts – and incorporates cultural preservation, the presentation of cultural festivals, artistic development, youth arts, and special projects. Moreover, CNCF manages two of Cayman's most significant cultural properties. At the FJ Harquail Cultural Centre, theatrical events, exhibitions, conferences and cultural gatherings are produced year-round by the Foundation, as well as by others. The World Heritage Fund-recognised site, Mind's Eye–the Visionary World of Gladwyn Bush, is the historic home of Cayman's renowned intuitive artist, which the Foundation has been responsible for conserving since it took stewardship in 2009. The Foundation is funded primarily by an annual grant from the Cayman Islands Government Ministry of Culture.

Governance and Accountability

The Foundation:

- Is governed by a Cabinet-appointed Board, individuals who bring to the organisation their various skills, knowledge and expertise as arts practitioners, business professionals and educators. The Board makes policy, which is implemented by management and staff. The operations of the organisation are conducted in a transparent manner, and annual reports and audited financial statements are prepared and submitted to Government for tabling in the Legislative Assembly;
- Has well-developed mechanisms, in compliance with all Government requirements for demonstrating how its activities are, or will be, able to support its charitable aims;
- Conducts its work in an apolitical manner and works towards achieving the goals of cultural and arts development, which are set out in the Foundation's Cultural Policy and in the National Culture and Heritage Policy;
- Exchanges information and engages in cooperative efforts with other government-funded cultural entities, and is a member of the International Federation of Arts Councils and Culture Agencies;
- Carries out its aims with regard to – and seeks to discover, understand and respond to the needs of – the community;
- Complies with all relevant legal and regulatory requirements and acts with due regard for the legal and human rights of all individuals, without regard to nationality, colour, creed, ethnicity, religious affiliation or disability.

Board of Directors:

- Martyn Bould MBE, Chairman (since 1995)
- Morgan DaCosta, Deputy Chairman/Treasurer
- Chief Officer of the Ministry of Culture (or designate)
- JA Roy Bodden
- Jason Gilbert
- Michael Meghoo
- Lorna Reid
- Sharon Roulstone

Scope of Activities

The scope of *Cayman National Cultural Foundation* activities is as follows:

- The stimulation and facilitation of culture generally;
- The development, maintenance and management of theatres and other cultural facilities, in particular the F J Harquail Cultural Centre and Mind's Eye–the Visionary World of Gladwyn K. Bush;
- Organising cultural festivals;
- The stimulation of the development of local talent by means of training, workshops, competitions, exhibitions, pageants, parades, displays and other such activities;
- Assisting persons in developing cultural and artistic expression, including the preservation and exploration of

Caymanian cultural heritage.

Mission Statement

To stimulate, facilitate and preserve cultural and artistic expression generally, particularly the preservation and exploration of Caymanian performing, visual and literary arts.

Guiding Principles

For more than 30 years, the non-profit Cayman National Cultural Foundation has carried out its mission through the extensive development of wide-ranging cultural development programmes. These programmes include stage productions, creative education for young people, free workshops and financial support of artists, festivals, publications, national recognition of artistic and cultural achievement and the preservation of Caymanian heritage, and the promotion of arts and culture for future generations. The Foundation aims to achieve and/or support priorities expressed in the Cayman National Cultural Foundation Law 2013, Vision 2008, the CNCF Cultural Policy 2003, the National Youth Policy and Plan 2011 and the National Culture and Heritage Policy and Plan (NCHPP).

Management Qualifications

- **Artistic Director** – **Henry Muttoo:** University College of the Cayman Islands: Doctor of Arts (Hon.); Master of Arts, Manchester University (Rose Bruford College) UK.; Three-year full-time professional Diploma in Theatre (Dip.TD); Croydon College of Design and Technology; Advanced Theatre Practices, University of the West Indies, Trinidad & Tobago
- **Managing Director – Marcia Muttoo:** MFA Arts Management, Brooklyn College, City University of New York; BFA Drama, New York University; Certificate in Human Resource Practice; Shirlaws Business Coaching for Business Leaders

Main Customers

On a broad scale, the Foundation's customers encompass all of the people of the Cayman Islands, as well as those who are in the Islands for long or short stays. More specifically, the Foundation identifies its customers as:

- The Cayman Islands Government;
- Adult Caymanians and residents with creative potential in the arts;
- Caymanian and resident youth with creative potential in the arts;
- Caymanians, residents and visitors in general;
- The international arts community;
- The international community as a whole.

Highlights of Achievements

Programmes, Projects and Activities

CNCF operates on the principles that:

- A strong culture is predicated on a strong cultural heritage, which is critical to the development of a strong national identity;
- The arts are a natural and essential part of living, and should be an integrated part of the individual's and community's education;
- Artists are interpreters of individual and collective realities of society and their artistic expression is critical to societal development;
- Government, as caretakers of the people's interests, shares responsibility for promoting and supporting the arts and culture.

Therefore, CNCF's programming initiatives:

- Encourage active participation by Caymanians and residents in the several disciplines of the arts;
- Identify Caymanians with creative potential in the arts and assist in nurturing their talent;
- Expose Caymanians, residents and visitors to the valuable experience of viewing cultural manifestations of quality;
- Develop an awareness of the Caymanian heritage and the potential of the creative arts, therefore improving the quality of life for Caymanians and residents and fostering among Caymanians a sense of national identity, unity and pride.

The Foundation's programmes, projects and activities centre on:

- Management of operations and maintenance of FJ Harquail Cultural Centre (FJHCC), including managing rentals and maintaining physical plant;

The F J Harquail Cultural Centre (FJHCC). Despite severe limitations to the presentation of live events, due to the global COVID-19 pandemic, the FJHCC was used on 105 occasions in 2020, resulting in footfall exceeding 15,000 for the year.

- Protecting, conserving, maintaining, developing and showcasing the four separate facilities and 10 acres that make up the F J Harquail Cultural Centre (FJHCC) and Mind's Eye–the Visionary World of Gladwyn K. Bush (ME). Due to their specificity of purpose—over and above their distinct architecture (tangible cultural heritage)—the facilities are designated for the preservation and celebration of intangible cultural heritage (time-honoured customs), culture and the arts, and fall within the Foundation's legal ambit;

- Ensuring climate controlled, secure storage and biannual exhibitions of works from the national collection of the late Gladwyn K. Bush (art storage at FJHCC and ME, exhibitions at FJHCC, ME and other spaces);
- By necessity, delimiting foot traffic through ME to small groups at a time to protect the structural integrity and to maintain climate control within the late artist's home, which is over 140 years old and constructed with traditional materials that are no longer readily available. The restrictions are also necessary in order to protect the murals that the late artist hand painted directly on the walls, ceilings and floors of the heritage site that was originally built as a private dwelling;

Miss Lassie's House at Mind's Eye–the Visionary World of Gladwyn K. Bush. The more than 140-year-old example of traditional Caymanian wattle and daub architecture is unique in Cayman because of the artist's striking images, which she painted directly onto the windows, doors, walls, ceilings and furniture within. CNCF has been responsible for upkeep and conservation of the property since 2009.

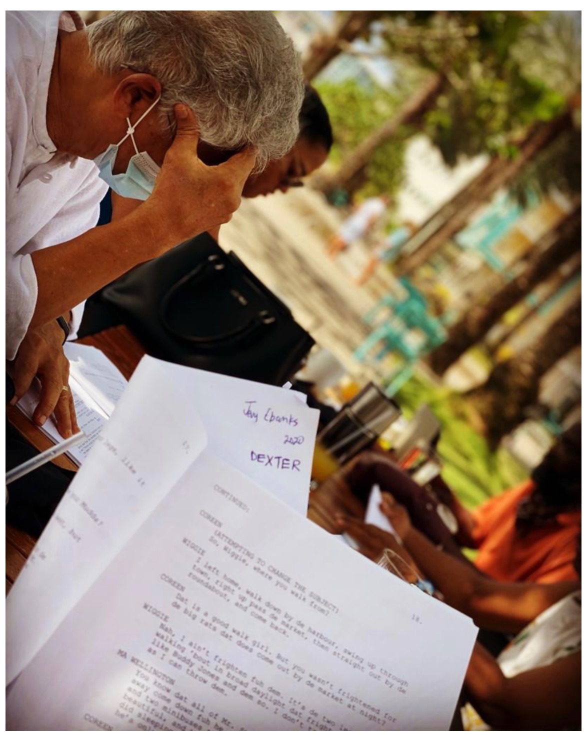
- Stimulating the development of local cultural and artistic talent and assisting people and organisations to develop cultural and artistic expression;

Self-taught artist, Luelan 'Lutz' Bodden adds final touches to his astoundingly realistic, hand carved giant Cayman Blue Iguana, which the Cultural Foundation purchased in 2020 for the National Collection.

- Researching, teaching, performing, recording, propagating and promoting traditional, time-honoured folk music of the Cayman Islands, the performance of which has declined in contemporary society;
- Offering CNCF Grants for the Arts to encourage the development of ideas, and to facilitate opportunities for artists to explore, practice, share, learn and benefit from their work;
- Publishing books of poetry, plays, and short stories that document and popularise the cultural traditions of the Cayman Islands and works of merit by Caymanian authors on the topics of history, culture and the arts;
- Researching and publishing literary journals on the arts and culture of the Cayman Islands that include articles, photographs and illustrations, interviews and poetry, some of which are written in the Caymanian dialect;
- Offering weekday access by the public to the Foundation's research library at FJHCC of more than 2,000 titles of books, journals, video and audio recordings, prints, photographs, drama scripts and other literature on or about art / culture;

Sample titles from the Cayman Collection in the Cultural Foundation's Research Library, which the public can access by appointment on weekdays year-round.

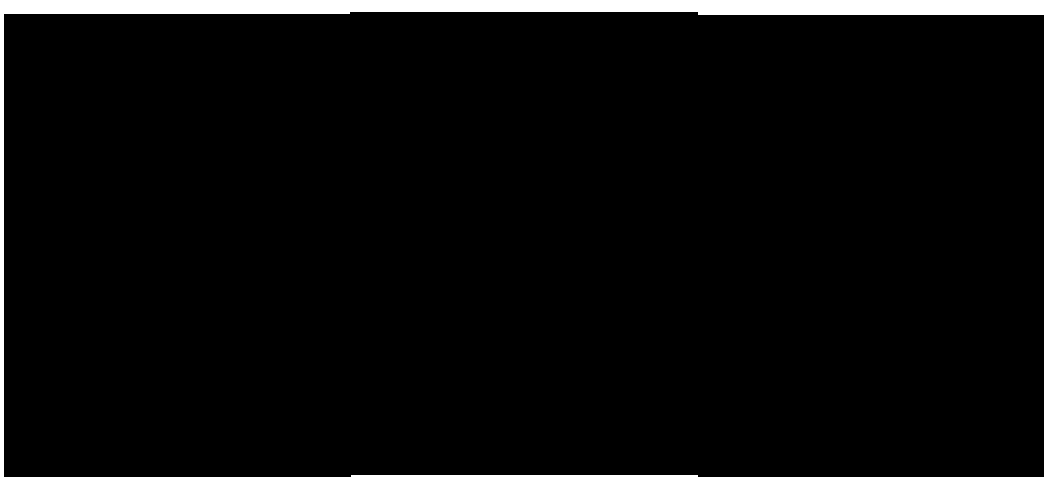
- Conducting and presenting lectures by distinguished artists, many of them internationally recognised;
- Researching, writing, rehearsing, producing and presenting content which promulgates and celebrates Caymanian customs, characters, language, expressions, gesture, and societal norms and distinguishing features;
- Producing performing arts events (theatre, music, dance, storytelling, film) which are locally created, or culturally relevant, and / or educational; have sound technical structure and production potential and are in keeping with the conventions of performing arts, as determined by the Artistic Director;



CNCF's Artistic Director meets with actors for a 1st reading of De Honeymoon Over script. CNCF presented the award-winning play on Radio Cayman, with new episodes airing weekly, throughout September and October 2020. In November and December, the play's sequel, Fat Chance, was also broadcast on Radio Cayman. Both plays were written by former Cayman school counsellor, Donna Tull-Cox.

Gimistory, The Cayman Islands International Storytelling Festival 2020. For the first time in its 22-year existence, the festival was presented exclusively as a series of virtual events in 2020. With three separate shows broadcast on CIG TV, and streamed on two YouTube Channels and Facebook Live, the programme featured some three dozen performers.

- Revitalising the art of storytelling, which was the main community entertainment and means of transferring cultural mores before the advent of radio and television;
- Hosting/sharing the Caymanian arts and cultural experience at local and international arts and culture events, as well as conferences/seminars;
- Providing tours of the FJ Harquail Cultural Centre and the Mind's Eye cultural heritage site for schools;
- Offering semi-annual work experience placements for high school students;
- Connecting past Young at Arts students and other young creatives with further education and professional opportunities.



At Mind's Eye, students and their teachers learn valuable lessons about traditional Caymanian architecture; Caymanian shipbuilding in the community; daily life in a Caymanian household; traditional life in the South Sound Community; activities of a seafaring family; pivotal moments in Cayman Islands' history, such as the '32 hurricane; Miss Lassie's inspiration and evolution as an artist; religious and secular themes in Miss Lassie's paintings; and art as a medium for self-expression and national identity.

NATIONAL ARTS AND CULTURE AWARDS
20 February 2020

CNCF Heritage Cross

The CNCF Heritage Cross award is reserved for individuals and groups who have a consistent and active, quality engagement in the preservation and/or celebration of Caymanian cultural heritage. The award has three levels: GOLD for a lifetime of high-quality engagement; SILVER (minimum of 10 years) and BRONZE (minimum of 5 years).

CNCF Star for Creativity in the Arts

The CNCF Star for Creativity in the Arts is awarded for artistic endeavour, achievement and excellence in the arts. Like the Heritage Cross, the Star for Creativity also has three levels reflecting the span of the artist's work and/or its overall impact.

GOLD HERITAGE CROSS AWARDEES

Debra Barnes-Tabora's passion for Cayman's history was ignited during her high school years under the tutelage of Richard Tressider. She joined the Cayman Islands National Museum in 1989 following four years of central government employment and has dedicated her life to the collection, preservation, interpretation and exhibition of Cayman's cultural heritage. As the Museum's Curation and Collections Manager, she is proud to say she holds the best job in the world: collecting, caring for and handling precious objects from Cayman's past.

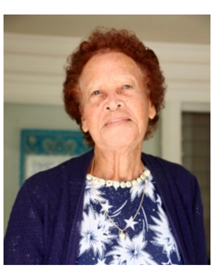
Mrs. Barnes Tabora has a deep love for the traditional arts and was instrumental in leading a traditional arts programme to promote and preserve Caymanian thatch plaiting skills. She holds a master's degree with distinction in Museum Studies from the University of Leicester in the United Kingdom. She is also a certified Institutional Protection Manager, a qualification awarded by the International Foundation for Cultural Property.

Isaac Jeralow Rankine is recognised as a culture ambassador of the Cayman Islands for his ongoing work in the net making tradition, a discipline he learned from his father and by watching his elders.

Born in the district of East End, Mr. Rankine spent a lot of time as a boy near the sea in the company of the district's elders watching the fishermen cleaning their catch or making fish and turtle nets. Once he completed his schooling, he began a successful career at sea, one that lasted 21 years. It was during this time that he developed his passion for knitting nets and hammocks.

Upon his retirement from the sea in 1966, Mr. Rankine joined his brother, drummer Stanford Rankine, as a member of the Happy Boys Band, under the leadership of Mr. Radley Gourzong. He played maracas made from small gourds that floated up on the beach which he filled with seeds from a licorice tree.

A retired seaman, respected musician and traditional net maker, Mr. Rankine is among the few remaining knitters of nets in the Cayman Islands. His cast nets, seine nets, trap nets and hammocks are all fashioned by hand. He proudly displays his skills at various venues around the island through his employ with Cayman Traditional Arts, including bi-weekly demonstrations at the Ritz-Carlton Grand Cayman.



Annie Laura Walton nee Dixon was born at Booby Point, Spot Bay, Cayman Brac. Through her culinary practices and involvement with the community, she has excelled in the preservation and promotion of Caymanian heritage and traditions. A paragon of Caymanian hospitality, Mrs. Walton has significantly contributed to shaping the cultural identity of the Cayman Islands, particularly Cayman Brac.

Mrs. Walton's introduction to the catering business was through a fundraising initiative. Since then she has cooked for numerous events in the community, including the Cayman Brac Agriculture Show, the first Legislative Assembly Meeting in Cayman Brac in 1968 and the 50th anniversary of the Brac Legislative Assembly Meeting in 2018.

Mrs. Walton's dishes are a true example of Caymanian cuisine. She is one of the last Caymanian-bred cooks still using the outside caboose to prepare local dishes and heavy cakes. Maintaining this authentic method of cooking contributes to her popularity, but it is her friendly disposition and willingness to work with her local community that truly make her shine.

Mrs. Walton has welcomed many visitors to observe and learn her special talents and has hosted several school groups in association with the Cayman Traditional Arts programme. This has been a crucial step in ensuring the continuation of these traditions. In 2000, she received the Distinguished Woman's Award and she has been the recipient of numerous awards at National Heroes Day celebrations, including the 2014 Cultural Heritage Early Pioneer Award and the 2017 Long Service Tourism Award. She has also won awards at Cayman Brac Agriculture Shows.

BRONZE HERITAGE CROSS AWARDEE

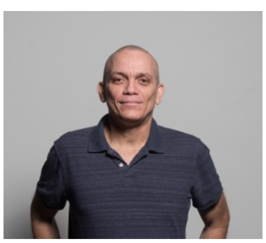
Phillip Shibley Smith is the most recent artisan to join the Cayman Brac Heritage House thatch rope laying team. Currently a Nature Tourism Guide at District Administration, he has proven himself to be a great asset to the Civil Service.

Always willing to share his zeal for culture and heritage with his colleagues and audience, Mr. Smith has been involved in many Cayman Brac Heritage House programmes and cultural community events. He has participated in various traditional demonstrations such as making peppermint candy and thatch rope, has conducted guided tours of the Heritage House grounds and buildings and led sessions on how to construct rosemary brooms. Whilst he may be the youngest of the artisans, he has quickly mastered traditional methods and techniques that often take many years to learn.

Mr. Smith's dedication has been a key element to the success of the Brac thatch rope laying competitions which have been held annually since 2017. He also travelled to Little Cayman as part of a team to host the competition there in 2019. He was instrumental with the gathering of tops and the setting up of the thatch strands on the cart and winch machine for numerous occasions, earning him the position of designated winch operator and instructor.

"Having the opportunity to show my island through my eyes and personal experiences of living here has allowed me to create unique experiences for visitors to our islands. I love fulfilling their tour requests and creating one-of-a-kind-memories for them," says Mr. Smith.

GOLD STAR FOR CREATIVITY AWARDEES



Wray Banker from West Bay has been drawing artistic inspiration from Caymanian culture for over 20 years. Mr. Banker, who formally studied graphic design, incorporates his training into broader artistic skills. Often thought of as a painter, he also does fine crafts, industrial and graphic design, photography and hand-printing techniques of collagraph and lithograph, learnt at Taller Experimental de Graphica in Old Havana, Cuba.

Mr. Banker's humorous take on life is depicted throughout his work, though there is always an underlying serious message that speaks to Cayman's culture, a rallying cry to ensure that this culture is constantly identified and celebrated. He is a founding member of the local artists' cooperative 'Native Sons', launched in 1996, which pays greater attention to the cultural and socio-economic context of the people of the Cayman Islands.

Mr. Banker received the Best of Countries Award for his 1996 Olympic Committee pin and his 2003 Pan Am Games pin. In 2005 he was awarded the McCoy Prize for photography. He has exhibited widely both in Cayman and abroad and his work is held in various collections including the Cayman Islands National Museum's permanent collection. During the 2003 Quincentennial celebrations he was awarded a Lifetime Achievement Award in Arts by the Cayman Islands Government. He is currently the Exhibits Coordinator at the National Museum.

Conroy Dalmain Ebanks was born in Cayman Brac. He attended the Creek School, and then moved to New York and went to Boys High School, studying Art as a minor. He was awarded scholarships for the Brooklyn Museum Art School and the Pratt Institute and also received a grant to attend Pan-American Commercial Art School in New York City.

After serving in the U.S. Army, Mr. Ebanks relocated to Florida where he attended Miami-Dade Community College, majoring in Printing, Photography and Drawing. Post-graduation, he became a business owner, and upon retirement in 1999, moved back to the Brac.

When his father died in 2004, Mr. Ebanks realised that he did not have a good photograph of him, so he painted a scene of his father fishing from the Creek Dock. That piece rekindled his passion for art. Since then Mr. Ebanks has volunteered at several National Gallery art camps and a few YMCA culture camps. He also became an Art Instructor for the Cayman Traditional Arts (CTA) Heritage Arts Programme in Cayman Brac, which allowed him to go into the schools to teach Year 6 and 7 students.

He has exhibited in shows for the annual Cayman Brac National Trust Queen's Birthday Tea Party, Pirates Week Cayman Brac Heritage Days and Brac Autumn Festivals. In 2018 he was asked to exhibit his work at the Cayman Brac Airport, and it remains on display in the Arrivals hall. He is also a volunteer for AiR, an artist-in-residence programme in the Brac where he oversees the exhibits, gives tours to locals and tourists, and conducts workshops.

SILVER STAR FOR CREATIVITY AWARDEE

Barbadian/Caymanian, **George Jones** has been resident in the Cayman Islands for the past 15 years. He is a founding member and keyboard player for one of Barbados' and the Caribbean's top soca bands, Square One, and has recorded, arranged, produced and performed on at least 15 Square One albums as well as collaborated with other local and regional artists.

Since migrating to Cayman, Mr. Jones has performed with several local groups and in 2012 formed a new band with Brent McLean and Vashti Bodden called CAY-NRG. CAY-NRG has performed at numerous local festivals and carnivals over the years and represented the Cayman Islands overseas.

Mr. Jones served as a volunteer member of Batabano's carnival committee from 2012 until 2015 and in 2018 and 2019. He was also a volunteer consultant for Pirates Week between 2013 and 2015. Since 2013 he has been the musical director, arranger and accompanist for the annual Rundown Comedy Revue, which is produced by CNCF. He has also provided backup music for both local and visiting storytellers at the annual Gimistory International Storytelling Festival.

Mr. Jones was part of the Cayman Islands CARIFESTA delegations in 2017 and 2019. In 2014 he was honoured by the Honorary Consul of Barbados in Cayman for his leadership, contribution and service to the community. He also received a Lifetime Achievement Award at the Barbados Music Awards in 2013, and in 2015 Square One was recognised by the Barbados Music Awards as one of the greatest bands of all time.

Risk Management

Key strategic risk	Impacts	Actions to mitigate risk	Financial value of risk
The extent of foreign media influences and a new / imported cultural paradigm into the Cayman Islands.	Threats presented to long-held traditions and national identity.	Deliver programming to educate community (public and private sector) as to cultural heritage preservation and its importance to both cultural development and national identity in an increasingly globalised society.	Incalculable
Key compliance risk	**Impacts**	**Actions to mitigate risk**	**Financial value of risk**
Failure to comply with new government accounting standards for government-controlled organisations.	Government and sponsors could lose confidence in CNCF's ability to meet mandate and as a result reduce funding to CNCF - reduction in revenue.	Financial statements and supporting documentation submitted within Statutory deadlines. Careful attention paid to existing / new policies, procedures, and laws. Seek CIG guidance, direction, assistance and training.	> $500,000
Key operational risk	**Impacts**	**Actions to mitigate risk**	**Financial value of risk**
Natural Disasters	Loss or damage to the FJ Harquail Theatre buildings, contents, computers and technical equipment and/or to *Mind's Eye* (Gladwyn Bush Cultural Heritage Site, South Sound) buildings and contents.	• Emergency Management Plan in place • Annual fire safety inspections • Sufficient fire extinguishers that are regularly serviced • Annual hurricane preparedness exercises • Removal and safe storage of portable equipment/contents when a hurricane is imminent • Ongoing internal and external building maintenance	$10,000,000
Key financial risk	**Impacts**	**Actions to mitigate risk**	**Financial value of risk**
Economic downturn, CIG budget deficits.	Cuts in funding resulting in insufficient resources to effectively achieve mission.	Continue to educate community (public and private sector) as to the return on investment of cultural tourism and cultural industry, and the inherent value of arts and culture to both national identity and economic stability.	>$500,000
Key reputational risk	**Impacts**	**Actions to mitigate risk**	**Financial value of risk**
Lack of funding for appropriate staffing levels, despite the labour intensive nature of CNCF's work.	Staff members responsible for multiple roles; staff burnout; performance standards possibly compromised.	Robust volunteer programme; on-going situational reports to Board.	>$500,000

Financial Audits

CNCF received unqualified financial audits each year from 2009 to 2015.

> Following CNCF's 2014 Audit, the Auditor General recommended that monies owed as reimbursement for insurance premiums be reclassified as an equity injection. He stated, in part:
>
> *Observation: A sizeable payable balance of CI$418,319 has accumulated in the financial records of the Foundation in respect of insurance costs due to the Cayman Islands Government's Risk Management Unit. It is unlikely that the Foundation will be able to pay this amount without an equity injection from the Cayman Islands Government. It is our understanding that the Foundation is pursuing resolution with the Government as to the amounts to be paid and amounts which are to be converted into equity.*
>
> *Risks: A risk arises that the Foundation's liabilities are not fairly stated as the large accumulated payable balance is unlikely to represent amounts to be paid by the Foundation. As a result, the Foundation's financial statements may not reflect the substance of the liability.*
>
> *Recommendation: The Foundation continues to pursue the Cayman Islands Government to resolve the amounts that will be paid to the risk management unit and the amount that will be converted into equity and establishes a suitable mechanism going forward to ensure insurance expenses do not accumulate again.*

CNCF received a qualified audit opinion in 2015/16 and 2016/17 on the basis that:

> *The Foundation was named as a defendant, among others, in a personal injury claim where a judgement was awarded during the year ended 30 June 2016. The judgment was awarded in the plaintiff of $5,946,889 with a further sum and liability for legal costs still to be determined. We understand that the awarded amount has been partially paid by the Cayman Islands Government and no determination has been made with respect to whether reimbursement of the claim costs will be sought from the Foundation, or if the payment will be considered an additional contribution to the Foundation, as the Foundation is financially dependent on the Cayman Islands Government. We are unable to obtain sufficient, appropriate audit evidence relating to the amount of the damages applicable to the Foundation. Consequently, we are unable to determine whether any adjustments, if any, were necessary to make to the financial statements.*

CNCF received an unqualified audit opinions in 2018 and 2019.

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Cayman National Cultural Foundation in accordance with the provisions of the Public Management and Finance Act (2020 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 Act (2020 Revision).

As Chairman and Managing Director we are responsible for establishing, and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Cayman National Cultural Foundation.

As Chairman and Managing Director we are responsible for the preparation of the Cayman National Cultural Foundation financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Cayman National Cultural Foundation for the financial year ended 31 DECEMBER 2020.

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

(a) completely and reliably reflect the financial transactions of Cayman National Cultural Foundation for the YEAR ENDED **31 DECEMBER 2020**

(b) fairly reflect the financial position as at **31 DECEMBER 2020** and performance for the YEAR ENDED **31 DECEMBER 2020;**

(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 and its agent has been provided access to all the information necessary to conduct an audit in accordance with International Standards of Auditing.

Marcia Muttoo
Managing Director

29 April 2021

Martyn Bould
Chairman

29 April 2021

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

2019 Actual (CI$)		Note	2020 Actual (CI$)	2020 Budget (CI$)	Actual vs Final Budget Variance (CI$)
	Current Assets				
92,438	Cash and cash equivalents	2,11	3,332,814	133,398	(3,199,416)
175,465	Government grant and other receivables	3	384,378	377,162	(7,216)
12,211	Other financial assets		17,557	3,431	(14,126)
280,114	**Total Current Assets**		**3,734,749**	**513,991**	**(3,220,758)**
	Non-Current Assets				
7,462,981	Property and equipment	4	7,510,800	7,338,722	(172,078)
804,662	Other Non-Current Assets	4	827,462	887,154	59,692
8,267,643	**Total Non-Current Assets**		**8,338,262**	**8,225,876**	**(112,387)**
8,547,757	**Total Assets**		**12,073,011**	**8,739,867**	**(3,333,144)**
	Current Liabilities				
241,416	Trade payables	5,11	459,602	338,532	(121,070)
134,516	Other payables and accruals	5	159,467	19,970	(139,497)
375,932	**Total Current Liabilities**		**619,069**	**358,502**	**(260,567)**
	Non-Current Liabilities				
73,143	Advanced donations	6	27,877	50,000	22,123
73,143	**Total Non-Current Liabilities**		**27,877**	**50,000**	**22,123**
449,075	**Total Liabilities**		**646,946**	**408,502**	(238,444)
8,098,682	**Net assets**		**11,426,065**	**8,331,365**	**3,094,701**
	Equity				
719,451	General fund	14	688,975	922,134	(233,159)
-	Restricted Fund	14	3,147,859	-	3,147,859
3,359,558	Contributed capital	14	3,569,558	3,389,558	180,000
4,019,673	Property Revaluation		4,019,673	4,019,673	-
8,098,682	**Total Equity**		**11,426,065**	**8,331,365**	**3,094,700**

The accounting policies and notes on pages 6 - 17 form an integral part of these financial statements.

Approved on behalf of the Board of Directors on 29 April 2021

Managing Director

Chairman

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

2019 Actual (CI$)		Note	2020 Actual (CI$)	2020 Budget (CI$)	Actual vs Final Budget Variance (CI$)
	Revenue				
760,000	Sale of Outputs to Cabinet	**7**	1,088,800	1,088,800	-
110,544	Other revenue	**7,11**	93,990	324,925	230,935
-	Harquail Bequest	**7,11**	3,147,859	-	(3,147,859)
81,725	Theatre rental	**7,11**	41,465	80,000	38,535
952,269	**Total Revenue**		**4,372,114**	**1,493,725**	**2,878,389**
	Expenses				
438,747	Personnel costs	**8,11,12**	570,954	620,762	(49,809)
578,080	Operating and administrative expenses	**9,11**	517,498	784,550	(267,052)
138,125	Depreciation	**4**	153,578	88,413	65,165
1,154,952	**Total Expenses**		**1,242,030**	**1,493,725**	**251,695**
(202,683)	**Surplus for the year**		**3,130,084**	-	**3,130,084**

The accounting policies and notes on pages 6 - 17 form an integral part of these financial statements.

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

Attributable to Cayman Islands Government

	Contributed Capital (CI$) (note 14)	Property Revaluation (CI$)	General Fund (CI$) (note 4)	Restricted Fund (CI$) (note 14)	Actual (CI$) (note 14)	2020 Original Budget (CI$)	Final Budget (CI$)	Variance (Actual vs Final Budget) (note 11(b))
Balance at 30 December 2018	3,359,558	4,019,673	922,134	-	8,301,365	4,273,408	4,273,408	(4,027,957)
Deficit for the period	-	-	(202,683)	-	(202,683)	(114,482)	(114,482)	88,201
Balance at 31 December 2019	**3,359,558**	**4,019,673**	**719,451**	**0**	**8,098,682**	**4,158,926**	**4,258,926**	**3,939,758**
Equity Investment from Cabinet	210,000				210,000	30,000	210,000	180,000
Pirates Week Office Transfer			(12,701)		(12,701)	-	-	(12,701)
Surplus / (Deficit) for the year			(17,774)	3,147,859	3,130,084	-	3,130,084	3,130,084
Balance at 31 December 2020	**3,569,558**	**4,019,673**	**688,975**	**3,147,859**	**11,426,065**	**4,188,926**	**7,599,010**	**7,237,141**

The accounting policies and notes on pages 6 - 17 form part of these financial statements.

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

2019 (CI$)		Note	2020 (CI$)	Original Budget (CI$)	Variance (Actual vs Final)
	CASH FLOW FROM OPERATING ACTIVITIES				
	Receipts				
767,503	Sale of outputs to Cabinet		925,680	1,070,643	144,963
110,544	Other revenue		93,989	324,925	230,936
	Harquail bequest		3,147,859	-	(3,147,859)
81,725	Theatre rental		41,465	80,000	38,535
	Payments				
(438,747)	Personnel costs		(570,951)	(620,762)	(49,811)
(440,640)	Operating and administrative expenses		(374,164)	(821,172)	(447,008)
(80,385)	**Net cash flows (used in)/generated by operating activities**		3,263,878	33,634	(3,230,244)
	CASH FLOW FROM INVESTING ACTIVITIES				
(85,558)	Purchase of property, plant and equipment	4	(221,341)	(30,000)	191,341
(85,558)	**Net cash flows used in investing activities**		(221,341)	(30,000)	191,341
	CASH FLOW FROM FINANCING ACTIVITIES				
(29,349)	Contributed capital : CIG Equity Injection	4	210,000	30,000	(180,000)
(29,349)	Net receipt of advance donations		(45,266)	30,000	75,266
(29,349)	**Net cash flows used in financing activities**		164,734	60,000	104,734
(34,522)	**Net (decrease)/increase in cash and cash equivalents**		3,207,271	63,634	(3,143,637)
126,960	Cash and cash equivalents at beginning of period		125,543	99,764	(25,799)
92,438	**Cash and cash equivalents at end of period**		**3,312,814**	**163,398**	**(3,169,436)**

Cash and cash equivalents reported above comprises the following items presented in the Statement of Financial Position:

Unrestricted Cash Balance	184,955	163,398	(21,557)
Restricted Cash Balance – Capital Fund	3,147,859	-	(3,147,859)
	3,332,814	**163,398**	**(3,169,416)**

The accounting policies and notes on pages 6 - 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

Description

The Cayman National Cultural Foundation (the "Foundation") is a statutory authority regulated by the government of the Cayman Islands. The Foundation was formed on 9 October 1984 in accordance with the Cayman National Cultural Foundation Law, 1984. The Foundation is funded primarily by an annual grant from the Cayman Islands Government through the Ministry Health, Environment, Culture and Housing ("the Ministry").

Scope of Activities

The scope of *Cayman National Cultural Foundation* activities is as follows:

- The stimulation and facilitation of culture generally;
- The development, maintenance and management of theatres and other cultural facilities, in particular the F J Harquail Cultural Centre and Mind's Eye—the Visionary World of Gladwyn Bush;
- Organising cultural festivals;
- Stimulation of the development of local talent by means of training, workshops, competitions, exhibitions, pageants, parades, displays and other such activities;
- Assisting persons in developing cultural and artistic expression, including the preservation and exploration of Caymanian cultural heritage.

Location and Address

Cayman National Cultural Foundation
FJ Harquail Cultural Centre
17 Harquail Drive
PO Box 30201
Grand Cayman KY1-1201 CAYMAN ISLANDS

Number of Employees

The Foundation employs 5 Full-time and 2 Part-time personnel (2 Full-time posts were vacant in current year).

Mission Statement

To stimulate, facilitate and preserve cultural and artistic expression generally, particularly the preservation and exploration of Caymanian performing, visual and literary arts.

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. The financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New and revised accounting standards
Certain new accounting standards have been published that are not mandatory for the 31 December 2020 reporting period and have not been early adopted by CNCF. CNCF's assessment of the impact of these new standards is set out below:

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and

Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Authority's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defined social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured.

Note 1: Significant Accounting Policies

(a) Basis of preparation
The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis.

Note 1: Significant Accounting Policies (continued)

(b) Budget amounts
The original budget amounts for the financial period are as presented in the 2020 Annual Budget Statement and approved by the Minister of Culture on 31 December 2019.

(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. Depreciation and the calculation of the estimated useful lives of Property, Plant and Equipment is considered to be a key judgement made by management in the preparation of the financial statements.

(d) Reporting period
The reporting period is for the 12 months commencing 1 January 2020 and ending 31 December 2020.

(e) Revenue from exchange transactions
Revenue is generally recognised when earned by the Foundation. The revenue recognised is the fair value of the consideration received for the sale of goods and services. Revenue from exchange transactions includes theatre rentals and ticket sales presented within other revenue in the statement of financial performance.

(f) Revenue from non-exchange transactions - government grants
Revenue from non-exchange transactions is generally recognised when the event occurs, and the resulting asset's recognition criteria are met. Revenue from non-exchange transactions includes donations and government grants.

(g) Expenses
Expenses are recognised in the accounting period in which they are incurred.

(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.

(i) Property and equipment
Property and equipment is stated at historical cost less accumulated depreciation. Items of property 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 period in which the asset is acquired. Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property and equipment (other than land and heritage assets); less any estimated residual value, over its estimated useful life.

Asset Type	*Estimated Useful life*
Building	50 years
Land improvements	3-10 years
Furniture and other equipment	7 years
Motor Vehicles	5 years
Property Improvements	7-10 years

(i) Property and equipment (continued)

Heritage assets
IPSAS 17 *Property, Plant and Equipment* provides optional recognition of heritage assets. Works of art are considered to be heritage assets.

Disposals
Gains and losses on disposals of property and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the period are included in the statement of financial performance.

(j) Impairment of assets

The Foundation considers all assets held to be non-cash generating assets, as the primary objective of holding the assets is not to generate a commercial return, but rather to fulfil the Foundation's objectives. The Foundation assesses whether there is any indication that non-cash generating assets may be impaired at each reporting date. If any such indication exists, the Foundation shall make a formal estimate of the recoverable service amount of the asset.

Impairment losses are recognized in the statement of financial performance.

(k) Employee benefits
Employee entitlements to salaries and wages, annual 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 period end are reported as current liabilities at the amount expected to be paid. Pension contributions for employees of the Foundation are paid to the Silver Thatch Pension Fund (the "Fund"). The Fund is a defined contribution fund. Employees have a mandatory contribution of 5% of their salary, which is matched by the Foundation.

(l) Financial instruments
The Foundation is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, government grant and other receivables, trade payables, other payables and accruals and advance donations, 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, government grant and other receivables and other financial assets. 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 liabilities comprise of trade payables, other payables and accruals and advanced donations.

Recognition
The Foundation 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.

Loans and receivables are recognised on the day they are granted by the Foundation.

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 fair value, which is considered to approximate historic cost 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 (i.e. the effective interest method).

De-recognition
A financial asset is de-recognised when the Foundation 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.

(m) Contingent Liabilities and Assets
Contingent liabilities are not recognised but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised but are disclosed in the financial statements when an inflow of economic benefits is probable.

(n) Foreign Currency
Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the statement of financial performance.
At the end of the reporting period the following exchange rates are 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.

NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of Cayman National Cultural Foundation maintained at First Caribbean International Bank; and short term deposits invested with the Cayman Islands Government Treasury. As at 31 December 2020 Cayman National Cultural Foundation unrestricted cash balances were as presented below. No restricted cash balances were held by the Cayman National Cultural Foundation at 31 DECEMBER 2020 (2019: none).

Actual Prior Year	Description	Actual Current Year	Budget	Variance (Original vs Actual)
77,519	CI$ Operational Current Account	215,218	92,933	(122,285)
521	US$ Operational Current Account	10,623	26,000	15,377
14,398	CI$ Fixed Deposit	236,132	14,465	(221,667)
-	US$ Fixed Deposits	2,870,841	-	(2,870,841)
92,438	**TOTAL**	**3,332,814**	**133,398**	**(3,199,416)**

Included in the cash and cash equivalents balance is $3.15M restricted cash. This relates to a bequest received from the estate of the late Mrs Harquail. These funds have been set aside by the Foundation for special capital projects or major emergencies.

Note 3: Trade and other receivables

At year-end all overdue receivables have been assessed and appropriate provisions calculated based on expected losses for the Foundation and review of specific debtors. Expected losses have been determined based on an analysis of the Foundation losses in previous periods. Bad debt expense recorded in the current financial year is CI$273 (2019: $360). Included in the government grant and other receivable balance is government grant receivable balance of CI$272,200 (2019: CI$165,000).

Note 4: Property, plant and equipment

Cost

	Land (CI$)	*Buildings (CI$)*	*Furniture & Fittings (CI$)*	*Motor Vehicles (CI$)*	*Heritage Assets (CI$)*	*Property Improvements*	*Total*
Balance as at 1 January 2019	3,230,000	4,173,051	323,319	23,611	914,822	27,916	8,692,719
Transfer to Heritage Assets	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Additions	-	-	13,276	-	-	72,282	85,558
Balance as at 31 December 2019	3,230,000	4,173,051	336,595	23,611	914,822	100,198	8,778,277

	Land	*Buildings*	*Furniture*	*Motor Vehicles*	*Heritage assets*		*Total*
Balance as at 1 January 2020	3,230,000	4,173,051	336,595	23,611	914,822	100,198	8,778,277
Transfer to Heritage Assets	-	-	136,548	-	-	-	136,548
Revaluation	-	-	-	-	-	-	-
Additions	-	-	105,512	-	22,800	95,777	224,089
Balance as at 31 December 2020	3,230,000	4,173,051	578,655	23,611	937,622	195,975	9,138,914

Accumulated Depreciation

	Land	*Buildings*	*Furniture & Fittings*	*Motor Vehicles*	*Heritage Assets*	*Property Improvements*	*Total*
Balance as at 1 January 2019	-	-	238,738	23,611	110,160	-	372,509
Transfer to Heritage Assets	-	-	-	-	-		-
Depreciation Expense 2019	-	112,079	21,591	-	-	4,455	138,125
Revaluation	-	-	-	-	-	-	-
Balance as at 31 December 2019	-	112,079	260,329	23,611	110,160	4,455	510,634

Balance as at 1 January 2020	-	112,079	260,329	23,611	110,160	4,455	510,634
Transfer	-	-	136,548	-	-		136,548
Depreciation Expense 2020	-	112,079	25,941	-	-	15,486	153,506
Revaluation	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	224,158	422,782	23,611	110,160	19,941	800,652

Net Book value 31 December 2019	3,230,000	4,060,972	76,266	-	804,662	95,743	8,267,643

Net Book value 31 December 2020	3,230,000	3,948,893	155,837	-	827,462	176,034	8,338,262

NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment (continued)

Property Revaluation

The Foundation's properties, which include the Buildings and Land of the FJ Harquail Cultural Centre and Mind's Eye–the Visionary World of Gladwyn K. Bush, were revalued in May 2019 for the year ended 30 June 2016. The fair value of $7,403,051 was included in the EPS accounts as at 30 June 2016 at CIG request. The resulting revaluation gain of $4,019,673 was reported in the Income Statement as other comprehensive income and the Statement of Financial Position.

CI$95,777 (2019: CI$0) towards property improvements that was funded by Cayman Islands Government capital funding was included in Fixed Assets: Property Improvements.

Note 5: Trade payables, other payables and accruals

Actual Prior Year		Actual Current Year	Budget	Variance (Original vs Actual)
241,416	Other government agencies	459,602	338,532	(120,070)
1,847	Payroll Deductions	15,385	9,000	(6,385)
132,669	Other payables	144,082	60,970	(83,112)
375,932	**Total trade payables other payables and accruals**	**619,069**	**408,502**	(210,567)

Amounts payable to other government agencies relates primarily to annual property insurance premiums that are due to be paid to Government Risk Management Unit. As at 31 December 2020 the amount payable for property insurance totals CI$293,474 (31 December 2019: CI$238,778).

Note 6: Advanced Donations

During the year ended June 30, 2009, the Foundation began collecting donations to restore the house of the late Gladwyn K. Bush ("Miss Lassie"), who was a famous Caymanian artist. The Long-term Liability Account: Save Miss Lassie's House, records funding from CIG as advance donations in regard to the conservation and development of the property, of which CI$425 in donations was received for the year ending 31 December 2020, (2019: $75). During the year expenditures of $45,691 (31 December 2019: $29,349) were incurred in the maintenance and upkeep of this property.

Note 7: Revenue

The Foundation is funded primarily by an annual grant from the Cayman Islands Government Ministry of Culture, which purchases deliverables (Outputs) from the Foundation in order to achieve broad outcomes on behalf of the people of the Cayman Islands. The work of the Foundation covers the full scope of artistic disciplines: Theatre, Dance, Music, Visual, Literary and Traditional Arts, and incorporates cultural preservation, the presentation of cultural festivals, artistic development, youth arts, special projects, and the management of two of Cayman's most significant cultural built properties. The Foundation's Outputs to the Cayman Islands Government are: NCF1 – Arts and Culture Preservation, Documentation and Promotion; NCF2 – Production / Management of Cultural Festivals / International Exchange/Local Partnerships; NCF3 – Management of Operations and Maintenance of FJ Harquail Cultural Centre (FJHCC); NCF4 – Training And Support For Artistic Development; NCF5 – Offering Youth Arts Programming.

Note 7: Revenue (continued)

Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands Government.

Actual Prior Year	Revenue type	Actual Current Year	Budget	Variance (Original vs Actual)
760,000	Outputs to Cabinet	1,088,800	1,088,800	-
83,154	Other	76,134	120,000	43,866
-	Bequest from estate of Helen Harquail	3,147,859	-	(3,147,859)
26,011	Donations	17,314	204,925	187,611
81,725	Rentals of Harquail Theatre	41,465	80,000	38,535
1,379	General sales (misc.)	542	-	542
952,269	**Total sales of goods and services**	**4,372,114**	**1,493,725**	**(2,878,389)**

Donations made to the Foundation were as follows:

Source	Purpose	Actual Current Year	Actual Prior Year
Estate of the late Helen Harquail	**Last Will and Testament – One-time Bequest**	3,147,859	
Walkers Global	**Cultural Exchange / Festivals – Cayfest**	1,000	
Caribbean Airlines	**Cultural Exchange / Festivals – Cayfest**	2,050	
Water Authority	**Theatrical Production Sponsorship and Cultural Exchange / Festivals**	3,000	
Cayman Spirits	**Cultural Exchange / Festivals – Cayfest**	1,500	
CUC	**Theatrical Production Sponsorship**	3,000	1,000
Maples Group	**Theatrical Production Sponsorship**	1,000	
Island Heritage	**Cultural Exchange / Festivals – Cayfest and Gimistory**	4,000	10,000
Donations < $1,000 each	**Cultural Exchange / Festivals and Theatre Production**	1,764	
Kaaboo	**Core expenses**		3,311
Indian HC	**Core expenses**		2,216
UCCI	**Cultural Exchange / Festivals – CARIFESTA Tour**		2,396
100 Women Who Care	**Core expenses**		1,000
Water Authority	**Theatrical Production Sponsorship**		1,000
Donations < $1,000 each	**Cultural Exchange / Festivals – Cayfest and CARIFESTA**		4,088
CNB	**Theatrical Production Sponsorship**		1,000
Total donations		**3,165,173**	**26,011**

Among the donations received in 2020, were funds in the amount of CI$3,147,859 bequeathed to the Foundation by the benefactor of the FJ Harquail Cultural Centre (FJHCC), the late Mrs. Helen Harquail, MBE. The outright gift has been earmarked by the Foundation, in accord with the estate's executors, as Restricted Funds.

NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Cayman Islands Dollars)

Note 8: Personnel costs

Actual Prior Year	Description	Actual Current Year	Budget	Variance (Original vs Actual)
375,381	Salaries, wages and allowances	488,671	510,241	21,570
44,445	Health care	57,945	85,131	27,186
18,921	Pension	24,338	25,390	1,052
438,747	**Total Personnel Costs**	**570,954**	**620,762**	**~~(49,808)~~**

Note 9: Operating and administrative expenses

Actual Prior Year	Description	Actual Current Year	Budget	Variance (Original vs Actual)
265,164	Cultural Development Expense (incl Pirates Week and Cayman Carnival Exp)	150,879	414,221	263,342
95,077	Maintenance/Repairs Property, Automobile, Computers, Insurance	113,935	95,075	(18,860)
82,040	Utilities and Communications	70,675	82,041	11,366
86,175	General Administration (Fees, Permits, Audit, Advertising, Travel & Subs))	168,317	132,853	(35,464)
360	Bad Debt Expense	273	360	87
49,264	Theatre Production Expense	13,419	60,000	46,581
578,080	**Total Operating and administrative expenses**	**517,498**	**784,550**	**267,052**

Note 10: Going concern

The coronavirus outbreak has caused significant disruption in both global and local economies. However, the Foundation charted new strategies for delivering much of its planned live programming, so as to address restrictions on gatherings, by presenting the events through virtual broadcasts. As a result, the Foundation was able to achieve sufficient savings in order to be able to meet its obligations as they became due, and has remained a going concern, which it expects to do for the foreseeable future. The Foundation is dependent on the continued financial support of the Cayman Islands Government in order to continue operating as a going concern and there is no indication that the Cayman Islands Government will withdraw funding of the Cultural Foundation.

Note 11: Explanation of major variances against final budget

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

Statement of financial performance

Other revenue – Production Income
With the social distancing protocols instituted by the Cayman Islands Government in response to the COVID-19 pandemic, the Foundation was unable to produce live events and programming for more than half of the year 2020. Nevertheless, the Foundation continued to engage with artists and the general public, and its 4,500+ social media followers by means of twice-weekly radio broadcasts, online entertainment, and informational and educational programming.

***Statement of financial performance* (continued)**

Other revenue – Donations
Regular sponsorships and donations to the Foundation – which have been on the decline as health-related charities attract a greater and greater share of the sponsorship dollars – were particularly challenging for the entity in 2020. Most businesses in the Cayman Islands suspended their giving programmes in light of the medium-term impact and projected long-term effects of COVID-19 on the global and local economies.

The Foundation was the recipient of a CI$3,147,859 bequest from the will of the late long-time Cayman resident, Mrs. Helen Harquail, which has been earmarked by the Foundation as Restricted Funds, to be used for special Capital Projects or major emergencies. (2019: $0)

Theatre Rental
Due to curfews and stay-in-place protocols instituted by the Cayman Islands government in response to the coronavirus pandemic, the Harquail Cultural Centre was not open for rental from April to July 2020, resulting in a marked reduction in theatre rental income compared to the previous year.

Operating Expenses
The Cayman Islands Government transferred administrative responsibility for the Pirates Week Festival to the Foundation as of 1 January 2020, which necessitated the incorporation of the Pirates Week accounts into those of the Foundation.

Having received an advance of capital funding approved in the Cayman Islands Government 2021 budget, the Foundation was able to replace the damaged and inoperative air conditioning systems at the FJ Harquail Cultural Centre. At the same time new lighting and sound systems were purchased to replace obsolete equipment that was no longer functioning reliably.

Statement of financial position

Cash and cash equivalents and Advance donations
A commitment given by Cabinet in 2009 to provide annual funding for the preservation of the Mind's Eye property has not resulted in reliable funding. No CIG funding was received specifically for the property in either 2019 or 2020, however the Foundation has continued to engage in routine maintenance and improvements that can be accomplished within the core budget.

Trade payables and Other payables and accruals
The Foundation depends primarily on Government funding and has not been in a position to reimburse to Government premiums paid on its behalf for property insurance. In 2015, the Ministry of Finance & Economic Development approved the transfer of $409,277 in insurance liability to contributed capital. In the subsequent financial year, Risk Management resumed billing the Foundation. This payable to the Government of the Cayman Islands increased during the period ended 31 December 2020 to $293,474.

Note 11(b):

The original budget for the fiscal year ended 31 December 2020 was CI$1.09M. In accordance with Section 11(5) *Public Management Finance Act (2020 Revision),* authorization was given on 10 March 2020 to reallocate $180K from the 2021 fiscal year for urgent capital repairs and replacements of technical and air-conditioning equipment at the FJ Harquail Cultural Centre.

Note 12: Related party and key management personnel disclosures

Related party disclosure

The Foundation derives a major source of its revenue from government. The Foundation and its key management personnel transact with other government entities on a regular basis. These transactions were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Description	Actual Current Year	Actual Prior Year
Salaries & other short-term employee benefits	240,444	210,623
Christmas Gifts	-	6,580
Other amounts paid	-	5,000
Total	**240,444**	**222,203**
Number of key management personnel	2	2

Permanent staff received an increase as a result of the Portfolio of Civil Service's reassessment of Salary Scales, retroactive from 1 January 2020. (2019: Salary scales reassessments). No additional amounts were paid to staff or key members of management. Non-executive board members receive no fees or remuneration.

At 31 December 2020 (31 December 2019: none) no loans are due from key management personnel.

Note 13: Financial instruments risks

The Foundation is exposed to a variety of financial risks including credit risk, liquidity risk and exchange rate risk. The Foundation's risk management policies are designed to identify and manage these risks.

Credit risk

In the normal course of its business the Foundation is subject to credit risk from debtors other than the Cabinet. The Foundation does not have significant concentrations of credit risk for its other financial instruments. In addition, cash and cash equivalents are held with a reputable financial institution in the Cayman Islands. The Foundation considers the financial institution to be financially secure and well managed.

Currency and interest rate risk

The Foundation has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Foundation closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Foundation maintains a target level of available cash to meet liquidity requirements.

All of the Foundation's financial liabilities, except for amounts due to the Cayman Islands Government will be settled in less than six months from the date of these financial statements.

Note 14: Capital management

The Foundation has no legislated minimum capital requirements. Contributed capital relates to assets contributed by the Cayman Islands government, which the Foundation utilizes to achieve its objective. The General Fund reflects the accumulation of profits and losses. The General Fund is managed through a strict budget approval and monitoring process.

Among the donations received in 2020, were funds in the amount of CI$3,147,859 bequeathed to the Foundation by the benefactor of the FJ Harquail Cultural Centre (FJHCC), the late Mrs. Helen Harquail, MBE. The outright gift is restrictive and not for operations of the Foundation. As at 31 December 2020, the proceeds from the bequests were invested in fixed term deposits and in a restricted cash account, earmarked for capital projects or major emergencies. Among the FJHCC projects that have been prioritised are the installation / construction of 1) A storm management system; 2) new sewerage system; 3) upgrades to the Studio Theater; 4) storage spaces and rehearsal rooms; and 5) a banquet room and lounge adjacent to the main theatre.

Note 15: Subsequent Events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to 28 April 2021 which is the date that the financial statements were available to be issued.