



MINISTRY OF
INTERNATIONAL TRADE,
INVESTMENT, AVIATION
& MARITIME AFFAIRS
CAYMAN ISLANDS GOVERNMENT

**ANNUAL REPORT
JANUARY - JUNE 2021**

This is the Annual Report for the Ministry of International Trade, Investment, Aviation and Maritime Affairs (the "Office"), of the Cayman Islands Government.

This report outlines the Office's performance during the period from January 1st, 2021 to June 30, 2021 in comparison to that which was outlined in the Office's budget for the corresponding period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Act (2020 Revision) ("PMFA").

DEPARTMENTS AND AUTHORITIES

Cayman Islands Government Office United Kingdom: Promotes the welfare of Caymanians, advances understanding of the Cayman Islands, and develops the interests of the Cayman Islands Government in the UK and Europe.

Maritime Authority of the Cayman Islands (MACI) / CI Shipping Registry: Charged with national maritime administration for the Cayman Islands and facilitates the development of Cayman as an international maritime centre.

Civil Aviation Authority (CAA): The statutory authority responsible for aviation safety regulatory oversight throughout the Cayman Islands and for aircraft registered in the Cayman Islands wherever they operate.

Air Transport Licensing Authority: Under the CAA, the body responsible for issuing permits that enable foreign registered aircraft to operate for passengers, cargo or aerial work in the Cayman Islands.

MINISTER

Hon. Alden McLaughlin, MBE, JP, MLA

Minister of International Trade, Investment, Aviation and Maritime Affairs

MITIAMA Staff

Eric Bush, JP, Cert.Hon. Chief Officer	Evana Martinez PA to Chief Officer
Andrea Fa'amoe, Cert.Hon. Deputy Chief Officer	Shushan O'Connor, Finance Manager
Vinton Chinsee Chief Financial Officer	Kendra Okonski Senior Policy Advisor Global Communications
Tristaca Ebanks, Cert.Hon. Special Events Coordinator	Shennique Seales North America Desk Officer
Trevor Gibbs Senior Policy Advisor, Investment	Stacie Sybersma Senior Policy Advisor Aviation and Maritime Affairs
Ashlyn Goubault-Ebanks Europe Desk Officer	Sean Whewell Asia Desk Officer

MITIAMA History and Strategic Objectives

In January 2019, the Ministry of International Trade, Investment, Aviation and Maritime Affairs was formally announced. In addition, a letter of entrustment was provided by the UK government, authorizing the establishment of a Cayman Islands Government Office in Hong Kong.

The departments, offices and statutory authorities that fall within the Ministry are those which have a principal focus on external trade and customers; these entities were transferred to MITIAMA.

In order to achieve MITIAMA's strategic objectives, foundational work was undertaken during the course of 2019 to create and sustain an effective, capable and appropriately funded ministry.

The formation and development of the Ministry's staff complement was undertaken through the Cayman Islands Government's Portfolio of the Civil Service. The Ministry's office infrastructure was embedded within the Government Administration Building.

MITIAMA's strategic objectives are:

- To promote the Cayman Islands as one of the world's best places to invest, innovate, work, live, and visit;
- To advance the economic and political interests of the Government, the people and the business community, and;
- To attract investment in the Cayman Islands' economy, working in tandem with the private sector.

Each strategic objective is supported by a framework for the Ministry's day-to-day work: Promoting the Cayman Islands:

- Create and undertake an external communications and marketing strategy built around a national brand that is distinctive and reflects the core attributes of the Cayman Islands.
- Liaise with other government ministries involved in international affairs, and leverage opportunities for collaboration.
- Advance bilateral relationships in key jurisdictions
- Participate regularly in relevant international fora.

Advancing the economic and political interests of the government, the people and the business community:

- Build and develop political alliances with the United Kingdom, with other British Overseas Territories, and the Commonwealth.
- Establish ongoing relationships with the UK Government's respective departments involved in investment and trade.
- Increase trade and investment in Cayman's economy with an investment strategy that aligns with local priorities for economic diversification, sustainability and resilience.
- Work with the private sector and other local stakeholders to identify and pursue opportunities for external collaboration.

Attracting investment in the Cayman Islands' economy, working in tandem with the private sector:

- Establish a network of global offices to attract and aid business that originates in those jurisdictions, initially focusing on Asia/Middle East, Europe and North America.
- Develop an outward-facing investment "gateway" and internal framework that provides a high standard of customer service and responsiveness for potential investors.

MITIAMA PROJECTS - 2021

Global Strategy Development

Two of the Ministry's strategic projects – one for global trade and investment with KPMG, and one for global marketing and communications with Lansons – began in early 2020.

As both projects were underway in the midst of significant global economic changes and political uncertainty, they were able to utilize insights produced through the Strategic Economic Advisory Committee during May- June 2020 (including its stakeholders, reports and Steering Group) as well as KPMG's and Lansons' expertise in current global trends.

Both projects were delivered in spring 2021.

Investment, Innovation and Social Development Strategy for the Cayman Islands

MITIAMA commissioned a comprehensive evaluation of economic, social and environmental priorities, based on extensive stakeholder consultation within Cayman. This strategy, completed in April 2021, comprises a comprehensive 'roadmap' and short/medium/long term strategy for policymakers that aligns the Cayman Islands' priorities with the UN Sustainable Development Goals.

The report identifies priority areas – including institutions, infrastructure, skills, the labor market, business dynamism and innovation capability – that will enable Cayman to increase its competitiveness relative to other leading jurisdictions, while improving economic diversification, resilience and sustainability.

The strategy was presented to Minister André Ebanks, Chief Officer Eric Bush, Ministry staff and members of the Steering Group in May 2021.

Global Marketing and Reputation Strategy for the Cayman Islands

This strategy was developed following an audit of communications materials ("How Cayman is presented to the world"), public perceptions ("How the world sees Cayman"), data/research, combined with insights drawn from 17 focus groups conducted in the Cayman Islands between January and April 2021. Final deliverables were presented to Minister André Ebanks, Chief Officer Eric Bush, Ministry staff and members of the project's Steering Group in May 2021.

Economic Impact of Film Production in the Cayman Islands 2021

MITIAMA commissioned a report to estimate the expected economic impact of two separate film production companies in the Cayman Islands during the first six months of 2021. The resulting analysis, entitled "Economic impact of film production in the Cayman Islands" (August 2021), showed that the activity of both production companies contributed an estimated KYD 11.41 million to the Cayman Islands' Gross Domestic Product ("GDP") during the period on island, and that it supported 107 full time equivalent years of employment ("FTEs") across the economy in the Cayman Islands. The report was circulated to relevant Government stakeholders, including the Film Commission, and was featured in an analysis by the Cayman Compass.

Made in Cayman

MITIAMA began the development of an export protocol and distinguishing mark for "Made in Cayman" products, including a roundtable discussion with local manufacturers to determine their needs. This feedback was incorporated into the documents outlining the proposed "Made in Cayman" program.

Expo 2020 Dubai

Between 2019 and 2020, MITIAMA held a series of meetings with the UK Government, and in particular the Department of International Trade regarding participation at World Expo Dubai 2020. The overall Expo event was delayed by one year, to commence in October 2021 and conclude in March 2022.

The Cayman Islands is the only British Overseas Territory which has partnered with the UK to exhibit in its bespoke pavilion within the exhibition site, to showcase Cayman's culture, cuisine, heritage, policy initiatives, and industries. Following the election in April 2021, participation was delayed until January 2022.

Overseas offices

MITIAMA received Cabinet's directive on 12 January 2021 to establish three additional CIG overseas offices by the end of 2021, in Hong Kong (Asia), Brussels (European Union) and Washington, DC (North America).

On 28 April 2021, operational management responsibility for the CIG UK office was transferred to the Cabinet Office and responsibility for the CIG European Union office was transferred to the Ministry of Financial Services and Commerce (MFSC). On 17 July 2021, responsibility for the North America and Asia offices was moved from the Ministry of Investment, Innovation and Social Development to MFSC.

InvestCayman

MITIAMA established InvestCayman to serve as Government's public-facing gateway and service to support significant inward investment by business and individuals into the Cayman Islands economy, working in tandem with the private sector.

It was envisioned that this department would work collaboratively with a network of global CIG offices to attract and aid business that originates in those jurisdictions, initially focusing on Asia/Middle East, Europe and North America.

InvestCayman will develop an outward-facing investment "gateway" and internal framework that provides a high standard of customer service and responsiveness for potential investors, using a 'concierge' service approach to handling the intricacies of Government processes.

Cayman Islands Government Office - UK

The Cayman Islands Government Office in the UK (CIGO-UK), established in 1982, supports the extension of the Cayman Islands Government (CIG) activities in the United Kingdom and Europe. The office therefore crucially provides a central contact point for Cayman stakeholders, supports and promotes economic, social, cultural, and political understanding of the Cayman Islands. A central function is the provision of Consular, and other specific governmental services to Caymanians (especially our international Caymanian students) and other stakeholders in the United Kingdom and Europe.

Headed up by the Cayman Islands Government Representative to the United Kingdom, along with the other senior and supporting staff; the CIGO-UK also performs diplomatic and other representational duties, assists in arranging and attending meetings, conferences, ceremonial, strategic and other official functions and events, and participates in many of these activities along with CIG delegations during official visits.

In 2021, the CIGO-UK continued in a remote and virtual working environment, where we left off in 2020. The first quarter to April of 2021 (Q1+1) was a hectic period for the office, as conditions created by the COVID-19 pandemic became more extreme with continued forced lockdowns in the UK and increasingly difficult travel conditions.

Though the pandemic conditions were not conducive to the usual CIG official visits to the UK during this time, CIGO-UK continued to play a significant role in planning and setting the groundwork for the official CIG visits that took place later in the year. In these efforts, the CIGO-UK continued as the conduit for 'Protocol Intervention', supporting CIG Ministries and preparing the Ministers for their upcoming visits to the UK.

The CIGO-UK continued its scope of policy mandates in representational duties, international relations and ministerial support with increased virtual liaising with Her Majesty's Government (HMG), primarily, the Foreign, Commonwealth and Development Office (FCDO), Commonwealth Parliamentary Association (CPA) and other policymakers, officials, NGOs, and international organizations. In further political engagements, the office commenced its administrative support of the Cayman Islands All-Party Parliamentary Group (APPG); participated in meetings held by the United Kingdom Overseas Territories Association (UKOTA) in preparation for the 26th UN Climate Change Conference of the Parties (COP 26); and participated in meetings focused on issues pertaining to Brexit and the EU Overseas Counties Territories Association (EU-OCTA). One of the other vital functions and annual performance deliverables is the essential role the CIGO-UK plays in delivering the annual Pre-Joint Ministerial Conferences (JMC), followed by the yearly JMC between senior officials in UKOTs and their counterparts in HMG. This annual process requires numerous preparatory meetings, organization, arrangements, consulting and liaising with the relevant parties, including private sector stakeholders on behalf of CIG visiting delegations.

The team engaged in virtual meetings with the Friends of Cayman core and working groups; sponsored Cayman Connection-UK events which brought together Caymanians in the UK; and started planning for an event focused on bringing together Caymanians from across the UK which would be delivered in September 2021 under the name "Cayman Day in the UK".

In addition to the above noted 2021 strategic outputs and objectives that commenced and/or continued between January and April 2021 in line with budgetary targets set for 2020-2021, other specific areas such as discussions on Child-Safeguarding and Mental Health Programs, Financial Services Working group activities, and FC-FORUM meetings, participation in a series of preparatory meetings between Caribbean Heads of Mission and OT representatives during February and March to prepare CIG leaders to take part in the UK-Caribbean Ministerial Forum meetings, participating in UK Overseas Territories Conservation Forum (UKOTCF), particular COP 26 meetings, consular services meetings with the FCDO desk officers, are reflected in this annual report indicating the successful fulfilment of the forecasted financial and economic performance targets for 2021. The following are examples of events and activities mentioned above in Q1 +1 of 2021:

All Party Parliamentary Group:

- Setting up a virtual meeting between the Chief Officer, the Chair of the APPG and the office to plan and inform each other on events related to the Cayman Islands.
- Organizing a quorum for holding the critical Annual General Meeting on 13 May.
- Following the AGM, introducing Dr Tasha Ebanks Garcia, as the incoming Cayman Islands Representative to the UK to Chair and other members of the APPG attending.

UK Overseas Territories Association:

- In conjunction with the UKOT Representatives and HMG, CIGO-UK Representatives attended and participated in UKOTA meetings to discuss the Paris Agreement and various other issues related to the UKOTs' participation in the Upcoming COP 26 preparing for the opportunities as the UK was about to host, COP26.
- Pre-JMC, JMC and the UKOTA Political Council discussions.
- Discussions of environmental matters on issues such as Ocean Management.
- Discussing, drafting and constructing an MOU as the UK and thus, the UKOTs plan to separate from the EU and the EU-OCTA due to Brexit.
- Mental Health (webinars) with Public Health England (PHE) and other OTs representatives to discuss issues such as the Stigma around Mental Health, Children and young people's particular mental health issues and ways of supporting young people in different areas pertaining to mental health, (i.e. suicide prevention, criminal justice, and disaster/emergencies related areas) and stigmas for older people such as dementia.
- In partnership with CCUK, CIGO-UK introduced and shared with other OTs 2 weeks of online partnership with the Alex Panton Foundation to show students and others where and how to get mental health support whilst overseas.
- Partnered with CCUK on webinars to highlight and expand the issue of mental health.
- Discussions with HMG in areas related to Child-Safeguarding to be included in the upcoming JMC program under protecting the Vulnerable. This is an area that the CIG has always taken interest in and during these meetings, the CIGO-UK pledged continued commitment and an even stronger interest as the incoming Representative takes post later in the year.

Consular Services:

Consular services assistance comprises many areas such as but not limited to the following few:

- Visa and passport questions on application assistance and other requirements.
- Parents and students asking for details on travel related to the Cayman and UK.
- UK and Cayman Covid Lockdowns, isolation details and other restrictions.
- Quarantine mandates and procedures in the UK and Cayman.
- Discussions with students on home fees eligibility clarifications.
- Travel authorization letters for Caymanians with lost or missing travel documents.
- Enquiries from other embassies on issues such as clarification on 'Caymanian status vs citizenship, etc., and
- Physically assisting travellers at airports.

Financial Services, Friends of Cayman, and Environmental Matters:

- As a Working Group, the CIGO-UK followed on from its success in partnering with the Ministry of Financial Services and UK and US working teams as being instrumental in negotiations towards removing the jurisdiction from the EU blacklist.
- In the early months of 2021, the Working Group became primarily focused on activities of the Financial Action Task Force (FATF), as in February the FATF added the Cayman Islands to its list of countries whose anti-money laundering practices will be under increased monitoring for deficiencies in its AML framework. The inclusion to this list means that under EU Code of Conduct listing rules, FATF-listed jurisdictions are typically included in its own AML list. As a result of the FATF grey listing, the working group started focusing on engagement plans with EU officials in much the same way it did after Cayman's EU tax blacklisting, which was successfully reversed.
- The CIGO-UK participated in other global issues for the Cayman Islands outside regular financial services in the early months of 2021, including working towards a more sustainable future for the Cayman Islands. As such, CIGO-UK worked closely with the Friends of Cayman core group and the newly established Environmental Working Group to explore ways to assist with the National Conservation Council (NCC)'s strategy following their report in June 2020 on "Seizing the Moment to Transition to a Greener Economy".

AVIATION AND MARITIME AFFAIRS

From January to June 2021, MITIAMA was responsible for two statutory authorities – the Maritime Authority (Shipping Registry) and the Civil Aviation Authority.

Following the election in April 2021, responsibility for Aviation and Maritime Affairs was transferred to the Ministry of Financial Services and Commerce effective 1 July 2021. MITIAMA facilitated a handover with guidance documents for both subject matters as well as holding meetings with relevant staff.

Civil Aviation Authority of the Cayman Islands

The Civil Aviation Authority of the Cayman Islands (CAACI) primarily functions as the regulatory organisation responsible for safety oversight and economic regulation of the aviation industry throughout the territory and to ensure that the Cayman Islands aviation industry conforms to the standards and recommended practices of the International Civil Aviation Organisation (ICAO).

CAACI utilizes an electronic document management system “VP-C Online” to manage all aircraft registry applications, certificates and authorizations electronically. The system makes it easier for CAACI clients to apply for the various approvals that are required for both initial aircraft registration and for continuing airworthiness including the renewal of documents. It is designed to streamline processes within the CAACI and allow more efficient service provisioning to clients.

CAACI in 2021

In 2021 the all-star team at CAACI continued to raise to the challenge of upholding the international regulations they are charged with, while balancing ongoing border closures and changing local requirements. CAA’s dedicated team saw the continuation of lifesaving services such as air ambulances, importation of goods, and passenger air travel, keeping Cayman connected with the rest of the globe.

In February 2021, all members of the Air Transport Licensing Authority were reappointed.

On March 5, 2021 CAA moved into its newly completed building. Progress on the building had been slowed, due to delays ensuing from the global Covid-19 pandemic. Staff at CAACI were excited to finally move into their new permanent location. Prior to March, CAACI had been renting space temporarily in Grand Harbor since 2004. Their new premises, across the street from the Owen Roberts International Airport, was long overdue, putting them in walking distance to the assets they regulate.

In April CAACI’s Board of Directors was re-appointed. Seven of the Board’s previous eight members were re-appointed to their posts. A Ministry representative, the Senior Policy Advisor for Aviation and Maritime Affairs, was appointed for the first time serving as a non-voting member.

Maritime Authority of the Cayman Islands

The Maritime Authority of the Cayman Islands (MACI) is charged with national maritime administration for the Cayman Islands. MACI facilitates the development of Cayman as an international maritime centre and helps to foster a dynamic environment that supports its clients' efforts to maximise their respective stakeholders' growth opportunities and returns in global shipping; whilst promoting compliance with international standards, regional agreements, and Cayman's legislation in the areas of maritime safety and security, marine environmental pollution prevention, and social responsibility.

The Cayman Islands Shipping Registry (CISR) aims to provide client-focused maritime administration and related services to a select group of merchant ship owners/operators, pleasure vessel owners/managers, designers and builders, who value long-term relationships and operate and/or build a diversity of vessel types and sizes, worldwide.

The CISR is a member of the Red Ensign Group and holds Category 1 status. The CISR is committed to providing quality service and striving toward excellence. CISR has shown its excellence by maintaining white-listed status on the Paris and Tokyo Memoranda of Understanding, as well as Qualship 21 status. Its excellent ship safety and pollution prevention record translates into efficiency for Cayman vessel owners who save time and administration on inspections. The CISR is focused on delivering quality maritime administration services by experienced and knowledgeable personnel, operating in several countries across the globe. The Cayman Islands also offers a stable operating environment. Cayman-flagged vessels also have full British Consular Services and Royal Naval assistance and protection worldwide.

The global maritime environment is very dynamic and has become increasingly complex and varied over time and these features are expected to exist well into the future. The CISR maintains and seeks to continuously develop working partnerships with its existing and potential private sector providers and to forge alliances with its regulatory and industry partners, be they international, regional, or national.

MACI in 2021

The primary focus for MACI in 2021 was preparing for the upcoming International Maritime Organization (IMO) National Maritime Strategy Triple I Code Audit (NMSIII). This audit was originally scheduled in 2020, but was postponed due to Covid-19. Given the challenges and uncertainties of Covid 19 audit preparations were intensified as the Cayman Islands had to prepare for the possibility of a remote audit which would likely increase intensity.

Core Government and SAGC Stakeholders serving on the NMSIII Working Group met frequently to complete the required preparations. The Ministry was heavily involved in the working group, with Chief Officer Bush serving as the Deputy Chair. Stacie Sybersma, the Ministry's Senior Policy Advisor for Aviation and Maritime Affairs, was designated to be the next "Single Point of Contact" (SPOC), replacing the previous post holder whose term was expiring. The SPOC role is the primary liaison between the IMO and the Working Group.

Additionally, the Ministry was tasked with leading the Oil Spill Subgroup, which was charged with creating a local Oil Spill Cooperation Agreement between the relevant CIG entities. The agreement was drafted and signed by required parties.

In March, the Ministry submitted a Cabinet Note, outlining Cayman's state of readiness for the audit, and required next steps. The Cabinet Note served as a summary to the existing Government and documented the outstanding activity to be handled by the incoming government, pending election results.

After the election, Maritime Affairs was transferred to the Ministry of Financial Services and Commerce, which saw through the remainder of the Audit Preparations. The Cayman Islands was audited on September 25th 2021.

In April, MACI was granted a COLA adjustment by Cabinet.

Output payments for MACI based on purchase agreement:

Output	Total Paid Jan - Jun 2021
SHP 1	52,470.60
SHP 2	97,635.00
Total	\$ 150,105.60



GOVERNMENT OF THE CAYMAN ISLANDS

**Ministry of International Trade, Investments, Aviation and
Maritime Affairs**

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 June 2021**

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**Ministry of International Trade, Investments,
Aviation and Maritime Affairs**
Cayman Islands Government
Government Administration Building
Grand Cayman, Cayman Islands, BWI
TEL: 949-7900 FAX: 949-7544

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of International Trade, Investments, Aviation and Maritime Affairs 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 Chief Officer I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Ministry of International Trade, Investments, Aviation and Maritime Affairs.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry of International Trade, Investments, Aviation and Maritime Affairs financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of International Trade, Investments, Aviation and Maritime Affairs for the financial period ended 30 June 2021.

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

- (a) Completely and reliably reflect the financial transactions of the Ministry of International Trade, Investments, Aviation and Maritime Affairs for the period ended 30 June 2021;
- (b) fairly reflect the financial position as at 30 June 2021 and performance for the period ended 30 June 2021;
- (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. These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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

Eric Bush
Chief Officer

A handwritten signature in black ink, appearing to be "Eric Bush".

April 29, 2022

Vinton Chinsee
Chief Financial Officer

A handwritten signature in black ink, appearing to be "Vinton Chinsee".

April 29, 2022

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Ministry of International Trade, Investments, Aviation and Maritime Affairs

Opinion

I have audited the financial statements of the Ministry of International Trade, Investments, Aviation and Maritime Affairs (the "Ministry"), which comprise the statement of financial position as at 30 June 2021 and the statement of financial performance, statement of changes in net worth and cash flow statement for the 6-month period then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 27.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 30 June 2021 and its financial performance and its cash flows for the 6-month period then ended in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Ministry in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As outlined in Note 25 of the financial statements, the Cabinet of Ministers authorized supplementary funding of \$500,000 for the Ministry for 2021 under section 11(5) and of the Public Management and Finance Act (2020 Revision) ("PMFA") for exceptional circumstances in accordance with the PMFA. A Supplementary Appropriations Bill for the funding was not introduced in Parliament by 31 March 2022 as required by section 11(6) of the PMFA. My opinion is not qualified with respect to this matter.

As outlined in notes 1 and 21 of the financial statements, the Ministry was discontinued effective 30 June 2021 because of a Government reorganization effective 1 July 2021. Therefore, management has not prepared the Ministry's financial statements using a going concern basis of accounting. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Ministry or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the discontinued basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parliament's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. The Ministry's financial statements have not been prepared using the going concern basis of accounting.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the Public Management and Finance Act (2020 Revision). I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sue Winspear, CPFA
Auditor General

29 April 2022
Cayman Islands

MINISTRY OF INTERNATIONAL TRADE, INVESTMENTS, AVIATION AND MARITIME AFFAIRS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Actual 2020 Restated			Actual 2021	Original Budget plus caried forward 2021	Final Budget 2021	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
Current Assets						
1,787	Cash and cash equivalents	3	2,050	100	100	(1,950)
455	Trade receivables	4	541	-	-	(541)
644	Other receivables	4	83	-	-	(83)
66	Prepayments	5	43	-	-	(43)
2,952	Total Current Assets		2,717	100	100	(2,617)
45	Intangible assets	7	-	-	-	-
305	Property, plant and equipment	6	310	772	772	462
350	Total Non-Current Assets		310	772	772	462
3,302	Total Assets		3,027	872	872	(2,155)
Current Liabilities						
-	Trade payables		10	-	-	(10)
544	Other payables and accruals	8	237	-	-	(237)
60	Employee entitlements	9	59	-	-	(59)
2,120	Surplus payable	26	2,143	-	-	(2,143)
2,724	Total Current Liabilities		2,449	-	-	(2,449)
2,724	Total Liabilities		2,449	-	-	(2,449)
578	Net Assets		578	872	872	294
NET WORTH						
578	Contributed capital		578	872	872	294
578	Total Net Worth		578	872	872	294

The Notes to the Financial Statements on pages 8 to 27 form part of these financial statements.

MINISTRY OF INTERNATIONAL TRADE, INVESTMENTS, AVIATION AND MARITIME AFFAIRS STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2021

Actual 2020 Restated		Note	Actual 2021	Original Budget plus carried forward 2021	Final Budget 2021	Budget Variance
\$'000			\$'000	\$'000	\$'000	\$'000
Revenue						
3,693	Sale of goods and services	10	2,768	4,455	4,955	1,687
3,693	Total Revenue		2,768	4,455	4,955	1,687
Expenses						
1,091	Personnel costs	11	1,033	3,286	3,786	2,253
976	Supplies and consumables	12	1,640	2,713	2,713	1,073
46	Depreciation	6	26	36	36	10
(7)	Other Gains	15	3	7	7	4
-	Losses from derecognition of assets	15	27	-	-	(27)
2,106	Total Expenses		2,729	6,042	6,542	3,313
1,587	Surplus for the period		39	(1,587)	(1,587)	(1,626)

The Notes to the Financial Statements on pages 8 to 27 form part of these financial statements.

MINISTRY OF INTERNATIONAL TRADE, INVESTMENTS, AVIATION AND MARITIME AFFAIRS
STATEMENT OF CHANGES IN NET WORTH FOR THE PERIOD ENDED 30 JUNE 2021

	Contributed Capital	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget plus carried forward 2021	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2019 brought forward	419	-	419	128	(291)
Restated balance 31 December 2019	419	-	419	128	(291)
					-
Changes in net worth for 2020					-
Equity Investment from Cabinet	159	-	159	356	197
Surplus payable to Cabinet (restated)	-	(1,587)	(1,587)	-	1,587
Net revenue / expenses recognised directly in net worth	159	(1,587)	(1,428)	356	1,784
Surplus/(deficit) for the year 2020 (restated)	-	1,587	1,587	-	(1,587)
Total recognised revenues and expenses for the year	159	-	159	356	197
Balance at 31 December 2020 carried forward	578	-	578	484	(94)
Balance at 31 December 2020 brought forward	578	-	578	484	(94)
Prior Year Adjustments					-
Accounting Errors	-	(15)	(15)	-	15
Balance 31 December 2020	578	(15)	563	484	(79)
Changes in net worth for 2021					
Equity Investment from Cabinet	-	-	-	388	388
Surplus payable to Cabinet	-	(24)	(24)	-	24
Net revenue / expenses recognised directly in net worth	-	(24)	(24)	388	412
Surplus/(deficit) for the period 2021	-	39	39	-	(39)
Total recognised revenues and expenses for the period	-	15	15	388	373
Balance at 30 June 2021	578	-	578	872	294

The Notes to the Financial Statements on pages 8 to 27 form part of these financial statements.

MINISTRY OF INTERNATIONAL TRADE, INVESTMENTS, AVIATION AND MARITIME AFFAIRS
CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021

Actual 2020 Restated \$'000	Description		Actual 2021 \$'000	Original Budget 2021 \$'000	Final Budget 2021 \$'000	Budget Variance \$'000
		Note				
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Receipts</i>						
3,292	Outputs to Cabinet		2,629	4,455	4,455	1,826
(442)	Outputs to other government agencies		-	-	-	-
389	Sale of goods and services - third party		54	-	-	(54)
1	Other receipts		-	-	-	-
<i>Payments</i>						
(936)	Personnel costs		(1,203)	(2,435)	(2,435)	(1,232)
(795)	Supplies and consumables		(1,748)	(1,975)	(1,975)	(227)
(459)	Other payments		562	-	-	(562)
1,050	Net cash flows from operating activities	17	294	45	45	(249)
CASH FLOWS FROM INVESTING ACTIVITIES						
(159)	Purchase of property, plant and equipment		(31)	(388)	(388)	(357)
(159)	Net cash flows from investing activities		(31)	(388)	(388)	(357)
CASH FLOWS FROM FINANCING ACTIVITIES						
159	Equity Investment from Org 40		-	388	388	388
159	Net cash flows from financing activities		-	388	388	388
1,050	Net increase/(decrease) in cash and equivalent		263	45	45	(218)
737	Cash and cash equivalents at beginning of period		1,787	55	55	(1,732)
1,787	Cash and cash equivalents at end of period		2,050	100	100	(1,950)

The Notes to the Financial Statements on pages 8 to 27 form part of these financial statements.

Note 1: Description and principal activities

The Ministry of International Trade, Investments, Aviation and Maritime Affairs (MITIAMA or the Ministry) was a Government owned entity as defined by section 2 of the *Public Management Finance Act (2020 Revision)* and it is domiciled in the Cayman Islands. The Ministry commenced operations in February 2019. Its principal activities and operations include all activities carried out in terms of outputs purchased by the Minister as defined in the Annual Plan and Estimates for the Government of the Cayman Islands up to the financial period ended 31 December 2021. MITIAMA was responsible for monitoring and enhancing external relationships as well as identifying and attracting international trade and investment to the Cayman Islands.

MITIAMA's purpose was to:

- Enhance the reputation of the Cayman Islands;
- Attract foreign direct investments;
- Advance the economic and political interests of the government, the people and the business community, and;
- To make Cayman's economy easier to do business with, including acting as a single doorway for potential foreign direct investment.

The departments, offices and statutory authorities that fall under MITIAMA are:

- the Cayman Islands Government Office in the United Kingdom (CIGO-UK)
- the Department of Investment (to be split off from the Department of Commerce and Investment)
- the Maritime Authority of the Cayman Islands
- the Civil Aviation Authority of the Cayman Islands
- the Air Transport Licensing Authority

As a result of the April 2021 elections, there was a re-organisation of Governmental Ministries and departments. As a result of this MITIAMA was discontinued and ceased operations effective 30 June 2021. The financial statements are prepared for a 6 month period end between 1 January 2021 and 30 June 2021, on a discontinued basis.

Amounts presented may not be entirely comparable as a result of the above.

Note 2: 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.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2020 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 30 June 2021 reporting period and have not been early adopted by the Ministry. The Ministry's assessment of the impact of these new standards is set out below. The standards will not have an impact on the Ministry as it has been discontinued.

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*.

IPSAS 42, Social Benefits was issued in January 2019 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured.

(a) Basis of preparation

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

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. Unless otherwise stated, all numbers in these financial statements have been rounded to the nearest thousand.

Comparative information

The financial statements include comparative information for all statements presented. When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(b) Budget amounts

The original budget amounts for the period ended 31 December 2021 reflect the figures presented in the 2020 Budget Statement and the amounts are rolled up into the Plan and Estimates document which was approved by the Parliament. Any changes to the original budget are reflected in the final budget. Significant variances between actual and budgeted figures are explained in the notes to the financial statements. As required by the Public Management Finance Act (2020 Revision), budgets are presented on the same basis as the annual financial statements. The presentation of the current period financial statements include a comparison of actual amounts with amounts in the original and final budget.

Note 2: Significant Accounting Policies (continued)**(c) Judgments and estimates**

The preparation of financial statements in conformity with International Public Sector Accounting Standards 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 on-going basis. Revisions to accounting estimates are recognised in the reporting period that they are made and in any future periods that are affected by those revisions. There have been no changes in accounting estimates as defined by IPSAS 3.

(d) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue).

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

(e) Expenses

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

(f) Operating leases

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

(g) 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.

(h) Prepayments

The portion of recognised expenditure paid in advance of receiving goods or services has been recognised as a prepayment and is classified as prepayments in these financial statements.

Note 2: Significant Accounting Policies (continued)

(i) Property, plant and equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation except for land and buildings. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the statement of financial performance in the year in which the asset is acquired.

Depreciation

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Asset Type

- Leasehold Improvement
- Computer Equipment
- Developed software
- Office equipment and furniture
- Motor vehicles

Estimated Useful life

Over the unexpired period of lease or the estimated useful life of the improvement, whichever is shorter.

3 – 10 years

4 – 10 years

3 – 25 years

3 – 20 years

Disposals

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

(j) Intangible assets

Acquired computer software licenses lasting over a year are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

The carrying value of an intangible asset with a finite life is amortized on a straight line basis over its useful life. Amortization begins when the asset is available for use and ceases at the date that the asset is derecognized. Amortization charge for each period is recognized in the statement of financial performance.

Note 2: Significant Accounting Policies (continued)

(k) Employee benefits

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

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

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

(l) Financial instruments

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

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

Classification

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

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of trade and other payables, accrued expenses and employee entitlements.

Note 2: Significant Accounting Policies (continued)

Recognition

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

Measurement

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

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

De-recognition

A financial asset is de-recognised when the Ministry 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) Provisions, Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or cannot be reliably measured. Contingent assets are disclosed if it is probable that the benefits will be realised. Provisions are recognised when it becomes probable that an outflow of cash or other economic resources will be required to settle a liability of uncertain timing and amount. If an outflow is not probable, the item is treated as a contingent liability.

(n) Foreign currency

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

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

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

Note 2: Significant Accounting Policies (continued)

(o) Revenue from non-exchange transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodations in the central government building, computer repairs and software maintenance by the Computer Services Department, maintenance and project management by the Public Works Department, fuel and vehicle maintenance from the Department of Vehicles, Equipment and Supplies, exemption of duties and charges from Customs and human resource management from the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as services in kind as defined under IPSAS 23 – Revenue from Non-Exchange Transactions. When fair values of such services can be readily estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in kind. Where services in kind offered are directly related to construction of fixed assets, such service in kind is recognised in the cost of the asset.

MINISTRY OF INTERNATIONAL TRADE, INVESTMENTS, AVIATION AND MARITIME AFFAIRS
Notes to the Financial Statements for the PERIOD ENDED 30 JUNE 2021

Note 3: Cash and cash equivalents

Cash and cash equivalents include cash and bank accounts in the name Ministry of International Trade, Investments, Aviation and Maritime Affairs that are maintained at Royal Bank of Canada in the Cayman Islands and Barclays Bank in London. The Ministry's unrestricted cash balances as at 30 June 2021 is presented below. No restricted cash balances were held by the Ministry as at 30 June 2021.

Actual 2020 Restated	Description	Foreign Currency December 31, 2021	Exchange Rate	Actual 2021 \$'000	Original Budget 2021 \$'000	Final Budget 2021 \$'000	Budget Variance \$'000
	1 Cash in transit (IRIS Remittance Account)	-	1.0000	-	-	-	-
1,663	CI\$ Operational Current Account held at Royal Bank of Canada	1,823	1.0000	1,823	100	100	(1,723)
(4)	Payroll Current Account held at Royal Bank of Canada	90	1.0000	90	-	-	(90)
127	Bank Accounts held at other financial institutions	121	1.1331	137	-	-	(137)
1,787	Total			2,050	100	100	(1,950)

Note 4: Trade receivables and other receivables

At period end all overdue receivables have been assessed and appropriate provisions made. There was no provision for doubtful debts at the end of the period because the receivable balance represent debt owed by other government agencies and therefore has minimum to zero chance of default.

Actual 2020 Restated \$'000	Trade and Other Receivables	Actual 2021 \$'000	Original Budget 2021 \$'000	Final Budget 2021 \$'000	Budget Variance \$'000
455	Outputs to Cabinet	541	-	-	(541)
455	Total trade receivables	541	-	-	(541)

Actual 2020 Restated \$'000	Other Receivables	Actual 2021 \$'000	Original Budget 2021 \$'000	Final Budget 2021 \$'000	Budget Variance \$'000
644	Other	83	-	-	(83)
644	Total other receivables	83	-	-	(83)

The Other receivables in 2021 relates to amounts owing to the London Mission from other government departments.

MINISTRY OF INTERNATIONAL TRADE, INVESTMENTS, AVIATION AND MARITIME AFFAIRS
Notes to the Financial Statements for the PERIOD ENDED 30 JUNE 2021

Note 5: Prepayments

Actual 2020 Restated \$'000	Description	Actual 2021 \$'000	Original Budget 2021 \$'000	Final Budget 2021 \$'000	Budget Variance \$'000
66	Accrued Prepayments	43	-	-	(43)
66	Total Prepayments	43	-	-	(43)

Note 6: Property, plant and equipment

COST or OPENING VALUATION	Leasehold Improvements \$'000	Furniture & Office Equipment \$'000	Computers Hardware \$'000	Motor Vehicles \$'000	Assets under construction/ development \$'000	Total \$'000	Original Budget \$'000	Final Budget \$'000	Budget Variance \$'000
Balance as at 1 January 2020	218	66	28	-	-	312	128	128	(184)
Additions	8	-	41	41	29	119	356	356	237
Balance as at 31 December 2020	226	66	69	41	29	431	484	484	53
Balance as at 1 January 2021	226	66	69	41	29	431	484	484	53
Additions	-	-	27	-	-	27	388	388	361
Transfers	-	-	9	-	-	9	-	-	(9)
Balance as at 30 June 2021	226	66	105	41	29	467	872	872	405

ACCUMULATED DEPRECIATION	Leasehold Improvements \$'000	Furniture & Office Equipment \$'000	Computers Hardware \$'000	Motor Vehicles \$'000	Assets under construction/ development \$'000	Total \$'000	Original Budget \$'000	Final Budget \$'000	Budget Variance \$'000
Balance as at 1 January 2020	44	19	17	-	-	80	18	18	(62)
Depreciation Expense 2020	17	6	16	7	-	46	37	37	(9)
Balance as at 31 December 2020	61	25	33	7	-	126	55	55	(71)
Balance as at 1 January 2021	61	25	32	7	-	126	55	55	(71)
Transfers	-	-	5	-	-	5	-	-	(5)
Depreciation Expense 2021	9	3	11	3	-	26	45	45	19
Balance as at 30 June 2021	70	28	48	10	-	157	100	100	(57)

Net Book value 31 December 2020	165	41	36	34	29	305	429	429	124
Net Book value 30 June 2021	156	38	57	31	29	310	772	772	462

Note 7: Intangibles

COST or OPENING VALUATION	Assets under construction/development	Total	Original Budget	Current vs Original
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020	-	-	-	-
Additions	45	45	-	(45)
Balance as at 31 December 2020	45	45	-	(45)
Balance as at 1 January 2021	45	45	-	(45)
Write Offs	(45)	(45)	-	45
Balance as at 30 June 2021	-	-	-	-
Net Book value 31 December 2020	45	45	-	(45)
Balance as at 30 June 2021	-	-	-	-

Loss on derecognition of assets is as a result of the derecognition of the Ministry's website development project. As a discontinued ministry, the tangible asset has no future economic value. The income statement effect of the write off is shown in Note 15.

Note 8: Trade payables, other payables and accruals

Actual 2020 Restated	Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
\$'000		\$'000	\$'000	\$'000	\$'000
467	Accrued Expenses	173	-	-	(173)
44	Accrued Expenses Ministries/Portfolios	38	-	-	(38)
18	Other payables	26	-	-	(26)
544	Total Other Payables and accruals	237	-	-	(237)

Note 9: Employee entitlements

Actual 2020 Restated	Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
\$'000		\$'000	\$'000	\$'000	\$'000
<i>Current employee entitlements are represented by:</i>					
50	Annual Leave	43	-	-	(43)
10	Accrued salaries	16	-	-	(16)
60	Total current portion	59	-	-	(59)

Note 10: Outputs to Cabinet

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

Actual 2020 Restated			Actual 2021	Original Budget plus carried forward 2021	Final Budget 2021	Budget Variance
Revenue type						
\$'000		Note	\$'000	\$'000	\$'000	\$'000
3,693	Outputs to Cabinet		2,768	4,455	4,955	1,687
3,693	Total sales of goods and services		2,768	4,455	4,955	1,687

Note 11: Personnel costs

Actual 2020 Restated			Actual 2021	Original Budget plus carried forward 2021	Final Budget 2021	Budget Variance
Description						
\$'000		Note	\$'000	\$'000	\$'000	\$'000
922	Salaries, wages and allowances		897	2,584	3,084	1,687
95	Health care		83	589	589	506
51	Pension		49	126	126	77
17	Leave		(8)	(17)	(17)	(9)
6	Other personnel related costs		12	4	4	(8)
1,091	Total Personnel Costs		1,033	3,286	3,786	2,253

Note 12: Supplies and consumables

Actual 2020 Restated		Actual 2021	Original Budget plus carried forward 2021	Final Budget 2021	Budget Variance
Description					
\$'000	Note	\$'000	\$'000	\$'000	\$'000
27 Supplies and Materials		23	40	40	17
657 Purchase of services		1,363	1,401	1,401	38
157 Lease of Property and Equipment		79	194	194	115
15 Utilities		8	40	40	32
2 General Insurance		3	6	6	3
45 Interdepartmental expenses		35	34	34	(1)
31 Travel and Subsistence		11	452	452	441
38 Recruitment and Training		81	252	252	171
4 Other		37	294	294	257
976 Total Supplies & consumables		1,640	2,713	2,713	1,073

Note 13: Finance costs (Bank overdraft)

During the year the Ministry had no finance cost on the overdraft balance charged to the accounts.

Note 14: Litigation costs

There were no litigation costs or legal fees for 2021. Fees incurred to Holland and Knight in respect of the set up of the North American Mission are professional fees.

Note 15: Gain and Losses

Actual 2020 Restated	Description	Note	Actual 2021 \$'000	Original Budget plus carried forward 2021 \$'000	Final Budget 2021 \$'000	Budget Variance \$'000
	- Loss on Derecognition of Assets		27	-	-	(27)
(7)	Net gain on foreign exchange Transactions		3	7	7	4
(7)	Total gain/ (losses)		30	7	7	(23)

Note 16: Revenue from non-exchange transactions

During the period ended 30 June 2021, the Ministry received services in-kind. The fair value of these services cannot be determined and therefore no other income has been recognized in these financial statements.

Note 17: Reconciliation of net cash flows from operating activities to surplus

Actual 2020 Restated	Description	Actual 2021 \$'000	Original Budget 2021 \$'000	Final Budget 2021 \$'000	Budget Variance \$'000
1,660	Surplus/(deficit) from ordinary activities	38	-	-	(38)
	Non-cash movements				
46	Depreciation expense	26	45	45	19
	- Gain/Loss on Derecognition of Asset	27	-	-	(27)
(7)	Exchange (Gain)/Loss	3	-	-	(3)
	Changes in current assets and liabilities:				
(12)	(Increase)/decrease in trade receivables	(86)	-	-	86
(900)	(Increase)/decrease in other current assets	562	-	-	(562)
108	Increase/(decrease) in trade payables	(108)	-	-	108
155	Increase/(decrease) in provisions relating to employee costs	(168)	-	-	168
1,050	Net cash flows from operating activities	294	45	45	(249)

NOTE 18: Commitments

Actual 2020 Restated \$'000	Type	One year or less \$'000	Two to five Years \$'000	Over five Years \$'000	Total \$'000
Operating Commitments					
539	Non-cancellable accommodation leases	-	-	-	-
539	Total Operating Commitments	-	-	-	-
539	Total Commitments	-	-	-	-

Commitments included the space occupied by the London Mission. The next breakpoint of the lease is May 2023 and the quarterly commitment is 16.6K GBP (18.9K KYD). As a result of the discontinuation of the Ministry, the London Mission, together with the lease, has been transferred to the Cabinet Office, effective 1 July 2021. Therefore, the Ministry has no future commitments.

NOTE 19: Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial period ended 30 June 2021 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Ministry.

Actual 2020 Restated \$'000	Number of persons	Description	Actual 2021 \$'000	Original Budget plus carried forward 2021 \$'000	Budget Variance \$'000	Number of persons
650	4	Salaries & other short-term employee benefits	287	532	245	5
650		Total	287	532	245	

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

NOTE 20: Events occurring after reporting date

There are no events that occurred after June 30, 2021.

NOTE 21: Going concern

As a result of the Government elections in April 2021, MITIAMA has since been discontinued as at 30 June 2021. All of the Ministry's assets and liabilities will be transferred to another newly formed Ministry. Thus, management has undertaken in presenting the financial statements on a discontinued basis as the going concern assumption is no longer applicable to the Ministry.

NOTE 22: Segment Reporting

The Ministry has two primary segments, Overseas Missions and Trade and Investments. Trade and investments include all those activities related to supporting international trade and investments to the Cayman Islands including Invest Cayman and all related products. The Overseas Missions support the activities of the Government, assist and manage the diaspora and Government relations.

Trade and Investments	Overseas Missions	Actual 2020 Restated		Note	Trade and Investment	Overseas Missions	Actual 2021
\$'000	\$'000	\$'000			\$'000	\$'000	\$'000
Current Assets							
1,787	-	1,787	Cash and cash equivalents	3	2,050	-	2,050
455	-	455	Trade receivables	4	541	-	541
576	68	644	Other receivables	4	4	79	83
5	61	66	Prepayments	5	10	33	43
2,823	129	2,952	Total Current Assets		2,605	112	2,717
Non-Current Assets							
45	-	45	Intangible Assets	7	-	-	-
88	217	305	Property, plant and equipment	6	116	194	310
133	217	350	Total Non-Current Assets		116	194	310
2,956	346	3,302	Total Assets		2,721	306	3,027
Current Liabilities							
-	-	-	Trade payables		10	-	10
524	20	544	Other payables and accruals	8	181	56	237
18	42	60	Employee entitlements	9	41	18	59
2,120	-	2,120	Surplus Payable	26	2,143	-	2,143
2,662	62	2,724	Total Current Liabilities		2,375	74	2,449
2,662	62	2,724	Total Liabilities		2,375	74	2,449
294	284	578	Net Assets		346	232	578
NET WORTH							
294	284	578	Contributed capital		346	232	578
294	284	578	Total Net Worth		346	232	578

NOTE 22: Segment Reporting (continued)

Trade and Investments \$'000	Overseas Missions \$'000	Actual 2020 Restated \$'000		Note	Trade and Investments \$'000	Overseas Missions \$'000	Actual 2021 \$'000
Revenue							
2,420	1,273	3,693	Sale of goods and services	10	1,069	1,699	2,768
2,420	1,273	3,693	Total Revenue		1,069	1,699	2,768
Expenses							
532	559	1,091	Personnel costs	11	633	400	1,033
583	393	976	Supplies and consumables	12	944	696	1,640
21	25	46	Depreciation	6	14	12	26
(7)	-	(7)	(Gains) Losses	15	3	-	3
-	-	-	Losses from derecognition of assets	18	27	-	27
1,129	977	2,106	Total Expenses		1,621	1,108	2,729
1,291	296	1,587	Surplus for the period		(552)	591	39

NOTE 23: Financial instrument risks

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

Credit risk

In the normal course of its business the Ministry is subject to credit risk from debtors other than the Cabinet. The Ministry only conducts business with reputable financial institutions in the Cayman Islands and the United Kingdom. The Ministry does not have any other significant concentrations of credit risk for its other financial instruments

Currency and interest rate risk

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

Liquidity risk

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

All of the Ministry's financial liabilities (creditors and payables) will be settled in less than six months from the date of these financial statements after being transferred to the Ministry of Investment, Innovation and Social Development.

Note 24: Financial instruments – fair values

As at 30 June 2021, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

NOTE 25: Explanation of variances to budget

On 12 January 2021, the Cabinet of Ministers authorized supplementary funding of \$2,500,000 for the Ministry for 2021. \$500,000 of the funding was authorized under section 11(5) and \$2,000,000 was authorized under section 12(1) of the Public Management and Finance Act (2020 Revision) ("PMFA") for exceptional circumstances in accordance with the PMFA. A supplementary appropriation was not required for the Ministry of International Trade, Investment and Maritime Affairs. Parliament approved the \$2,000,000 supplementary funding in July 2021 but reallocated it to another Ministry (Financial Services & Commerce). A Supplementary Appropriations Bill for the \$0.5M funding was not introduced in Parliament by 31 March 2022 as required by sections 11(6) of the PMFA.

On the same day in January 2021, the Cabinet authorized additional supplementary funding of \$1,600,000 for the Ministry under section 12(1) of the PMFA. This supplementary funding had not been approved by Parliament's Finance Committee when these financial statements were issued. Therefore, the Ministry did not spend it.

Statement of financial position

Cash balances are over the budgeted amount by \$1.9m. This is primarily due to the surplus payable balance not being paid over to the Ministry of Finance as yet.

Prepayments in excess of budget of \$43K relates to the Prepayment of the London Mission lease for the next quarter.

Trade receivables of \$0.5m consist primarily of amounts owing to the Ministry for Cabinet Billing and other Receivables of \$83k to the London Mission by other Ministries. Other payables and accrued expenses are \$0.3m above budget due to timing differences.

Property, plant and equipment was below budget by \$462k primarily because of delays in projects such as the launching of the Hong Kong Office due to COVID and the unrest in Hong Kong. The delay in opening a mission meant that leasehold improvements, communications and computer equipment acquisitions was delayed.

Statement of financial performance*Revenues*

Revenues represent Cabinet billing for part of the year.

Expenses

Personnel costs were in line with expected budgets. \$1m was expensed compared to a total annual of \$2.2M. Differences reflect the fact that only half year is being reported against the full year.

Total Supplies and consumables are in line with budgeted amounts as the cost of the creation of the Cayman Islands investment strategy and brand Cayman are all in the first half of the year.

NOTE 26: Surplus repayment

Pursuant to Section 39 (3) (f) of the *Public Management and Finance Act (2020 Revision)* any net surplus is transferred to surplus repayable. The Ministry therefore recorded \$39K as a surplus payable to Cabinet in the June 2021 fiscal period.

NOTE 27: Restatement for Prior Period

During the year, a material invoice relating to the Department of Transport for 72k for services incurred in 2020 was supplied to the Ministry. This expense was not included in the accounts of 2020. The invoice was paid in May 2021. The result is that supplies and consumables expenses in 2020 were understated by \$72K and the accrued expense liabilities by the same amount. Net income for 2020 was overstated by the same amount. As a result, the prior period figures for period 31 December 2020 have been adjusted to reflect this restatement. The effects on these financial statements are as follows:

Prior Period Restatement

	2020 Restatement \$'000	2020 Prior to Restatement \$'000	Effect of Restatement \$'000
Statement of Financial Position			
Other payables and accruals	544	472	72
Surplus payable	2,120	2,192	(72)
 Statement of Financial Performance			
Supplies and consumables	976	904	72
Net Surplus	1,587	1,659	(72)

NOTE 28: Multi-year Budgets

The government operates a two-year budget appropriation cycle. Budgets unused in the first of the two years is allowed to be moved forward and execute the deliverables in the second year in addition to those of the second year. That budget transferred is added to the budget allocation to the second year to form the new original budget.

In fiscal year 2020, \$1.659M in unused expense budgets was carried forward to 2021 and added to the \$4.455M of 2021 to form the new original budget of \$6.114M in expenses for the 2021 fiscal year. Along with a section 11.5 supplementary under the PMFL, this resulted in a total available expense budget of \$6.614M for 2021.

The revised budget impact is demonstrated below.

	Original Budget \$'000	Carry over from 2020 \$'000	Budget 2020-21 \$'000	Approved S11.5 \$'000	Revised Budget \$'000
Revenue					
Sale of goods and services	4,455	-	4,455	500	4,955
Total Revenue	<u>4,455</u>	<u>-</u>	<u>4,455</u>	<u>500</u>	<u>4,955</u>
Expenses					
Personnel costs	2,435	851	3,286	500	3,786
Supplies and consumables	1,975	738	2,713	-	2,713
Depreciation & Amortisation	45	(9)	36	-	36
Other Gains and Losses	-	7	7	-	7
Total Expenses	<u>4,455</u>	<u>1,587</u>	<u>6,042</u>	<u>500</u>	<u>6,542</u>
Surplus or (Deficit) for the year	<u>-</u>	<u>(1,587)</u>	<u>(1,587)</u>	<u>-</u>	<u>(1,587)</u>