

NATIONAL TRUST FOR THE CAYMAN ISLANDS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022 AND 2021

NATIONAL TRUST FOR THE CAYMAN ISLANDS

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INDEPENDENT AUDITOR'S REPORT

To the Members and Council of the National Trust for the Cayman Islands

We have audited the financial statements of the National Trust for the Cayman Islands (the "Trust"), which comprise the balance sheets as at June 30, 2022 and 2021, and the statements of activities and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

Qualified Opinion

In our opinion, except for the effects of the matters described in the *Bases for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

This report, including the opinion, has been prepared for the Trust's members and council as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Bases for Qualified Opinion

The system of internal controls of the Trust, in common with many other organizations of similar size and purpose, is dependent upon the close involvement of the Trust's management. The Trust derives a substantial portion of its revenue from sources which cannot be fully controlled until they are entered into the accounting records and are therefore not susceptible to independent audit verification. Accordingly, it was not practicable to extend our auditing procedures of such revenue beyond the amounts recorded.

As outlines in Note 2, Heritage properties of \$12,779,141 (2021: \$12,672,083) are carried at historic cost and is not reviewed for possible impairment. As such, this balance does not reflect any possible impairment related adjustments since the date of acquisition, which is departure from US GAAP. The value of such assets may therefore be materially misstated.

We conducted our audits in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 US GAAP, 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.

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

In preparing the financial statements, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

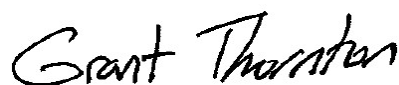
Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Trust'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 going concern 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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.



George Town
Grand Cayman
October 31, 2022

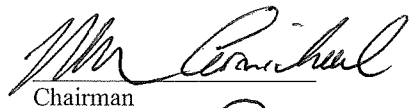
NATIONAL TRUST FOR THE CAYMAN ISLANDS
BALANCE SHEETS
AS AT JUNE 30, 2022

(Expressed in Cayman Islands dollars)

		Unrestricted	Temporarily	Permanently	Total
		2022	Restricted	Restricted	2022
	Note	CIS	CIS	CIS	CIS
ASSETS					
Current assets					
Cash and cash equivalents	3	789,898	1,425,515	-	2,215,413
Accounts receivable		61,865	-	-	61,865
Inventory		24,598	-	-	24,598
Prepaid expenses		44,330	-	-	44,330
		<u>920,691</u>	<u>1,425,515</u>	<u>-</u>	<u>2,346,206</u>
Non-current assets					
Fixed assets	4	226,100	-	-	226,100
Heritage properties	5	3,411,858	-	9,367,283	12,779,141
		<u>3,637,958</u>	<u>-</u>	<u>9,367,283</u>	<u>13,005,241</u>
Total Assets		CIS 4,558,649	CIS 1,425,515	CIS 9,367,283	CIS 15,351,447
LIABILITIES					
Accounts payable and accrued expense		(152,908)	-	-	(152,908)
Total Liabilities		(152,908)	-	-	(152,908)
NET ASSETS		CIS 4,405,741	CIS 1,425,515	CIS 9,367,283	CIS 15,198,539

See accompanying notes to the financial statements.

Authorized and approved for issue on behalf of the Board:


Chairman

31 October 2022
Date


Executive Member

31/10/22
Date

NATIONAL TRUST FOR THE CAYMAN ISLANDS
BALANCE SHEETS (continued)
AS AT JUNE 30, 2021

(Expressed in Cayman Islands dollars)

	Note	Unrestricted 2021 CIS	Temporarily Restricted 2021 CIS	Permanently Restricted 2021 CIS	Total 2021 CIS
ASSETS					
Current assets					
Cash and cash equivalents	3	690,320	1,199,837	-	1,890,157
Accounts receivable		172,500	-	-	172,500
Inventory		26,237	-	-	26,237
Prepaid expenses		22,495	-	-	22,495
		911,552	1,199,837	-	2,111,389
Non-current assets					
Fixed assets	4	126,917	-	-	126,917
Heritage properties	5	3,304,800	-	9,367,283	12,672,083
		3,431,717	-	9,367,283	12,799,000
Total Assets		CIS 4,343,269	CIS 1,119,837	CIS 9,367,283	CIS 14,910,389
LIABILITIES					
Accounts payable and accrued expense		(31,761)	-	-	(31,761)
Total Liabilities		(31,761)	-	-	(31,761)
NET ASSETS		CIS 4,311,508	CIS 1,119,837	CIS 9,367,283	CIS 14,878,628

See accompanying notes to the financial statements.

NATIONAL TRUST FOR THE CAYMAN ISLANDS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

(Expressed in Cayman Islands dollars)

	Note	Unrestricted 2021 CIS	Temporarily Restricted 2021 CIS	Permanently Restricted 2021 CIS	Total 2021 CIS
Revenue and support					
Government grants		570,000	-	-	570,000
Independent grants		-	73,252	-	73,252
Donations, donated goods and services		148,747	209,298	-	358,045
Fundraising events		114,371	47,940	-	162,311
Product sales to the public		26,052	-	-	26,052
Membership dues - individuals		18,105	-	-	18,105
Tours		36,094	-	-	36,094
Membership dues – corporate		9,960	-	-	9,960
Interest income		145	32	-	177
Total revenue and support		923,474	330,522	-	1,253,996
Expenses					
Programme service expenses					
Environmental preservation		267,620	34,133	-	301,753
Historic preservation		102,309	121	-	102,430
Educational programmes		56,834	-	-	56,834
		426,763	34,254	-	461,017
Support service expenses					
Operating and administration		346,992	14,293	-	361,287
Cost of sales to the public		29,724	-	-	29,724
Depreciation of fixed assets		36,959	-	-	36,959
Cost of fundraising events		29,724	-	-	29,724
Pension	7	15,374	-	-	15,374
		458,773	14,293	-	473,068
Total expenses		885,536	48,549	-	934,085
Increase in net assets					
		37,938	281,973	-	319,911
Net assets, beginning of year		4,311,508	1,199,837	9,367,283	14,878,628
Net transfer between funds		56,295	(56,295)	-	-
Net assets, end of year	5, 6	CIS 4,405,741	CIS 1,425,515	CIS 9,367,283	CIS 15,198,539

See accompanying notes to the financial statements.

NATIONAL TRUST FOR THE CAYMAN ISLANDS
STATEMENTS OF ACTIVITIES (continued)
FOR THE YEAR ENDED JUNE 30, 2021

(Expressed in Cayman Islands dollars)

	Note	Unrestricted 2020 CIS	Temporarily Restricted 2020 CIS	Permanently Restricted 2020 CIS	Total 2020 CIS
Revenue and support					
Government grants		570,000	-	-	570,000
Independent grants		-	88,339	-	88,339
Donations, donated goods and services		159,960	275,662	-	435,622
Fundraising events		64,015	48,212	-	112,227
Product sales to the public		45,144	-	-	45,144
Membership dues - individuals		25,191	-	-	25,191
Tours		11,952	-	-	11,952
Membership dues – corporate		17,500	-	-	17,500
Interest income		44	42	-	86
Total revenue and support		893,806	412,255	-	1,306,061
Expenses					
Programme service expenses					
Environmental preservation		243,942	46,930	-	290,872
Historic preservation		93,173	130	-	93,303
Educational programmes		14,091	-	-	14,091
		351,206	47,060	-	398,266
Support service expenses					
Operating and administration		348,522	18,306	-	366,828
Cost of sales to the public		10,370	-	-	10,370
Depreciation of fixed assets		26,782	-	-	26,782
Cost of fundraising events		64,277	-	-	64,277
Pension	7	11,469	-	-	11,469
		461,420	18,306	-	479,726
Total expenses		812,626	65,366	-	877,992
Increase in net assets		81,180	346,889	-	428,069
Net assets, beginning of year		4,011,923	1,071,353	9,367,283	14,450,559
Net transfer between funds		218,405	(218,405)	-	-
Net assets, end of year	5, 6	CIS 4,311,508	CIS 1,199,837	CIS 9,367,283	CIS 14,878,628

See accompanying notes to the financial statements.

NATIONAL TRUST FOR THE CAYMAN ISLANDS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

	2022	2021
	CIS	CIS
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	319,911	428,069
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation of fixed assets	36,959	26,782
Bad debt	4,471	1,867
Changes in operating assets and liabilities:		
Accounts receivable	106,164	(24,329)
Inventory	1,639	(2,883)
Prepaid expenses	(21,628)	2,144
Accounts payable and accrued expenses	120,940	11,259
Net cash provided by operating activities	568,456	442,909
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of heritage properties	(107,058)	(164,000)
Purchase of Furniture, computers	(136,142)	
Net cash used in investing activities	(243,200)	(164,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	325,256	278,909
CASH AND CASH EQUIVALENTS, beginning of year	1,890,157	1,611,248
CASH AND CASH EQUIVALENTS, end of year	CIS 2,215,413	CIS 1,890,157

See accompanying notes to the financial statements.

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

1. PRINCIPAL ACTIVITY

The National Trust for the Cayman Islands (the “Trust”) was formed on September 14, 1987 by the enactment of the National Trust for the Cayman Islands Act, 1987 (the “Trust Act”).

The purpose of the Trust is the preservation of the historic, natural and maritime heritage of the Cayman Islands, the conservation of lands, natural features and submarine areas of beauty with historic or environmental importance and the protection of native flora and fauna.

The Trust plays a vital role in assisting the Cayman Islands Government in meeting its international and domestic obligations under various treaties and conventions designed to conserve the environment. These treaties and conventions require the establishment and maintenance of a system of protected areas in order to safeguard the country’s biodiversity. The Trust has been responsible for the majority of the progress in the area of terrestrial conservation over the last decade. The substantial contribution that the Trust makes would otherwise fall on Government at considerably greater cost.

These treaties and conventions encompass the September 2001 Environment Charter signed by the Cayman Islands Government and the United Kingdom; the Convention on Biological Diversity (“Rio Convention”); the Convention on Wetlands of International Importance (“Ramsar Convention”); the Specially Protected Areas and Wildlife protocol to the Cartagena Convention (“SPAW Protocol”); and the Convention on the Conservation of Migratory Species of Wild Animals (“Bonn Convention”).

The registered office of the Trust is P.O. Box 31116, George Town, Grand Cayman KY1-1205, Cayman Islands. The Trust has 12 employees at June 30, 2022 (2021: 11).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with the accounting principles generally accepted in the United States of America and specifically follow the recommendations of the Financial Accounting Standards Board Codification Topic 958, Financial Statements of Not-for-Profit Organizations (“ASC 958”). Under ASC 958, the Trust is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The significant accounting policies followed by the Trust are summarized below.

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Trust and changes therein are classified and reported as follows:

Unrestricted net assets

Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets

Net assets subject to donor-imposed restrictions on their use may be met either by actions of the Trust or the passage of time.

Permanently restricted net assets

Net assets subject to donor-imposed or other legal restrictions requires that the principal be maintained permanently by the Trust. Generally, the donors permit the Trust to use all or part of the income earned for either: general or donor-specified purposes. Any property acquired by the Trust by any means, which is eligible for placement on the Heritage Register under the by-laws of the Trust, may be declared inalienable by the Council.

Movement in net assets

It is possible to have transfers from unrestricted net assets to ensure sufficient monies available for temporarily restricted projects or permanently restricted net assets and movements to the unrestricted net assets from surplus of temporarily restricted net assets for specific projects. As per note 6 any transfers from temporarily restricted to permanently restricted are made through the unrestricted net assets.

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. While management believes that the amounts included in the financial statements reflect the Trust's best estimates and assumptions, actual results could differ from these estimates.

Revenue and expenses

The financial statements are prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred with the exception of membership dues, donations and government grants, which are recorded in the period in which they are received.

Government grants

Government grants are received from the Cayman Islands Government for financial support on a quarterly basis and are recorded when received. Grants may also be received for special projects and these are matched with project expenditure over the term of the project and recorded in the unrestricted fund balance of the statement of activities when the expenditure is incurred.

Donated materials and services

A number of unpaid volunteers make significant contributions of their time and resources to manage and carry out the Trust's activities. The value of these contributions is not reflected in these financial statements when they are not susceptible to objective measurement or valuation. In addition, the Trust has received certain goods and services as donations. The value of these donated goods and services are reflected in the financial statements at their estimated value at the date of receipt, with the exception of audit fees for which services are donated. The estimated cost of the donated audit services for the year ended June 30, 2022 is CI\$16,400 (2021: CI\$16,400).

Programme services

Amounts related to specific programmes of the Trust represent the related revenue and expenditure to the specific programmes so that the activity of each individual programme can be more closely monitored by the Council. Such revenues and expenses are recorded on an accrual basis and recognized when incurred.

Pension and other post-retirement benefits

Pension and other post-retirement benefits are recorded on an accrual basis based on the contribution rate.

Inventory

Inventory is valued at the lower of cost and net realizable value under the first-in first-out method. Goods purchased for resale are recorded at cost. Contributed inventories are recorded at their estimated value at the date of receipt.

Fixed assets

Fixed assets are recorded at cost, or if donated, the approximate cost value at the date of the donation, and depreciated by the straight line method over the estimated useful lives of the assets as follows:

Assets	Estimated Useful Lives
Mission house, trust house and visitor's Centre, BIC Cabana facility	20 Years
Iguana captive breeding facility, BIC Nursery Facility	10 Years
Fixtures	5 Years
Vehicles	5 Years
Office equipment, Software	3 Years

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Heritage properties

The Trust owns certain properties, which have been acquired by gift or purchase, and are important to the Trust in carrying out its historic and environmental preservation programmes. The Trust includes in its assets the cost or appraised value at the date of the acquisition of those heritage properties and does not review these properties for possible impairment. Therefore, no annual subsequent annual impairment review is completed. The Trust is precluded from selling or pledging these properties as securities for borrowings.

Cash and cash equivalents

Cash and cash equivalents consist of current accounts, a money market fund account, a term deposit and petty cash, which are held with reputable financial institutions in the Cayman Islands. The Trust considers all highly liquid investments with original maturities of three months or less, when acquired, to be cash and cash equivalents.

Foreign exchange

Revenue and expense transactions involving currencies other than Cayman Islands dollars ("CIS") are translated at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the balance sheet date. Gains and losses on exchange, if any, are taken to the statement of activities.

Taxation

There is no tax on income, profits or capital gains in the Cayman Islands, accordingly no provision for such taxes is made in these financial statements.

3. CASH AND CASH EQUIVALENTS

	2022	2021
	CIS	CIS
Current accounts	2,039,790	1,714,230
Money market fund	99,210	99,079
Term deposit	76,392	76,384
Petty cash	21	464
	CIS 2,215,413	CIS 1,890,157

The effective interest rate on the term deposit was 0.01% (2021: 0.01%) per annum.

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

4. FIXED ASSETS

Particulars	Tangible Assets								Intangible Asset	Total
	Mission House	Fixtures &	Vehicles	Iguana captive	BIC	BIC	Governor	Computer	Software	
	Trust house & Visitors centre	Fittings		breeding facility	Nursery Facility	Cabana Facility	Gores Boardwalk	Equipment		
	CIS	CIS	CIS	CIS	CIS	CIS	CIS	CIS	CIS	CIS
Cost										
Balance at beginning of year	618,469	248,901	55,483	184,283	-	-	-	-	-	1,107,136
Additions	-	3,927	-	-	52,395	55,145	11,000	5,675	8,000	136,142
Total	618,469	252,828	55,483	184,283	52,395	55,145	11,000	5,675	8,000	1,243,278
Accumulated depreciation										
B/fwd	509,745	248,901	37,290	184,283	-	-	-	-	-	980,218
Charge for the year	17,685	454	9,097	-	3,733	453	1,896	1,509	2,132	36,959
Total	527,431	249,355	46,387	184,283	3,733	453	1,896	1,509	2,132	1,017,177
Net book value - 2022	91,038	3,473	9,096	-	48,661	54,692	9,104	4,166	5,868	226,100
Net book value - 2021	108,724	-	18,193	-						126,917

The Trust has been at its present location at 558A South Church Street located on Crown Land in George Town since July 2006. The major expenses for the upkeep of this building are met by the Government. The estimated fair value of the original donated house and expenses incurred in bringing the house to operational use were capitalized as a fixed asset during the year ended August 31, 1990. Currently the Trust is not charged a monthly rent for use of the property.

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

5. HERITAGE PROPERTIES

	2022	2021
	CIS	CIS
Cost:		
Balance at beginning of year	12,672,083	12,508,083
Purchased additions	107,058	164,000
	<u>CIS 12,779,141</u>	<u>CIS 12,672,083</u>

During the year ended June 30, 2022, the trust purchased two properties. One is purchased in Little Cayman with a value of CI\$32,058 and other is purchased in Midland Botanic Park with a value of CI\$75,000. During the year ended June 30, 2021, the Trust purchased a property at Little Cayman West with a value of CI\$164,000.

As of June 30, 2012, the Trust classifies its Land and Heritage properties as permanently restricted based on whether the land is inalienable. Based on this definition, certain heritage properties along with the respective land may be reclassified from unrestricted to permanently restricted, resulting in a transfer through the statement of activities. During the year ended June 30, 2022 and 2021 there were no transfers.

Unrestricted heritage properties comprise:	2022	2021
	CIS	CIS
The Mastic Reserve – Grand Cayman	870,000	870,000
The Central Mangrove Wetland – Grand Cayman	650,884	650,884
Uncle Sammy’s Pond – Grand Cayman	315,000	315,000
Salt Rocks Trail – Little Cayman	309,960	309,960
The Governor Gore Bird Sanctuary – Grand Cayman	223,862	223,862
Dr. Roy’s Ironshore – Grand Cayman	178,252	178,252
LWC (Little Cayman West) 77A16	164,000	164,000
Nurse Leila’s House – Grand Cayman	142,000	142,000
The Marshes – Cayman Brac	125,000	125,000
Malportas Pond – Grand Cayman	100,000	100,000
Mahogany Bay – Little Cayman	79,980	79,980
Midland Purchase (Botanic Park parcel area)	75,000	-
The Mass Grave Site – Cayman Brac	66,000	66,000
Woodlands – Little Cayman	45,974	45,974
Little Cayman Land Block 77A 154	32,058	-
Jackson’s Wall – Grand Cayman	20,248	20,248
Bluff Land – Cayman Brac	8,640	8,640
Miss Izzy’s Schoolhouse – Grand Cayman	5,000	5,000
	<u>CIS 3,411,858</u>	<u>CIS 3,304,800</u>

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

5. HERITAGE PROPERTIES (continued)

Restricted heritage properties and the permanently restricted net assets comprise of the following:

	2022	2021
	CIS	CIS
The Mastic Reserve – Grand Cayman	2,337,215	2,337,215
The Salina Reserve – Grand Cayman	1,315,440	1,315,440
The Booby Pond Nature Reserve – Little Cayman	1,232,424	1,232,424
The Brac Parrot Reserve – Cayman Brac	1,177,931	1,177,931
The Central Mangrove Wetland – Grand Cayman	847,116	847,116
Preston Bay – Little Cayman	800,000	800,000
Central Forest Land – Little Cayman	676,500	676,500
Brac Splits – Cayman Brac	200,710	200,710
Duck Pond – Grand Cayman	200,000	200,000
Booby Pond Nature Reserve – Little Cayman	180,400	180,400
Eldemire House – Cayman Brac	159,900	159,900
Heritage Beach – Grand Cayman	84,647	84,647
The Mission House – Grand Cayman	70,000	70,000
The Queen Elizabeth II Park – Grand Cayman	45,000	45,000
Fort George – Grand Cayman	30,000	30,000
The Bodden Town Guard House – Grand Cayman	10,000	10,000
	CIS 9,367,283	CIS 9,367,283

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

6. TEMPORARILY RESTRICTED NET ASSETS

The Trust designates certain donations or financed assets as temporarily restricted, which are those earmarked for specific Trust projects or ventures as stipulated by the Donor. If a fundraising event or donation is earmarked for a project or purpose (i.e. land acquisition) then the income received is allocated to the respective temporary restricted account. This allows the Trust to track amounts that have a designated purpose. Any money disbursed for the related purpose is expensed under the respective programme or support service cost.

However, if a fixed asset is purchased using temporarily restricted funds, the amount transfers to unrestricted. Furthermore, land that has not been declared inalienable is considered unrestricted therefore, any acquisition of land using temporarily restricted funds is recorded as a transfer to unrestricted until the Council passes a resolution to declare the land inalienable where a subsequent transfer from unrestricted to permanently restricted would occur.

The Trust's temporarily restricted funds comprise:

	2022	2021
	CIS	CIS
Little Cayman	312,164	271,998
Independent Grants	98,482	-
Land Reserves Fund	647,001	575,197
EPF	153,827	153,827
Nurse Leila's House	33,155	33,155
Magic reef recovery funds	20,040	20,040
Cayman Brac	65,767	60,026
West Bay	10,746	10,750
George Town DC	9,166	9,166
Miss Izzie's Schoolhouse	5,821	5,821
Bodden Town DC	5,140	5,140
Education center funds	12,611	12,611
Eldemire House	4,920	4,920
Wes Emmanuel fund	1,990	1,990
Historic Properties	38,437	28,948
Heritage beach	2,650	2,650
North side DC	1,800	1,800
East end DC	1,798	1,798
	CIS 1,425,515	CIS 1,199,837

NATIONAL TRUST FOR THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

(Expressed in Cayman Islands dollars)

7. PENSION SCHEME

The Trust participates in the Colonial Master Deed Cayman Islands Pension Plan, previously known as the Colonial Private Trust Pension Plan, a defined contribution pension fund. Cayman Islands law requires all employees to participate in a pension scheme. The Trust is required to match each employee's contributions on a one to one basis up to 5% of the employee's annual salary. During the year ended June 30, 2022, the Trust contributed CI\$15,374 (2021: CI\$11,469) for all employees.

8. COMMITMENTS AND CONTINGENT LIABILITIES

The Trust leases certain properties under operating leases. In 1991 the Trust entered into a lease on land used for the Old Savannah School House. The annual commitment is CI\$1 and the duration of the lease is 99 years.

9. FINANCIAL INSTRUMENTS

Fair Value

At June 30, 2022 and 2021, the following methods and assumptions were used by management to estimate the fair value of each class of financial instruments:

(a) Cash and cash equivalents

The carrying amount approximates fair value.

(b) Accounts receivable and accounts payable

The above items are substantially short term, and do not bear interest. As such, their carrying amount approximates their fair value.

Credit risk

The Trust is party to financial instruments with concentration of credit risk in the normal course of business. Credit risk arises from the failure of the counterparties to perform according to the terms of a contract. To minimize this risk, the Trust's cash and cash equivalents are on deposit with reputable financial institutions located in the Cayman Islands. Management frequently monitors its accounts receivable and does not anticipate any material losses as a result of this concentration of credit risk.

The Trust's exposure to credit risk is limited to the amounts shown in the balance sheets. The Trust does not require collateral or other security to support financial instruments with credit risk.

10. ECONOMIC DEPENDENCE

The nature of the Trust's operations is such that there can be considerable fluctuations in its cash flows. The Trust's ability to continue as a going concern is dependent on receiving sufficient government funding and donations in order to meet ongoing expenses. Accordingly, the Trust is economically dependent on the Cayman Islands Government.

11. CONSIDERATIONS OF THE IMPACT OF COVID-19

Management is closely monitoring the evolution of the COVID-19 pandemic and have assessed its impact on the Trust for the financial year. Management have concluded that there was no material effect on the financial statements. Management will continue to monitor the pandemic as it continues to evolve.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events to October 31, 2022, which is the date that the financial statements were available to be issued and there is nothing to disclose.