

CAYMAN NATIONAL CULTURAL FOUNDATION

ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2022



CREATIVITY : HERITAGE : EDUCATION

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FOREWORD:

This Annual Report of the Cayman National Cultural Foundation (CNCF) outlines the organizations performance for the period 01 January to 31 December, 2022.

The requirement for an Annual Report is prescribed under section 52 of the Public Management and Finance Act (2020 Revision) (“PMFL”).

The annual report covers three principal areas:

- Delivery of Outputs: NCF 1, 2, 3, 4 & 5 (expanded below);
- Financial performance; and
- Governance.

The Delivery of Outputs section outlines the contributions made by CNCF in furtherance of the Government’s policy outcome goals. The report also provides commentary which explains material variances in performance when compared to budget in the Output Delivery Analysis.

The financial performance section shows the financial resources CNCF was afforded in the 2022 budget and the inputs purchased to provide services. The financial performance is presented in the form of financial statements prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the supporting notes to those financial statements.

The report also includes a section on Governance which outlines CNCF’s efforts in the areas of risk management, audit, and freedom of information.

Note: The COVID-19 pandemic and related restrictions in the first quarter of 2022 resulted in variances in the CNCF’s Outputs submission for 2022 although, several key programmes in Q1 were moved online, enabling us to mitigate disruption to services despite limitations at our physical site. The Annual Report reflects how the agreed 2022 Outputs were adapted and carried out in a hybrid capacity (onsite and virtually) throughout this period.

ABOUT US

Nature and Scope of Activities

The Cayman National Cultural Foundation (the “Foundation” or “CNCF”) is a non-profit organisation regulated by the Government of the Cayman Islands. The Foundation was formed on 9 October 1984 in accordance with the Cayman National Cultural Foundation Law, 1984. The Cayman National Cultural Foundation Act 2013 was enacted on 9 August of that year. The work of the Foundation covers the full scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts – and incorporates cultural preservation, the presentation of cultural festivals, artistic development, youth arts, and special projects.

CNCF manages two of Cayman’s most significant cultural properties. At the FJ Harquail Cultural Centre, theatrical events, exhibitions, conferences, and cultural gatherings are produced year-round by the Foundation, as well as by others. The World Heritage Fund-recognised site, Mind’s Eye—the Visionary World of Gladwyn Bush, is the historic home of Cayman’s renowned intuitive artist, which the Foundation has been responsible for conserving since it took stewardship in 2009. The Foundation is funded primarily by an annual grant from the Cayman Islands Government Ministry of Culture.

2022 marked CNCF’s thirty eighth year at the FJ Harquail Cultural Centre site off the Esterley Tibbetts Highway. This was another unusual year owing to the ongoing COVID-19 Pandemic restrictions, with footfall reflecting these restrictions. In total we welcomed approximately 22,000 visitors to our facilities.

The new CNCF team ensured that the programmes, events, and exhibitions outlined in our 2022 Purchase and Ownership Agreements were achieved, with many continuing to be adapted digital format, while also being responsive to our audiences’ needs and growing new programming, such as our Teacher’s Social series. Both our existing commitments, and the new programmes, were executed professionally and within the agreed time allocated.

The scope of the *Cayman National Cultural Foundation (CNCF)* activities in 2022 was as follows:

- **Arts and Cultural Preservation, Documentation and Promotion [NCF 1]:** CNCF is charged with managing the ongoing conservation and promotion of the Mind’s Eye Centre (Gladwyn K. “Miss Lassie’s” Bush Cottage and Duplex), which contains her hundred year-old cottage as a unique cultural heritage site that is an exceptional example of both traditional Caymanian architecture and of internationally recognised home-grown artistic talent. In addition, CNCF cares for the 130+ pieces of artwork in her collection, held in Trust for the people of the Cayman Islands. This includes exhibiting the work three times per annum, upon invitation.

CNCF’s Cultural and Heritage Library provides hundreds of resources relating to our cultural history which are accessible via video and audio recordings, prints, photographs, books, magazines, as well as other literature on or about art / culture.

Under this output, CNCF also produces the annual National Arts & Culture Awards presentation to recognise individuals or groups whose work, or work with others, has made a meaningful contribution to the exploration, promotion or preservation of Caymanian cultural heritage and the development of Caymanian arts.

- **Cultural Festivals, International Exchange/ Local Partnerships [NCF 2]:** Each year CNCF produces a number of community events and festival that aim to support the Caymanian arts and cultural experience, such as the Cayman Islands International Storytelling Festival: GIMISTORY; the Cayman Islands National Festival of Arts: CAYFEST; Red Sky at Night; and/or at overseas arts and culture festivals/conferences/seminars. Under this output CNCF also administrates CIG-approved funding for other Government-funded festivals and carnivals, including the Cayman Carnival (Batabano, CayMas, and Braccanal, and formerly Pirates Week).
- **Management of Operations and Maintenance of FJ Harquail Cultural Centre (FJHCC) [NCF 3]:** CNCF manages the nine acre F.J. Harquail Cultural Centre. This houses the Harquail Theatre which fulfils the function of the national theatre of the Cayman Islands, the Studio Theatre, and the CNCF Offices. This output includes the management of the physical plant to a high standard, as well as the busy rental programme of 90+ plays, concerts, conferences, receptions, and other events each year. In addition, CNCF also produces its own theatrical productions and performing arts events throughout the year from these venues, notably Rundown.
- **Training and Support for Artistic Development [NCF 4]:** CNCF's mission to preserve and develop Caymanian arts and culture includes an active annual training programme in the performing, visual and literary arts. Every year we host workshops, screenings, seminars or residencies for local performers, teachers and students. CNCF also manages the largest creative grant programme in the Cayman Islands titled 'Grants for the Arts', which over the years has funded numerous creative projects, productions, publications, and training opportunities. The mission of the grant is to facilitate opportunities for artists (and creative groups).
- **Youth Arts Programming [NCF 5]:** CNCF provides school and teacher cultural resources as well as a variety of youth programmes involving the artistic disciplines of drama, dance, traditional arts and crafts, storytelling and music. This is executed via the Young-At-Arts extra-curricular classes, performances and field trips, which culminates in work-shows to showcase to a public audience the participants' progress over the course of the workshops.

Customers and Location of Activities

CNCF is housed across four separate facilities over 10 acres that is made up the F J Harquail Cultural Centre (FJHCC) and Mind's Eye—the Visionary World of Gladwyn K. Bush (ME). Due to their specificity of purpose—over and above their distinct architecture (tangible cultural heritage)—the facilities are designated for the preservation and celebration of intangible cultural heritage (time-honoured customs), culture and the arts. The majority of CNCF's regular programming is carried out at one of these venues while annual festivals like Gimistory are hosted as satellite venues across Grand Cayman and the Sister Islands.

The CNCF Programme Department works at various locations across the Cayman Islands including public and private schools in Grand Cayman, Cayman Brac and Little Cayman, as well as at other locations on demand.

Governance

The Cayman National Cultural Foundation

The functions of Cayman National Cultural Foundation (per CNCF Act 2013) are:

- (a) to stimulate and facilitate the development and preservation of Caymanian culture generally;
- (b) to do anything necessary or desirable to assist people and organisations interested in developing cultural and artistic expression, particularly people and organisations interested in preserving and exploring Caymanian performing and visual arts;
- (c) to develop, maintain and manage theatres and other cultural facilities, as well as their equipment;
- (d) to stimulate the development of local cultural and artistic talent by means of training, workshops, competitions, exhibitions, pageants, parades, displays and similar activities;
- (e) to organise cultural festivals; and
- (f) to do such other things as prescribed.

Governance and Accountability

The Foundation is governed by a Cabinet-appointed Board, individuals who bring to the organisation their various skills, knowledge and expertise as arts practitioners, business professionals and educators. The Board makes policy, which is implemented by management and staff. The operations of the organisation are conducted in a transparent manner, and annual reports and audited financial statements are prepared and submitted to Government for tabling in Parliament. CNCF has well-developed mechanisms, in compliance with all Government requirements for demonstrating how its activities are, or will be, able to support its charitable aims, as well as achieving the goals of cultural and arts development, which are set out in the Foundation's Cultural Policy, and in the National Culture and Heritage Policy.

Compliance During the Year

CNCF seeks to comply with all relevant legal and regulatory requirements and acts with due regard for the legal and human rights all individuals, without regard to nationality, colour, creed, ethnicity, religious affiliation or disability. We are governed by the Public Authorities Act (2020 revision) and the CNCF Act (2013).

Mission Statement

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

Guiding Principles

For more than 30 years, the non-profit Cayman National Cultural Foundation has carried out its mission through the extensive development of wide-ranging cultural development programmes. These programmes include stage productions, creative education for young people, free workshops and financial support of artists, festivals, publications, national recognition of artistic and cultural achievement and the preservation of Caymanian heritage, and the promotion of arts and culture for future generations.

Our People

CNCF Management Board (until 30 November 2022):

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

TOTAL EMPLOYEES:

TOTAL number of staff at CNCF as of 31 December 2022: 5 employees, 1 secondment contract, 1 casual worker and 1 intern.

MANAGEMENT DISCUSSION AND ANALYSIS

HIGHLIGHTS OF ACHIEVEMENTS

Despite pandemic restrictions impacting theatre rentals and events at our physical sites in January and February, CNCF received a total of **approximately 22,000 visitors** in 2022 to our venues and offsite events. Highlights from 2022 included:

1. CNCF completed four major renovation projects across the CNCF Offices, the **national theatres [NCF 3]**, and the Minds Eye Centre site bringing them up to a professional standard. Internal operations were also redeveloped to ensure they are professionally maintained, that productions are carried out to professional standards, and that they cover a wide scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts.
2. CNCF produced several major **community events and festivals [NCF 2] in 2022** that aim to support Cayman arts and culture including Cayman Islands International Storytelling Festival: **GIMISTORY** and the Cayman Islands National Festival of Arts: **CAYFEST**. CNCF also supported several other festivals and carnivals including Pirates Fest, Batabano, Braccanal, and CayMas.
3. **Expansion of School Resources [NCF 4 & 5]**. In response to requests for digital content relating to Caymanian culture and heritage, CNCF has expanded its schools programme and has begun to develop downloadable lesson plans for the school sector. Our new project ‘Cayman Makers’, which includes short documentaries about key aspects of our cultural heritage, began in October with plans to launch the pilot episode in Spring 2023.

4. The **Cayman Islands Folk Singers [NCF 2]** expanded in 2022 with new members joining in September and an expanded musical component. The last quarter of the year saw CIFS performing regularly again after a hiatus due to the pandemic.
5. CNCF hosted our **Young at Arts programme [NCF 5]** in summer of 2022 and as a hybrid after school programme for the latter part of the year. Students learnt drama, dance, traditional arts and crafts, storytelling.
6. CNCF's **Grants for the Arts [NCF 4]**, programme supported the largest number of applicants in several years, funding projects that included overseas training for music and dance students, film editing, publications, an overseas Fashion Show by Caymanian designer Jawara Alleyne, research projects exploring cultural heritage, a documentary festival, and others.
7. CNCF undertook a significant collections management project in summer 2022 that saw the **Gladwyn K. "Miss Lassie's" Bush collection** digitized and professionally archived in advance of converting data into a collections management system. In addition, the collection received conservation by an international art conservator, and acquired two new works via donation.
8. CNCF began work on the new **Cultural Resource Archive [NCF 4]** which is housed in the CNCF offices. This includes digitising 30+ years of CNCF materials in addition to expanding cultural publications and data relating to Caymanian cultural heritage. This content will be available to researchers and schools moving forward.
9. **CNCF's Strategic Planning Exercise** began in May 2022. Building on CNCF's 38-year legacy, this exercise seeks to analyse the existing institutional framework, outputs, and productivity, and to look to future growth and planning – based on the needs of the evolving cultural sector, the wider community, and the work of other cultural agencies. Working with international consultants this involved gathering stakeholder input through a series of workshops, a public survey, and one-to-one interviews. Feedback will help us design a future for CNCF that is responsive to community needs and which will help to establish the conditions in which creativity and culture can flourish across the country at both national and district levels.

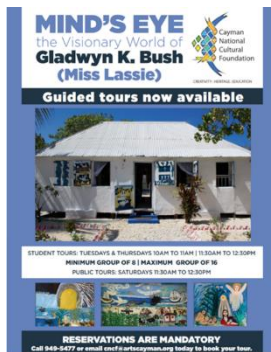
OUTPUT DELIVERY ANALYSIS

NCF 1 - ARTS AND CULTURAL PRESERVATION, DOCUMENTATION AND PROMOTION

NCF 1	Arts and Cultural Preservation, Documentation and Promotion
DESCRIPTION - Managing the ongoing conservation and promotion of Mind's Eye (Miss Lassie's House), the more than 100-year-old cultural heritage site that is a unique and exceptional example of both traditional Caymanian architecture and of internationally recognised home-grown artistic talent. - Preservation of the national collection of 126 Gladwyn K. Bush artworks acquired on behalf of the people of the Cayman Islands. This may include periodically exhibiting the works, upon invitation. - Producing an annual Arts Awards presentation recognising individuals or groups whose work, or work with others, has made or is expected to make, in the long term, a meaningful contribution to the exploration, promotion or preservation of Caymanian cultural heritage and the development of Caymanian arts. - Maintaining a resource library of video and audio recordings, prints, photographs, books, magazines and other literature on or about art/culture (some of these materials are purchased; some, such as FOUNDATION arts and culture journal and other literary works, are published by CNCF).	

MEASURES	2022 Actual	2022 Budget	Variance
QUANTITY			
Mind's Eye, the Visionary World of Gladwyn K Bush (Miss Lassie's House):	1	1	0
Number of inspections by preservation specialist	1	1	0
Number of visitors to the property	300	800-1,000	-500*
National Collection of GK Bush artworks:			
Number of works in the collection	136	126-130	+6*
Number of inspections by art conservationist	1	1	0
Number of exhibitions	4	3-4	0
Arts awards presentation(s):	1	1	0
Number of titles/materials available for public access	750	745-760	0
Number of new materials added/developed	0	5-10	0
Number of new literary works/cultural journals and newsletters published.	1	1-2	0
QUALITY			
Conserve and preserve the art on the interior surfaces and on the windows and doors of Miss Lassie's house	100%	80%	+20%
Make further restorations and repairs to Miss Lassie's house and grounds to international heritage standards	100%	80%	+20%
Maintain paintings in a stable environment to international standards for art collections and inspect annually by an art conservationist/restoration expert, who will prepare a report regarding their condition.	100%	80%	+20%
Library materials preserving or promoting Caymanian culture	100%	100%	0
CNCF produced publications to be reflective and inclusive of a range of local artists/and cultural organizations.	100%	80%	+20%
TIMELINESS			
Conservation, maintenance, and protection of the Mind's Eye property	100%	100%	100%
GK Bush Collection Inspection	100%	100%	100%
Arts Awards	100%	100%	100%
Public Access to Library	100%	100%	100%

LOCATION Mind's Eye (Miss Lassie's House) The Harquail Theatre	100%	100%	100%
COST	\$108,873	\$108,873	\$99,873
RELATED BROAD OUTCOME: Awareness and Preservation of Culture and Heritage Variance: Footfall - The Mind's Eye Centre remained closed to the public for a substantial portion of 2022, with construction taking place in Q1 and emergency renovations being carried out for most of Q3 and all Q4, which impacted footfall by over 60%. We managed to host several school and public tours in Q2. Resources of NCF1 were redirected to general collections management with all works being documented and digitalised into a comprehensive data system. Number of works in collections – During the review period in summer, the number of works was adjusted, in addition to CNCF acquiring two new works.			



Mind's Eye Cultural Heritage Site – After internal upgrades in November 2021, the Minds Eye Duplex hosted a number of tours and events in Q1 and Q2, including several schools and Summer Camps. The site also hosted several special events in Q2 including Cayman Art Week and Mr. Glenroy (Roy) Bodden's book signing for his publication *My Life in a Conch Shell*. The publishing of this book was assisted by a grant from CNCF and The Bould Foundation.

Miss Lassie's cottage was a part of the Torch Run for the Commonwealth Games. This joint venture helped to bring national and international awareness to the site and showcased our heritage. Additionally, CNCF conducted docent training in June with seven new docents.



In September, after some exploratory work on the Mind's Eye Centre duplex – the education centre at the rear of the site (due to the removal of a beehive), extensive structural damage was found initially to the east side of the building, and eventually throughout the duplex. Prudential Minor Works were moved over from the Harquail renovations to carry out emergency construction work to interior and exterior walls, supporting beams and the roof. The cause of the damage was extensive, historic terminate corrosion. Construction continued throughout Q4 preventing site visits, however CNCF's conservator Greg Howarth was fortunately onsite to oversee the dismantling of the Miss Lassie painted ceilings and walls and to train PMW teams to reinstall with conservation knowledge.

Collections Conservation – Greg Howarth returned to Cayman for the first time since the pandemic to undertake a month-long review of the Miss Lassie Art Collection. He documented the status of all works in the collection and embarked on some basic conservation of priority works. His full report was received in January 2023.

National Collection of GK Bush Artworks – In June 2022, after several weeks of negotiation two artworks were gifted bringing the total number of artworks in the collection to 136. These works were kindly donated by US resident Sarah Louise Ham, whose mother Betty Wood purchased them directly from Gladwyn Bush between 1980-1985. The artworks were titled "Little Child" and "He Hath".

Collection Exhibitions – A travelling exhibition of Miss Lassies work (initiated in December 2021) concluded at the Cayman Turtle Centre in January. The footfall overall for the event was 237, and it was positively received. CNCF hosted an on-site exhibition of works at the Minds Eye Centre in Q1-2, and later collaborated with the National Gallery to mount two further solo exhibitions of her work, in addition to having Miss Lassies work included in a wider National Collection exhibition at the Gallery.

Annual National Arts and Culture Awards – NACA took place on 17 February, honouring the accomplishments of creatives and cultural leaders in the Cayman Islands. With categories for "Star for Creativity" and "Heritage Cross", key figures in Caymanian arts, culture, and heritage convened to celebrate the valued achievements of the award recipients [Further discussion in NCF 2].

CNCF Resource Library & Research - CNCF embarked on an extensive archiving exercise of its own collection in 2022, digitising 30+ years of materials in order to make them accessible to schools, scholars and the general public. In addition, the CNCF Programmes team began developing a new Caymanian Makers Video Series. Responding to the **Cayman Islands Older Persons Policy 2016-2035** and the **National Culture & Heritage Policy and Strategic Plan for the Cayman Islands 2017-2026**, which notes the utmost importance for mechanisms to be created to preserve traditional knowledge and to enable

seniors to contribute to the Government's development agenda, the aim of the programme is to create a series of profiles on local "makers". Filming began on the pilot in October. On completion and after valuation a 5-7-part series will be created, covering traditional artisans creating: household/yard games, thatch and needle work, cuisine, traditional arts and crafts, seafarers' traditions such as catboat making, rope making, and fishing.

NCF 2 - CULTURAL FESTIVALS, INTERNATIONAL EXCHANGE/LOCAL PARTNERSHIP

NCF 2	Cultural Festivals, International Exchange/Local Partnership		
DESCRIPTION • Hosting/sharing the Caymanian arts and cultural experience at local and international arts and culture events, such as the Cayman Islands International Storytelling Festival, GIMISTORY; the Cayman Islands National Festival of Arts, CAYFEST; and/or at overseas arts and culture festivals/conferences/seminars. • Administration of CIG approved funding for other Government-funded festivals and carnivals, including the Cayman Carnival.			
MEASURES	2022 Actual	2022 Budget	Variance
QUANTITY Gimistory • Number of district touring presentations arranged • Number of culinary events/competitions arranged CayFest and/or arts and culture festivals/conferences/seminars • Number of national/international arts and culture events hosted, or attended/number of papers presented Cayman Carnival • Number of consolidated carnivals for which funding is to be administered	6 1 3 3	6-8 1 3-5 1	0 0 0 +2
QUALITY Gimistory • Professional standards of production are applied • Professional/experienced performers/presenters should be selected based on Board approved criteria • Events/conferences/seminars relevant to the Caymanian context and/or the work of the Cultural Foundation, as approved by Board Cayman Carnival • CNCF to monitor organizers’ achievement of key performance indicators	100% 100% 100% 100%	80% 80% 100% 80%	+20% +20% 100% +20%
TIMELINESS • Cayman Islands arts and culture festival(s) produced/presented	100%	1 st & 4 th Q 2 nd Q/ 3 rd Q By 2 nd week of July	100%

- Events/Conferences/Seminars presented at/attended - Cayman Carnival			
LOCATION - Various indoor and outdoor venues in Grand Cayman and Cayman Brac - Locations in the Cayman Islands and overseas	100%	100%	100%
	100%	100%	100%
COST	\$383,468	\$383,468	\$572,018
RELATED BROAD OUTCOME: Talent Identification and Development			
VARIANCE <u>Cayman Carnival:</u> Grand Cayman showcased two distinct carnival products with Batabano, and CayMAS and Cayman Brac showcased its annual Braccanal Carnival, unique to the Brac. All carnivals were funded from the consolidated carnival budget with individual service level agreements.			

CayFest 2022 – Public gathering restrictions in Q1 resulted in CNCF’s first major production of the year – CayFest – being carried out in a hybrid capacity across February and March. The popular “Red Sky at Night” festival was executed as an online marketplace with a scaled back live element on Friday and Saturday, 25 and 26 February. The CayFest National Cultural Awards ceremony took place on Thursday, 17 February, with 12 nominees being recognised for their outstanding contributions to Caymanian culture. Awardees included: Charles Long and Donna Bryan (Gold Heritage Cross), Margaret Barwick and Natalie Urquhart (Gold Star for Creativity), Jawara Alleyne and Ky-Mani Davis (Silver Star for Creativity), Yonier Powery and Simon Tatum (Bronze Star for Creativity), Stoak’d (Star for Creativity Certificate), and Bendel Hydes (Visionary Award). In addition the National Gallery staff were recognized for the Lockdown Digital Engagement programme and Cayman Art Week received recognition for its response to the impact of the pandemic on the creative sector.

CayFest celebrations continued with “Dress for Culture” on Friday, 11 March 2022. This year CNCF also incorporated a royalty theme in observance of the Queen’s Platinum Jubilee. Cayman is a diverse nation with many celebrated cultures, allowing for “Dress for Culture” to be an opportunity to celebrate the nationalities that exist here through the medium of dress. Schools and corporations alike from both the private and public sector participated, with Celebrations and Tiny Tots Academy winning the social media photo contest. The extended CayFest schedule culminated with the Platinum Jubilee Tea Party, held in partnership with the National Gallery on 28 May, and the related Playwriting Competition, the winner being Kirsty O’Sullivan.



2022 Carnivals – Batabano, Braccanal & CayMAS - All three festivals were completed within their allocated timeframes in 2022. Batabano & Braccanal occurred in May, while CayMAS took place in July. Plans are underway to work with each organization in 2023 to incorporate creative workshops relating to the carnival arts in order to begin incorporating more local creativity into the annual parades. These will include topics such as costume design, stilt walking, and the history of carnival in Cayman and the wider region.

Gimistory - CNCF's annual international storytelling festival was successfully staged from 25 November to 02 December in all five districts in Grand Cayman, and in Cayman Brac as part of Brac Heritage Day. This year, CNCF commissioned an entirely local line up of performers including Rita Estevanovich and King Navassa (both returning from London for the event), along with Matt Brown, Nasaria Suckoo Chollette, Jevy Ebanks, Aunt Sookie, and others. Open auditions were also held in early November followed by storytelling workshops. During the week, Tellers and CNCF staff worked with nine local schools to ensure students could connect directly with the Tellers. CNCF also had the opportunity to record all of the Tellers' stories professionally for the first time via a new partnership with Ironshore Studio in George Town. The stories will be made available via the new CNCF website. Gimistory also included a district Fish Fry competition with George Town winning the overall award.





NCF 3: MANAGEMENT OF OPERATIONS AND MAINTENANCE OF FJ HARQUAIL CULTURAL CENTRE (FJHCC)

NCF3	Management of Operations and Maintenance of FJ Harquail Cultural Centre (FJHCC)		
DESCRIPTION - Actively promote the use of the FJ Harquail Cultural Centre (FJHCC), which fulfills the function of the national theatre of the Cayman Islands and is held in trust for the people of the Cayman Islands for the staging of plays, concerts, conferences, receptions, and other events. Manage rentals and maintain the physical plant to a high standard. - Presentation of performing arts events, including at least one locally created theatrical production.			
MEASURES	2022 Actual	2022 Budget	Variance
QUANTITY - Health and safety inspections of the FJHCC - Number of rentals of the FJHCC - Number of Cayman National Cultural Foundation produced / presented stage shows. - Mechanical systems upkeep and repairs	? 197 3 Ongoing	4-6 145-150 1-3 Ongoing	0 +47 0 0
QUALITY - Facilities maintained to a high standard to ensure compliance with fire, health, and other safety regulations, as confirmed by annual inspection by Fire Department, Environmental Health, and other services. - Customer satisfaction with the maintenance and facilities offered at the venue, evidenced by the receipt of fewer than two substantiated complaints per year on a customer service evaluation form or other means. - Production script(s) to have sound technical structure and production potential. - Production script(s)/repertoire to be locally created, or culturally relevant, and/or educational. - Production elements to be in keeping with the conventions of theatre, as determined by the CEO and Director Designate.	100% 100% 100% 100% 100%	100% 100% 100% 100%	0 0 0 0 0
TIMELINESS - Available for Rental. - Presentation of Stage Productions	100%	Year Round 2 nd & 4 th Q	0
LOCATION The Harquail Theatre	100%	100%	0

• The Harquail Theatre and/or other stages/auditoria	100%	100%	0
COST	\$345,320	\$345,320	\$305,320
RELATED BROAD OUTCOME:			
• Talent Identification and Development			
VARIANCE			
Rentals: The foundation saw an increase in rentals this calendar year due to the return of the Summer Camp, various after school activities and partnerships formed over Q3 and 4.			
CNCF presented/produced stage shows: Q 3and 4 saw an increase in stage shows due to partnerships with CINCDC and CAF; additionally, the AWS presentation with all after-school groups combined.			

General Maintenance – During Q2 renovation work began on the CNCF Offices. Following professional advice, the AC duct work was replaced and CNCF took the opportunity to foam the ceiling to aid in lowering the electricity bill and strengthen the roof in time for hurricane season. Following mould remediation, replacement furnishings where needed, and flooring replacement, the office walls were repainted to reflect a professional atmosphere.

A wider site audit was carried out at the FJ Harquail Cultural Centre venues. While initial renovation work was anticipated to focus on tidying and professionalising the public spaces, early site analysis in April and May 2022 had resulted in a more extensive renovation across the FJ Harquail Cultural Centre site including roof repairs of Harquail Theatre and Studio Theatres; mould remediation; flooding remediation in lower areas of the Harquail; repairs to doors and windows ; the installation of guttering system around the theatres to limit flooding back into the buildings; extensive deep cleaning throughout sites to remove stains, grime and mould; professional painting, external power washing of buildings needed, and carpentry upgrades; wider site maintenance/landscaping; and installation of signage throughout.

Renovations were successfully carried out between August and September with the newly renovated venues opening to the public in October.

Theatre Management and Facility Rentals – Harquail and Studio Theatre rentals met 2022 targets despite the venues being closed for much of July-September for renovation purposes. Based on current bookings it is anticipated that CNCF will have hosted 98 events/productions in over the year, with approximately 22,000 persons in attendance.

Cayman Islands Folk Singers – After a hiatus due to the pandemic restrictions, Cayman Islands Folk Singers began meeting weekly in June at the Mind’s Eye Centre location. Auditions for new singers were held in September, with five persons joining the group. CIFS are now rehearsing in the Studio Theatre each Monday while construction continues at Mind’s Eye. Performances were held in November and December. The Foundation is now in the process of working with them to have new costumes made, and new contracts have been signed for musical accompanists. In addition, CNCF is exploring an intensive training workshop for the CIFS in spring 2023. Plans are underway for the development of a youth folk singing choir in 2023.

Production Partnerships – While CNCF paused Rundown for 2022, it has been actively forming new production partnerships over the past year leading to scheduled collaborations with the following entities or organisations: Cayman Islands National Dance Company, Cayman Kaleidoscope Productions, Cayman National Choir & Orchestra, Cayman Arts Festival, Floetry (poetry society), Cayman Music and Entertainment Association, and the National Children’s Festival of the Arts. In Q4, we partnered with the Cayman Islands National Dance Company for two Christmas productions one in Hero’s Square (16 December) and a Christmas theatrical performance at the Harquail Theatre (18 December), as well as via several free community dance classes. The Foundation also produced an After School Club Year-End show.



NCF 4: TRAINING AND SUPPORT FOR ARTISTIC DEVELOPMENT

Training and Support for Artistic Development			
DESCRIPTION - Provision of training programmes in the performing, visual and/or literary arts in the form of workshops, screening, seminars or residencies for local performers, teachers, and students. - Administration of arts grants and other assistance to individuals and groups to facilitate opportunities for artists to explore, practice, share, learn and benefit from their work.			
MEASURES	2022 Actual	2022 Budget	Variance
QUANTITY - Workshops in Traditional, Visual, Literary and/or Performing Arts - Artistic grants awarded	5 10	1-3 8-16	+2 0
QUALITY - Workshops to be taught by professional tutors or other talented persons with expertise in relevant disciplines such as: Dramaturgy, Creative Writing, Theatre-in-Education, Dance-in-Education, Music-in-Education, Traditional Arts and Crafts, Storytelling or Performance Techniques. - Award of scholarships and grants based on merit to individuals, and/or organizations that: - Are not-for-profit, or are units of government, or educational institutions. - Result in professional qualifications, and /or produce, present or support the arts. - In accordance with CNCF policy, are legally resident in the Cayman Islands and meet the determined criteria for a specific programme.	100% 100%	100% 100%	100% 100%
TIMELINESS - Workshops held - Grants publicized	100% 100%	3 rd & 4 th Q Ongoing	100% 100%
LOCATION The Harquail Theatre and other venues in the Cayman Islands	100%	100%	100%
COST	\$266,437	\$266,437	\$105,987
RELATED BROAD OUTCOME: Talent Identification and Development			
VARIANCE <u>Workshops:</u> With the introduction of a Summer Dance Workshop Series and partnership with CINDC, this allowed for the performing arts segment of Q3 to elevate the offerings of the foundation for that period.			

Grants for the Arts Awardees – CNCF grant applications are considered biannually in March and September and are a part of the organisation’s mission to facilitate and preserve all forms of artistic expression in Cayman. During 2022, the Grants Committee awarded grants to recipients in various art disciplines such as film, literary work, dance, and music:

- **Cayman Documentary Film Festival:** CDF received funding in June towards its inaugural festival. The Festival aims to spark dialogue within the local community, particularly amongst our youth, around some of the most significant challenges facing society today. Films such as *Tina*, *I am Greta*, and *Summer of Soul*, were a few the films selected to highlight important contemporary issues arising out of the environment, mental health, and empowerment through music and technology.
- **Cayman Arts Festival Student Scholarship Programme:** CNCF supported CAF five students to attend the Luzerne Music Center, which aims to provide world-class music instruction for gifted young musicians from ages 9-18 yrs. The summer camp took place in the foothills of New York’s Adirondack Park.
- **Dreamchasers Cayman:** CNCF funded DC’s students to attend the Harlem School of the Arts Summer Dance Intensive which welcomes dancers from ages 8-25 and offers a ballet-based, multidisciplinary experience for students with at least three years of consistent dance training. They received instruction in Ballet, Pointe, Contemporary, African, Hip-Hop, and Lindy Hop.
- **Randy Chollette:** Spearheaded by multidisciplinary artist and musician, Randy Chollette, CNCF approved funding for *The Red Boat Experience*, an improvisational performance and workshop dedicated to teaching the public the foundations of the traditional Caymanian drum, as well as drums and rhythms from the wider Caribbean region. Designed as an interactive audience experience, *Red Boat* was created to bring attention to the traditional rhythms and practices of the Caymanian drum, whilst providing musicians with a foundation in which to incorporate Cayman’s heritage and traditions into their work. In 2023, this experience will be manifested through partnership with CNCF, using the Harquail grounds to host a number of shows and workshops to the public throughout the first half of the year.
- **Dance Unlimited:** As one of the oldest dance institutions in the Cayman Islands, Cayman Islands National Dance Company is one of the keystones of the arts in Cayman. To continue their work, CNCF approved in kind funding for the facilitation of their 2022-23 dance season. This included free community dance classes, a workshop with a guest choreographer, a free Christmas community concert in Heroes Square, and a Christmas performance at the Harquail Theatre, aimed at fostering and promoting dance to the next generation of young Caymanians.
- **Fuego Latin Dance:** Fuego Latin Dance is an organisation with over 100 active students, dedicated to teaching and promoting different forms of Latin dance in the Cayman Islands, primarily Salsa and Bachata. In CNCF’s July review, the committee approved funding to Fuego to assist with the execution of an island-wide Latin Dance Festival. This new annual event sets out to create an immersive educational and social environment to increase awareness, research, and the practice of Latin dancing in the Cayman Islands. The festival included workshops by local and guest instructors, live music, and networking events.
- **Annikki Hill:** A longtime poet and creative in the community, Annikki Hill received funding from CNCF in 2022 to be able to publish her most recent body of poetry, a manuscript titled “Signs of Us: An Exploration of the Caymanian Identity in Poetry”. With a mission to preserve and promote Caymanian cultural heritage, this manuscript sets out to increase the available published representation of Caymanian art and expression, and to add critique to the values and conversations being had in the community.

- **John Reno Jackson:** Jackson received support to attend Caribbean Linked, an artist-in-residence programme in Aruba hosted annually by Ateliers '89, The Fresh Milk Art Platform, and ARC Magazine. Caribbean Linked provides a crucial space for building awareness across disparate creative communities by bringing together emerging artists from anglophone, francophone, Hispanic and Dutch Antillean Caribbean islands. The three-week residency supported Reno's artistic development by providing him with an opportunity to live and work outside of his usual environments with support and feedback from fellow resident artists and curators.
- **Badir Awe:** In a growing sector of practicing filmmakers in the Cayman Islands, Badir Awe approached CNCF, and received financial support for, a new local film project titled "Keep Rolling". "Keep rolling" is a documentary designed to spark discussion on the art landscape of the Cayman Islands, while also highlighting the struggle of Caymanian filmmakers. Following the experience of dozens of artists collaborating to create a feature film in Cuba, the project set out to provide the wider community with an insight into the ups and downs of the creative process, and the arts scene at large.
- **Jawara Alleyne:** A celebrated Caymanian and Jamaican fashion designer, Jawara Alleyne is the recipient of numerous awards for his work in fashion design. Now based in the United Kingdom, Jawara Alleyne operates his own successful fashion line, having styled celebrities such as Anok Yai. For CNCF's July review, he was awarded financial support for his Spring/Summer '23 campaign, which was presented in London Fashion Week in September 2022. A culmination of the developmental phase of his professional career thus far, this campaign acted to catapult his brand to new levels and put Caymanian fashion on the map.

Testimonies from several recipients are as follows:

"CNCF has always been there to help fund my artistic projects. They have consistently helped artists in a country where finding grants for creative projects is difficult. Thank you CNCF!" - **Badir Awe**

"The Cayman Documentary Festival is a new addition to Cayman's cultural life. This was made possible with considerable financial help from the Cayman National Cultural Foundation." - **Ana Russell-Omaljev**

"Thanks to The Cayman National Cultural Foundation for this grant which will provide the opportunity for five very talented young Caymanian dancers to receive exposure, improvement of dancing technique, and collaboration with one of New York's top arts institutions. This will put our islands in the international dance spotlight." - **Dreamchasers**

"I'm so fortunate to have received this grant from the CNCF. A huge thank you to all involved in the process for making this a possibility." - **Reno Jackson**



Professional Development Workshops – CNCF held workshops in Grant Writing and Storytelling in Fall.

Teacher Training & Schools Resources – Following the CNCF programmes presentation at the National Teachers’ Conference in September, CNCF programmes staff continued to liaise with new school contacts, providing resources on demand. A new ‘Teacher Social’ series is under develop for January. CNCF staff have also joined the National Children’s Festival of the Arts Committee to help with the development the festival in 2023, with plans for larger expansion and development in 2024. In addition, CNCF hosted three Storytelling workshops in Q4, and provided advice and training for persons around the Grants for the Arts programme (January submission deadline).

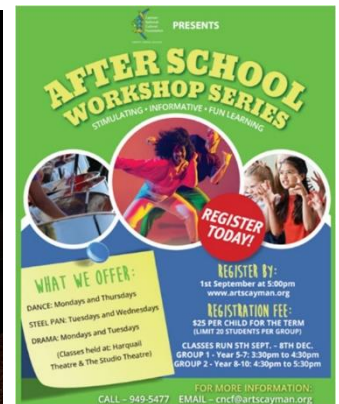
NCF 5 – YOUTH ARTS PROGRAMMING

NCF 5	Youth Arts Programming		
DESCRIPTION			
Provision of youth programmes involving the artistic disciplines of drama, dance, traditional arts and crafts, storytelling and music through the Young-At-Arts extra-curricular classes, performances, and field trips, which will culminate in showcases of the participants’ progress over the course of the workshops to a public audience.			
MEASURES	2022 Actual	2022 Budget	Variance
QUANTITY - Number of courses/workshops/field trips - Number of public performances resulting from courses/workshops - Number of summer arts camps	12 4 1	3-6 2-5 1	6+ 0 0
QUALITY - Classes/programmes are delivered by qualified tutors in the respective field. - Students and youth to have a variety of learning opportunities and experiences aimed at developing skills in and appreciation for arts and culture.	100% 100%	150% 100%	+50% +100%
TIMELINESS - Courses/workshops - Performances - Summer Arts Camp	3rd & 4th Q 3rd & 4th Q 3rd & 4th Q	Summer Holidays Summer Holidays Summer Holidays	Summer Holidays Summer Holidays Summer Holidays
LOCATION The Harquail Theatre and other venues in Grand Cayman & Cayman Brac	100%	100%	100%
COST	\$6,152	\$6,152	\$5,602
RELATED BROAD OUTCOME: Enhancement and Empowerment of Youth.			
VARIANCE			
CNCF expanded its class/workshop offerings in 2022 with Youth workshops in storytelling, dance, drama, and music. While the After School Programme is listed here as three sessions, in fact each had ten classes. The remaining nine workshops were held as local school during Gimistory.			

Youth Summer Camp – In partnership with Pan ‘n’ Riddim, CNCF hosted a successful youth summer camp titled, Cultural Immersion 11-15 and 18-22 July at the Harquail Theatre. The content included traditional Caymanian song and dance, traditional art and crafts as well as contemporary pieces with a Caymanian aesthetic, delivered by qualified instructors. The summer camp also gave way to the implementation of an After School Workshop series as many parents and campers reached out to share their desire for a continuation of performing arts content to be offered by the CNCF.

Summer Dance Saturdays – Summer Dance Saturdays was a free workshop that took place on the last two Saturdays in August and was well attended by young dancers who were trained in formal studio technique . Two separate age groups were hosted with a total of 24 participants.

After School Workshop/Young at Arts Series –The AWS is a series that grew out of a need for access to quality performing arts instruction as identified at this summer’s Youth Summer Camp. The AWS ran from September to December and included instruction in Drama, Dance, Steelpan, and traditional and contemporary material. This afterschool club created the space for artistic development and training in the arts, catering to youth ages 9-16 yrs.



Economic Assessment for past year

	2022	2022
FINANCIAL PERFORMANCE MEASURE	Budget	Actual
REVENUE FROM CABINET	1,260	1,260
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-
REVENUE FROM OTHERS PERSONS OR ORGANISATIONS (excluding Bequest)	174	147
OTHER EXPENSES	1,434	1,458
NET SURPLUS DEFICIT	-	(51)
TOTAL ASSETS	12,259	17,168
TOTAL LIABILITIES	685	775
NET WORTH	11,574	16,393
CASH FLOWS FROM OPERATING ACTIVITIES	161	262
CASH FLOWS FROM INVESTING ACTIVITIES	(420)	(363)
CASH FLOWS FROM FINANCING ACTIVITIES	270	(54)
CHANGE IN CASH BALANCES	11	(155)
FINANCIAL PERFORMANCE RATIO	2022 Budget	2022 Actual
CURRENT ASSETS : CURRENT LIABILITIES	5.87	4.69
TOTAL ASSETS : TOTAL LIABILITIES	17.89	22.16

HUMAN CAPITAL MEASURES	2022 Budget	2022 Actual
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	8	8
STAFF TURNOVER (%)		
SENIOR MANAGER	15%	10%
PROFESSIONAL AND TECHNICAL STAFF	15%	10%
ADMINISTRATIVE STAFF	15%	10%

PHYSICAL CAPITAL MEASURES	2022 Budget \$ 000'S	2022 Actual \$ 000'S
VALUE OF TOTAL ASSETS	12,259	17,168
ASSET REPLACEMENTS : TOTAL ASSETS	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-
DEPRECIATION (in year): CASH FLOW ON ASSET PURCHASES (in year)	-	-
CHANGES TO ASSET MANAGEMENT POLICES	NA	NA

MAJOR CAPITAL EXPENDITURE PROJECTS	2022 TARGET \$	2022 ACTUAL \$
Capital Grant approved for 2022 at \$150K & 90K which was used on the Harquail/Studio Theatre and Minds Eye Centre renovation projects. Additional funds were donated from the Helen Harquail Trust bequest.	240,000	372,618

Risk Management

Risks and Concerns

Key Risks	Status of Risk	Action taken during 2022 to Manage Risk	Financial Value of Risk¹
Maintenance of Government Grant	Current environment requiring budget savings	Continuing efforts to provide best value	1,260,249
Ability to raise donations	Continuing need to match increased operational expenses generated by new facility	CNCF Management Board and Director responsibility to generate revenue (rentals and donations) for annual CNCF operations	1,260,250

Key Points of Concern:

- CNCF faces the ongoing challenge of raising 14% of its annual operations budget annually.

¹ Based on 2022 Budgeted Projection

Financial Position and Analysis

2021 Actual (CI\$)		Note	2022 Actual (CI\$)	Original Budget (CI\$)	Final Budget (CI\$)	Actual vs Original Budget Variance (CI\$)
Current Assets						
322,504	Cash and cash equivalents	2	167,332	231,004	231,004	(63,672)
3,115,928	Short term investments	3	3,126,414	3,209,963	3,209,963	(83,549)
277,402	Government grant and other receivables	4	329,818	386,553	386,553	(56,735)
-	Prepayments		930	-	-	930
17,557	Inventories		8,780	21,519	21,519	(12,739)
3,733,391	Total Current Assets		3,633,274	3,849,039	3,849,039	(215,765)
Non-Current Assets						
13,416,487	Property and equipment	5	13,534,244	8,410,386	8,410,386	5,123,858
17,149,878	Total Assets		17,167,518	12,259,425	12,259,425	4,908,093
Current Liabilities						
51,200	Trade payables	6	230,012	556,189	556,189	(326,177)
348,742	Insurance payable to government	6	403,085	-	-	403,085
209,925	Other payables and accruals	6	141,497	99,000	99,000	42,497
609,867	Total Current Liabilities		774,594	655,189	655,189	119,405
Non-Current Liabilities						
9,734	Advanced donations	7	-	30,000	30,000	(30,000)
9,734	Total Non-Current Liabilities		-	30,000	30,000	(30,000)
619,601	Total Liabilities		774,594	685,189	685,189	89,405
16,530,277	Net assets		16,392,924	11,574,236	11,574,236	4,818,688
Equity						
553,920	General fund	15	176,567	3,757,706	3,757,706	(3,581,139)
3,147,859	Restricted fund	15	3,147,859	-	-	3,147,859
3,569,558	Contributed capital	15	3,809,558	3,796,857	3,796,857	12,701
9,258,940	Property revaluation		9,258,940	4,019,673	4,019,673	5,239,267
16,530,277	Total Equity		16,392,924	11,574,236	11,574,236	4,818,688

Cash & Cash Equivalents:

CNCF had to be particularly careful to manage cash flow, as only 86% of the required revenues for 2022 are covered by the government. During the year, CNCF has made a special effort to reduce operating expenses through Covid-19. In the event of a decrease in future revenues, and cash flows, CNCF would have to reduce the output of free offerings to the public, however, CNCF strives to be able to provide free and reduced cost service to the Cayman Islands going forwards.

Government Grant and Other Receivables:

Accounts receivable usually only consists of the quarterly grant invoice to Government of \$296,553 and a few small Facility rental invoices. The quarterly grant is usually received in the month following that quarter.

Accounts Payable:

CNCF's policy is to pay vendors within 30 days after the bill date. Included in the balance at year end is the accrual for the Audit fee for 2022 and vendor balances paid in 2023.

Note on surplus: Per 'Restricted Donations' above, the majority of the 2022 surplus relates to Bequest funds received with restrictions placed by donor and cannot be used for CNCF's day to day operating expenses. Donor restricted use for capital and special projects.

Statement of Financial Performance and Analysis

2021 Actual (C\$)		Note	2022 Actual (C\$)	Original Budget (C\$)	Final Budget (C\$)	Actual vs Original Budget Variance (C\$)
Revenue						
1,088,801	Sale of Outputs to Cabinet	8	1,260,249	1,110,250	1,260,250	149,999
88,960	Theatre rental	8	91,350	60,000	60,000	31,350
205,983	Other revenue	8	56,007	114,054	114,054	(58,047)
1,383,744	Total Revenue		1,407,606	1,284,304	1,434,304	123,302
Expenses						
626,229	Operating and administrative expenses	10	654,140	492,246	542,246	161,894
635,943	Personnel costs	9,13	551,426	618,120	718,120	(66,694)
252,553	Depreciation	5	252,777	173,938	173,938	78,839
1,514,725	Total Expenses		1,458,343	1,284,304	1,434,304	174,039
(130,981)	Surplus / (Deficit) for the year		(50,737)	-	-	(50,737)

Revenue:

Despite losing rental income in the Q1, revenue which relies on footfall and social gatherings (e.g., facility rental) increased in total during the year from 2021 as the premises were open for a greater period of the year and CNCF was able to resume functioning closer to the "normal" historic functions.

The 2022 budget was set prior to the Covid-19 pandemic and so comparisons to budget, which should be taken into account when forming comparisons between budget and actual.

Expenses:

Compared to 2021:

Non-essential spending was halted in 2021 due to the pandemic and uncertainty of future cash flows. These cost cutting measures for the general administration of CNCF (e.g. salaries) were continued in 2022.

The return of facility rental revenue stream in 2022 led to the increase in facility expenses (including utility and maintenance costs) in 2022 compared to 2021.

Compared to Budget:

The original budget saw many of the costs categorised as “Other Operating Expenses”. In practice, the expenses have been split out according to their specific workstream, causing large variances from budget to actuals.

Scrutiny by Parliament and Public

CNCF has achieved a qualification free audit for several years.

**The Freedom of
Information Law 2015
Reporting Under
Section 40**

Reporting Date: **From:** January 01, 2022 **To:** December 31, 2022

NIL REPORT: YES

APPLICATION DETAILS	NUMBER
Total Applications Received	2
Total Applications Open	2
Total Applications Closed	2
Applications for Personal Information (Applicant's own)	0
Application for General Information	2
TIMELINE DETAILS	NUMBER
Request Information (Decision made within 30 days)	0
Request Information) Decisions made later than 30 days and no extension taken under section 7 (4)	2
Request Information (Decision extended under section 7 (4))	0
Request Information (Decision extended under section 7 (4) but responded to later than 60 days.	0
Internal Review (Decision made within 30 days)	0
Internal Review (Decision made later than 30 days)	0
FEES	0
Fees levied under \$100.00	0
Fees levied \$101 - \$500	0
Fees levied \$501 – 1,000	0
Fees levied over \$1,000	0
Fees excused	0
AMMENDMENTS AND ANNOTATIONS	0
Request for Amendment or Annotation under section (28)	0
Number Amended	0
Number Annotated	0
INTERNAL REVIEWS	0
Number of Requests for Internal Review	0
Number of Internal reviews Appealed	0

Internal and External Audit Updates

**Refer to Appendix II: Independent Auditor's Report*

Cross Government Commitments

None

Forward Looking

Plans for the upcoming 12-month period:

CNCF will continue to ensure the ongoing management of its 10 acre sites and four facilities, storage facilities, and satellite projects, to abide by international standards compliance and of collections care, and ensure that all of the programmes, productions, festivals, performances, and exhibitions outlined in our Purchase and Ownership Agreements are executed to a high standard, aligning these with priorities outlined in the National Culture and Heritage Policy (NCHP). Highlights include:

10. CNCF will continue to **manage the national theatres [NCF 3]** and ensure they are professionally maintained, that productions are carried out to professional standards and cover a wide scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts.
11. CNCF will produce a number of **community events and festivals [NCF 2]** that aim to support the Caymanian arts and cultural experience at home and overseas, such as the Cayman Islands International Storytelling Festival: GIMISTORY; the Cayman Islands National Festival of Arts: CAYFEST; Red Sky at Night; along with other festivals and carnivals.
12. **Digital Programming Expansion and website redevelopment [NCF 4 & 5]**. In response to requests for digital content relating to Caymanian culture and heritage, it is anticipated that more staffing and financial resources will be directed to this long-term digital engagement strategy, as well as the ongoing creation of original content. CNCF will fully redevelop its website to host resources for schools with related downloadable lesson plans, and upload panel discussions on Caymanian heritage and culture for the school sector. Plans are also underway to expand the film series ‘Cayman Makers’ about key aspects of Caymanian cultural heritage.
13. **Caymanian Cultural Heritage Teaching Resources [NCF 1,4 & 5]** will expand to reflect CNCF’s commitment to growing school programming, and its Research & Heritage Library programme in 2023 – initially via the launch of a Teachers’ Social Series, as well as the new Artist & Scholar in Residence programme.
14. CNCF will support the growth and development of the **Cayman Islands Folk Singers [NCF 2]** by providing training and professional development opportunities, by supporting the administration of the group, by helping to expand promotions, and by hosting them for performances and productions both at the Harquail and Studio Theatres, and satellite venues.
15. CNCF will host an annual **Young at Arts programme [NCF 5]** in summer of 2023 and an after school programme for part of the year. Students involved will learn the artistic disciplines of drama, dance, traditional arts and crafts, storytelling and music through the Young-At-Arts extra-curricular classes, performances and field trips.

16. CNCF will expand its **district programming [NCF 1,2, 3 &4]** in direct response to feedback from participants, schools, community leaders. The programme seeks bring workshops and classes relating to Caymanian cultural heritage, as well as contemporary forms of cultural expression (such as drama, music and dance), to district venues.
17. CNCF will expand the **Grants for the Arts [NCF 4]**, increasing the number of creative projects that can be funded in 2023 with an aim to encourage the development of ideas, and to facilitate opportunities for artists.
18. CNCF will serve on the **National Children’s Festival of the Arts Committee [NCF 3,4& 5]** to help the festival thrive across all three islands. CNCF will provide general consultation and advice, as well as hosting specific cultural events such as the Youth Folk Choir competition, and a Storytelling competition, with related workshops.
19. CNCF will continue managing the ongoing conservation and promotion of the Mind’s Eye Centre (**Gladwyn K. “Miss Lassie’s” Bush Cottage and Duplex [NCF 1]**), and the Miss Lassie art collection. We are also exploring news ways to make the venue accessible via expanded school and public tour opportunities, and virtual tours of the heritage cottage.
20. **Research and Publication Scheme [NCF 4]** – CNCF will aim to develop a minimum of one **publication per annum**. And to support a wider body of research from local scholars. Publications offer a source of knowledge for the Cayman Islands school system, visitors to the islands, and the general public (**NCHP: PD1: 5 & 6/PD 4: SA 15/PD 5: SA: 2,5,6**).
21. CNCF is exploring plans to partner with the National Gallery and local academic institutions to host an **Arts & Culture Symposium [NCF 4]** which will be a one-two day conference-style event designed to encourage the presentation of research being carried out in relation to Caymanian culture and heritage. It is envisioned that the symposium will also provide workshop opportunities for cultural and heritage sector professionals (**NCHP: PD 4: SA 1, 2, 4, 6, 15/PD: 7 SA:4**).
22. **CNCF’s Strategic Development Exercise** will see completion Q2, after which time CNCF will roll out the related SDE Implementation Plan in collaboration with the Ministry of Youth, Sports, Culture and Heritage, public and private sector stakeholders, partner organisations, and the wider community across all three islands.

Appendix: Financial Statements 2022

CAYMAN NATIONAL CULTURAL FOUNDATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

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Statement of Financial Performance	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Act (2020 Revision).

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

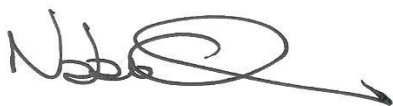
As Chairman and Chief Executive Officer we are responsible for the preparation of the Cayman National Cultural Foundation financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Cayman National Cultural Foundation for the financial year ended 31 December 2022.

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

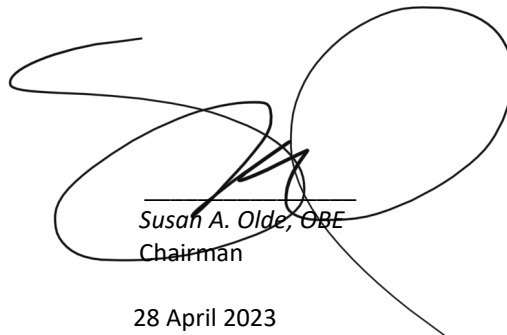
- (a) completely and reliably reflect the financial transactions of Cayman National Cultural Foundation for the year ended 31 December 2022;
- (b) fairly reflect the financial position as at 31 December 2022 and performance for the year ended 31 December 2022;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where 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 of Auditing.



Natalie Coleman, BEM (Urquhart)
Chief Executive Officer

28 April 2023



Susan A. Olde, OBE
Chairman

28 April 2023

AUDITOR GENERAL'S REPORT

To the Board of Directors of the Cayman National Cultural Foundation

Opinion

I have audited the financial statements of the Cayman National Cultural Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 24.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2022 and its financial performance and its cash flows for the year ended 31 December 2022 in accordance with International Public Sector Accounting Standards (IPSAS).

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 Foundation 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 12 of the financial statements, in 2022, the Cabinet of Ministers authorised supplementary appropriations of \$150,000 for the Foundation under section 11(5) of the Public Management and Finance Act ("PMFA"). The Ministry of Finance did not introduce a supplementary appropriations bill for the funding in Parliament by 31 March 2023 as required by section 11(6) of the PMFA. My opinion is not qualified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and for such internal control as management determines is necessary to enable the preparation and fair presentation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

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 Foundation'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 Foundation'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. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- 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.



Angela Cullen
Acting Auditor General

28 April 2023
Cayman Islands

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)

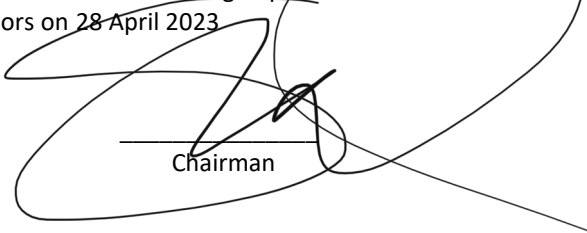
2021 Actual (CI\$)		Note	2022 Actual (CI\$)	Original Budget (CI\$)	Final Budget (CI\$)	Actual vs Original Budget Variance (CI\$)
Current Assets						
322,504	Cash and cash equivalents	2	167,332	231,004	231,004	(63,672)
3,115,928	Short term investments	3	3,126,414	3,209,963	3,209,963	(83,549)
277,402	Government grant and other receivables	4	329,818	386,553	386,553	(56,735)
-	Prepayments		930	-	-	930
17,557	Inventories		8,780	21,519	21,519	(12,739)
3,733,391	Total Current Assets		3,633,274	3,849,039	3,849,039	(215,765)
Non-Current Assets						
13,416,487	Property and equipment	5	13,534,244	8,410,386	8,410,386	5,123,858
17,149,878	Total Assets		17,167,518	12,259,425	12,259,425	4,908,093
Current Liabilities						
51,200	Trade payables	6	230,012	556,189	556,189	(326,177)
348,742	Insurance payable to government	6	403,085	-	-	403,085
209,925	Other payables and accruals	6	141,497	99,000	99,000	42,497
609,867	Total Current Liabilities		774,594	655,189	655,189	119,405
Non-Current Liabilities						
9,734	Advanced donations	7	-	30,000	30,000	(30,000)
9,734	Total Non-Current Liabilities		-	30,000	30,000	(30,000)
619,601	Total Liabilities		774,594	685,189	685,189	89,405
16,530,277	Net assets		16,392,924	11,574,236	11,574,236	4,818,688
Equity						
553,920	General fund	15	176,567	3,757,706	3,757,706	(3,581,139)
3,147,859	Restricted fund	15	3,147,859	-	-	3,147,859
3,569,558	Contributed capital	15	3,809,558	3,796,857	3,796,857	12,701
9,258,940	Property revaluation		9,258,940	4,019,673	4,019,673	5,239,267
16,530,277	Total Equity		16,392,924	11,574,236	11,574,236	4,818,688

The accounting policies and notes on pages 8 - 24 form an integral part of these financial statements.

Approved on behalf of the Board of Directors on 28 April 2023



Chief Executive Officer



Chairman

**CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

2021 Actual (CI\$)		Note	2022 Actual (CI\$)	Original Budget (CI\$)	Final Budget (CI\$)	Actual vs Original Budget Variance (CI\$)
Revenue						
1,088,801	Sale of Outputs to Cabinet	8	1,260,249	1,110,250	1,260,250	149,999
88,960	Theatre rental	8	91,350	60,000	60,000	31,350
205,983	Other revenue	8	56,007	114,054	114,054	(58,047)
1,383,744	Total Revenue		1,407,606	1,284,304	1,434,304	123,302
Expenses						
626,229	Operating and administrative expenses	10	654,140	492,246	542,246	161,894
635,943	Personnel costs	9,13	551,426	618,120	718,120	(66,694)
252,553	Depreciation	5	252,777	173,938	173,938	78,839
1,514,725	Total Expenses		1,458,343	1,284,304	1,434,304	174,039
(130,981)	Surplus / (Deficit) for the year		(50,737)	-	-	(50,737)

The accounting policies and notes on pages 8 - 24 form an integral part of these financial statements.

**CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

**Attributable to Cayman Islands
Government**

	Contributed Capital (CI\$)	Property Revaluation (CI\$)	General Fund (CI\$)	Restricted Fund (CI\$)	Actual (CI\$)	2022 Original Budget (CI\$)	2022 Final Budget (CI\$)	Original vs Final Budget Variance
Balance at 31 December 2020	3,569,558	4,019,673	688,975	3,147,859	11,426,065	11,426,065	11,426,065	-
Equity								
Investment	-	-	-	-	-	-	-	-
from Cabinet								
Revaluation	-	5,239,267	-	-	5,239,267	-	-	5,239,267
gains								
Prior period	-	-	(4,074)	-	(4,074)	-	-	(4,074)
adjustments								
Deficit for	-	-	(130,981)	-	(130,981)	(91,829)	(91,829)	(39,152)
the year								
Balance at 31 December 2021	3,569,558	9,258,940	553,920	3,147,859	16,530,277	11,334,236	11,334,236	5,196,041
Equity								
investment	240,000	-	-	-	240,000	240,000	240,000	-
from Cabinet								
Pirates								
Week Office	-	-	(326,616)	-	(326,616)	-	-	(326,616)
transfer								
Deficit for	-	-	(50,737)	-	(50,737)	-	-	(50,737)
the year								
Balance at 31 December 2022	3,809,558	9,258,940	176,567	3,147,859	16,392,924	11,574,236	11,574,236	4,818,688

The accounting policies and notes on pages 8 - 24 form part of these financial statements.

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)

2021 Actual		Note	2022 Actual	Original Budget	Final Budget	Actual vs Original Budget Variance
(CI\$)			(CI\$)	(CI\$)	(CI\$)	(CI\$)
CASH FLOW FROM OPERATING ACTIVITIES						
<i>Receipts</i>						
1,100,675	Sale of outputs to Cabinet		1,224,022	1,100,859	1,250,859	123,163
228,045	Other revenue		18,245	94,054	94,054	(75,809)
88,960	Theatre rental		91,350	80,000	80,000	11,350
<i>Payments</i>						
(524,336)	Personnel costs		(571,497)	(618,120)	(718,120)	46,623
(750,986)	Operating and administrative expenses		(500,336)	(495,496)	(545,496)	(4,840)
142,358	Net cash flows generated by operating activities		261,784	161,297	161,297	100,487
CASH FLOW FROM INVESTING ACTIVITIES						
(27,551)	Purchase / Transfer of property, plant and equipment		(362,778)	(420,000)	(420,000)	57,222
(27,551)	Net cash flows used in investing activities		(362,778)	(420,000)	(420,000)	57,222
CASH FLOW FROM FINANCING ACTIVITIES						
-	Pirates Week Office transfer		(284,444)	-	-	(284,444)
-	Contributed capital : CIG Equity		240,000	240,000	240,000	-
-	Injection		-	30,000	30,000	(30,000)
(3,106,974)	Moved to short term deposits		-	-	-	-
(18,143)	Net receipt of advance donations		(9,734)	-	-	(9,734)
(3,125,117)	Net cash flows used in financing activities		(54,178)	270,000	270,000	(324,178)
(3,010,310)	Net increase / (decrease) in cash and cash equivalents		(155,172)	11,297	11,297	(166,469)
3,332,814	Cash and cash equivalents at beginning of the year	2	322,504	219,707	219,707	102,797
322,504	Cash and cash equivalents at end of the year	2	167,332	231,004	231,004	(63,672)

The accounting policies and notes on pages 8 - 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Description

The Cayman National Cultural Foundation (the "Foundation") is a statutory authority owned by the government of the Cayman Islands. The Foundation was formed on 9 October 1984 in accordance with the Cayman National Cultural Foundation Act, 1984. The Foundation is funded primarily by an annual grant from the Cayman Islands Government through the Ministry of Youth, Sports, Culture and Heritage (the "Ministry"). Prior to 1 July 2021, the funding was provided by the Cayman Islands Government through the Ministry of Health, Environment, Culture and Housing.

Scope of Activities

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

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

Management and the Ministry are currently performing a strategic redevelopment exercise aimed at changing the Foundation's scope of activities so that it can assume the role for which it was originally envisioned in 1984 (and which its Act outlines) as the leading umbrella organisation for culture in the Cayman Islands, functioning as an Arts Council or oversight body for range of cultural entities rather than as a programme-centric organisation. The exercise is a feasibility study and the Foundation's direction cannot be confirmed until the exercise is completed. The exercise is expected to be completed in May 2023 and implementation is expected to start in June 2023.

Location and Address

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

Number of Employees

The Foundation employs 4 Full-time and 3 Part-time personnel.

Mission Statement

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

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 1: Significant accounting policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. The financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New and revised accounting standards

Certain new accounting standards have been published that are not mandatory for the 31 December 2022 reporting period and have not been early adopted by CNCF. CNCF's assessment of the impact of these new standards is set out below:

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Foundation's financial statements. This will be assessed more fully closer to the effective date of adoption in the next financial year.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defined social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have a significant impact on the Foundation's financial statements. This will be assessed more fully closer to the effective date of adoption in the next financial year.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. Inter alia, IPSAS 43 requires lessees to measure and account for the right-of-use asset and the lease liability; exemptions apply to short-term leases what will continue to be accounted for in the same manner that operating leases are accounted for under IPSAS 13. It is anticipated that IPSAS 43 will not have a significant impact on the Foundation's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations was issued in May 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 provides guidance on how to account for non-current assets when they are made available for sale on commercial terms; no such guidance existed prior to IPSAS 44. It is anticipated that IPSAS 44 will not have a significant impact on the Foundation's financial statements, but this will be assessed more fully closer to the effective date of adoption.

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 1: Significant accounting policies (continued)

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis except for land and buildings which have been measured using the revaluation method.

(b) Budget amounts

The original budget amounts for the financial period are as presented in the 2022 and 2023 Budget Statements, approved by Parliament.

(c) Judgments and estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions. Depreciation and the calculation of the estimated useful lives of Property and Equipment is considered to be a key judgement made by management in the preparation of the financial statements. Revaluation is also considered a key estimate.

(d) Reporting period

The reporting period is for the 12 months commencing 1 January 2022 and ending 31 December 2022.

(e) Revenue from exchange transactions

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

(f) Revenue from non-exchange transactions - government grants

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

(g) Expenses

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

(h) Cash and cash equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 1: Significant accounting policies (continued)

(i) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation except for land and buildings which have been measured using the revaluation method. Items of property and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the statement of financial performance in the period in which the asset is acquired. Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property and equipment (other than land and heritage assets); less any estimated residual value, over its estimated useful life.

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

Asset Revaluation

Properties (land and buildings) were revalued as at the 1st January 2021 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Valuation methods

The valuations contained within this report have been prepared in accordance with the aforementioned Standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 1: Significant Accounting Policies (continued)

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where they perform a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use. These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In the Cayman Islands, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$0.5m also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building / building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2020 Asset Register.
- Cayman Islands Government Land Registry Database
- Caymanlandinfo System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

Buildings were revalued as an entire class of asset.

Heritage assets

IPSAS 17 *Property, Plant and Equipment* provides optional recognition of heritage assets. Works of art are considered to be heritage assets and are not depreciated.

Disposals

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

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 1: Significant Accounting Policies (continued)

(j) Impairment of assets

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

Impairment losses are recognized in the statement of financial performance.

(k) Employee benefits

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the statement of financial performance when they are earned by employees. Employee entitlements to be settled within one year following the period end are reported as current liabilities at the amount expected to be paid. Pension contributions for employees of the Foundation are paid to the Silver Thatch Pension Fund (the "Fund"). The Fund is a defined contribution fund. Employees have a mandatory contribution of 5% of their salary, which is matched by the Foundation.

(l) Financial instruments

The Foundation is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, government grant and other receivables, trade payables, other payables and accruals and advance donations, all of which are recognised in the statement of financial position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, government grant and other receivables. A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of trade payables, other payables and accruals and advanced donations.

Recognition

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

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

Measurement

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

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

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 1: Significant Accounting Policies (continued)

(l) Financial instruments (continued)

De-recognition

A financial asset is de-recognised when the Foundation realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(m) Contingent Liabilities and Assets

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

(n) Foreign Currency

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

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

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

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of Cayman National Cultural Foundation maintained at First Caribbean International Bank and, for 2021 only, Pirates Week Office at Royal Bank of Canada and Cayman National Bank Ltd. As at 31 December 2022 Cayman National Cultural Foundation cash balances were as presented below.

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
306,814	CI\$ Operational Current Account	70,225	228,004	228,004	(157,779)
15,690	US\$ Operational Current Account	89,617	3,000	3,000	86,617
-	Undeposited funds	6,861	-	-	6,861
-	Petty cash fund	629	-	-	629
322,504	Total cash and cash equivalents	167,332	231,004	231,004	(63,672)

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 3: Short term investments

Short term investments are held with First Caribbean International Bank. As at 31 December 2022 Cayman National Cultural Foundation short term investments were as presented below.

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
236,485	CI\$ Fixed Deposit	237,201	243,540	243,540	(6,339)
2,879,443	US\$ Fixed Deposits	2,889,213	2,966,423	2,966,423	(77,210)
3,115,928	Total short term investments	3,126,414	3,209,963	3,209,963	(83,549)

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

Note 4: Government grant and other receivables

At year-end all overdue receivables have been assessed and appropriate provisions calculated based on expected losses for the Foundation and review of specific debtors. Expected losses have been determined based on an analysis of the Foundation losses in previous periods. Bad debt expense recorded in the current financial year is CI\$11,060 (2021: \$0). Included in the government grant and other receivable balance of CI\$329,818 (2021: CI\$277,402) is the government grant receivable balance of CI\$296,553 (2021: CI\$260,326).

In 2022, the Foundation decided to write off specific long outstanding receivables amounting to CI\$2,724 from the provision for bad debts. This adjustment does not affect net surplus, as it is written off from the general provision which was already provided for in the financial years prior.

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 5: Property, plant and equipment

Cost

	<i>Land (CI\$)</i>	<i>Buildings (CI\$)</i>	<i>Furniture & Other Equipment (CI\$)</i>	<i>Motor Vehicles (CI\$)</i>	<i>Heritage Assets (CI\$)</i>	<i>Property Improvements (CI\$)</i>	<i>Work in Progress (CI\$)</i>	<i>Total (CI\$)</i>
Balance as at 1 January 2021	3,230,000	4,173,051	578,655	23,611	937,622	195,975	-	9,138,914
Transfer to Heritage Assets	-	-	-	-	-	-	-	-
Revaluation	3,470,000	2,046,949	-	-	(612,000)	-	-	4,904,949
Additions	-	5,245	9,491	-	76,775	-	-	91,511
Balance as at 31 December 2021	6,700,000	6,225,245	588,146	23,611	402,397	195,975	-	14,135,374

	<i>Land</i>	<i>Buildings</i>	<i>Furniture & Other Equipment</i>	<i>Motor Vehicles</i>	<i>Heritage Assets</i>	<i>Property Improvements</i>	<i>Work in Progress</i>	<i>Total</i>
Balance as at 1 January 2022	6,700,000	6,225,245	588,146	23,611	402,397	195,975	-	14,135,374
Transfer (PWO)	-	-	(139,296)	-	-	-	-	(139,296)
Revaluation	-	-	-	-	-	-	-	-
Additions	-	154,345	18,311	-	9,840	1,525	188,597	372,618
Balance as at 31 December 2022	6,700,000	6,379,590	467,161	23,611	412,237	197,500	188,597	14,368,696

Accumulated Depreciation

	<i>Land</i>	<i>Buildings</i>	<i>Furniture & Other Equipment</i>	<i>Motor Vehicles</i>	<i>Heritage Assets</i>	<i>Property Improvements</i>	<i>Work in Progress</i>	<i>Total</i>
Balance as at 1 January 2021	-	224,158	422,782	23,611	110,160	19,941	-	800,652
Revaluation	-	(224,158)	-	-	(110,160)	-	-	(334,318)
Depreciation Expense 2021	-	196,349	36,188	-	-	20,017	-	252,553
Balance as at 31 December 2021	-	196,349	458,970	23,611	-	39,957	-	718,887

Balance as at 1 January 2022	-	196,349	458,970	23,611	-	39,957	-	718,887
Transfer (PWO)	-	-	(137,212)	-	-	-	-	(137,212)
Revaluation	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	198,499	35,364	-	-	18,914	-	252,777
Balance as at 31 December 2022	-	394,848	357,122	23,611	-	58,871	-	834,452

Net Book value 31 December 2021	6,700,000	6,028,896	129,176	-	402,397	156,018	-	13,416,487
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Net Book value 31 December 2022	6,700,000	5,984,742	110,039	-	412,237	138,629	188,597	13,534,244
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**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 5: Property, plant and equipment (continued)

Property Revaluation

The Foundation's properties, which include the Buildings and Land of the FJ Harquail Cultural Centre and Mind's Eye—the Visionary World of Gladwyn K. Bush, were revalued in May 2019 for the year ended 30 June 2016. The fair value of CI\$7,403,051 was included in the CNCF's accounts as at 30 June 2016 at CIG request. The resulting revaluation gain of CI\$4,019,673 was reported in the statement of changes in equity.

In 2021, the properties were revalued and the fair value of CI\$12,920,000 was included in the accounts. The resulting gain of CI\$5,239,267 was included in Property Revaluation in the Statement of changes in equity. The effective date of the revaluation was 1 January 2021.

As of December 31, 2022, Work in Progress includes costs for the ongoing renovations to Miss Lassie's House that were completed in 2023 amounting to CI\$185,221 and Trademark application costs amounting to CI\$3,376.

Note 6: Trade payables, other payables and accruals

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
51,200	Trade payables	230,012	556,189	556,189	(326,177)
348,742	Insurance payable to government	403,085	-	-	403,085
209,925	Other payables and accruals	141,497	99,000	99,000	42,497
609,867	Total trade payables other payables and accruals	774,594	655,189	655,189	119,405

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
365,596	Other government agencies	428,844	-	-	428,844
19,317	Payroll deductions	5,688	9,000	9,000	(3,312)
224,954	Other payables and accruals	340,062	646,189	646,189	(306,127)
609,867	Total trade payables other payables and accruals	774,594	655,189	655,189	119,405

Amounts payable to other government agencies relates primarily to annual property insurance premiums that are due to be paid to Government Risk Management Unit. As at 31 December 2022 the amount payable for property insurance totals CI\$403,085 (31 December 2021: CI\$348,742).

Included in the Other payables and accruals balance at year end is the CI\$88,999 donation received for the Strategic Redevelopment Exercise.

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
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Note 7: Advanced Donations

During the year ended June 30, 2009, the Foundation began collecting donations to restore the house of the late Gladwyn K. Bush ("Miss Lassie"), who was a famous Caymanian artist. The Long-term Liability Account: Save Miss Lassie's House, records funding from CIG as advance donations in regard to the conservation and development of the property, of which CI\$0 in donations was received for the year ending 31 December 2022, (2021: CI\$0). During the year expenditures of \$9,734 (31 December 2021: \$18,143) were incurred in the maintenance and upkeep of this property. As at 31 December 2022 advance donations amounted to CI\$0 (2021: \$9,734).

Note 8: Revenue

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

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

Actual Prior Year	Revenue type	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
1,088,801	Outputs to Cabinet	1,260,249	1,110,250	1,260,250	149,999
88,960	Rentals of Harquail Theatre	91,350	80,000	80,000	11,350
103,954	Other	37,670	70,000	70,000	(32,330)
101,219	Donations	18,142	24,054	24,054	(5,912)
810	General sales (misc.)	195	-	-	195
1,383,744	Total sales of goods and services	1,407,606	1,284,304	1,434,304	123,302

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 8: Revenue (continued)

Donations made to the Foundation were as follows:

Source	Purpose	Actual Current Year	Actual Prior Year
Ministry of Youth, Sports, Culture & Heritage	Miss Lassie's Exhibition	9,840	-
Maples and Calder (Cayman) LLP	General Donation	3,031	
Caribbean Utilities Company	Gimistory	3,000	-
Rubis	Participation in Anniversary Event	1,000	-
Donations < \$1,000 each	Cultural Exchange / Festivals and Theatre Production	1,271	-
Lyle Lawson	Miss Lassie's Paintings	-	63,960
Ministry of Youth, Sports, Culture & Heritage	Miss Lassie's Exhibition	-	25,000
Logic	Theatrical Production Sponsorship	-	7,500
Island Heritage	Theatrical Production Sponsorship	-	1,000
Island Heritage	Cultural Exchange / Festivals – Cayfest	-	1,000
Fosters Food Fair IGA	Cultural Exchange / Festivals – Cayfest	-	1,000
Donations < \$1,000 each	Cultural Exchange / Festivals and Theatre Production	-	1,759
Total donations		18,142	101,219

Note 9: Personnel costs

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
557,311	Salaries, wages, allowances and other costs	463,064	516,600	616,600	(53,536)
56,556	Health care	68,159	75,690	75,690	(7,531)
22,076	Pension	20,203	25,830	25,830	(5,627)
635,943	Total Personnel Costs	551,426	618,120	718,120	(66,694)

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
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(Expressed in Cayman Islands Dollars)**

Note 10: Operating and administrative expenses

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
190,817	Cultural Development Expense (incl Pirates Week, Cayman Carnival Exp, and Summer camp expense)	227,406	375,446	395,446	(148,040)
179,588	Maintenance/Repairs Property, Automobile, Computers, Insurance	191,128	55,000	85,000	136,128
119,503	General Administration (Fees, Permits, Audit, Advertising, Travel & Subs, Equipment rental)	139,842	-	-	139,842
91,608	Utilities and Communications	84,104	61,800	61,800	22,304
-	Bad Debt Expense	11,060	-	-	11,060
44,713	Theatre Production Expense	600	-	-	600
626,229	Total Operating and administrative expenses	654,140	492,246	542,246	161,894

Note 11: Going concern

The Foundation is dependent on the continued financial support of the Cayman Islands Government in order to continue operating as a going concern and there is no indication that the Cayman Islands Government will withdraw funding of the Cultural Foundation.

Note 12: Explanation of major variances against final budget

Changes to the budget

In May 2022, the Cabinet of the Cayman Islands approved changes to the Foundations 2022 budget through section 11(5) of the PMFA, increasing the Foundation's funding by CI\$150,000. The purpose of the additional funding was to allow for improved operations, cultural and heritage activities and programmes through the Foundation. A supplementary appropriations bill for the budget changes was not introduced in Parliament by 31 March 2023 as required by section 11(6)(b) of the PMFA.

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Cayman Islands Dollars)**

Note 12: Explanation of major variances against final budget (continued)

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

Statement of financial position

Current Assets – Cash & Cash equivalents and short term investments

Administration of the Pirates Week Office (and festival) was transferred from the Foundation effective 1 January 2022, therefore, the Foundation's 2022 financial statements excluded Pirates Week Office's 31 December 2021 cash of \$284,444.

Current Assets – Government grant and other receivables

The Foundation did not have as many programs that would generate revenue (and in turn, receivables).

Non-Current Assets

The Harquail was revalued, as well as the land, both have increased tremendously in value.

Current Liabilities

This includes the increase of the Foundation's payable to the Government relating to insurance. This is also due to the timing of goods and services provided close to year end.

Non-Current Liabilities – Advanced donations

Funds were used to maintain and enhance Save Miss Lassie's House.

Equity – Restricted funds

This relates to the funds bequeathed to the Foundation by the benefactor of the FJ Harquail Cultural Centre (FJHCC), the late Mrs. Helen Harquail, MBE. The outright gift is restrictive and not for operations of the Foundation.

Statement of financial performance

Sale of Outputs to Cabinet

The Cabinet approved a reallocated budget of \$150,000 for the Foundation on top of the Government Grant for 2022. The primary production revenue streams was "Rundown" and this was not held in 2022.

Other Revenue

There was less Fundraising and no Production income in 2022, thus Other Revenue is less than budget.

Theatre Rental

Social distancing protocols instituted by the Cayman Islands Government in response to the COVID-19 pandemic has mellowed out in 2022, hence, there were more theatre rentals.

Personnel Costs & Operating and administrative expenses

Two of the Foundation's key management personnel retired effective 31 December 2021 and 4 April 2022 respectively, thus personnel costs are lower than the budget. Although there were lesser events and programming, higher costs were incurred for maintenance, professional fees and utilities, contributing to the variance on operating and administrative expenses.

Depreciation

Depreciation was higher due to the value of the properties increasing so significantly after the revaluation of the Foundation's buildings effective January 2021.

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
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(Expressed in Cayman Islands Dollars)**

Note 13: Related party and key management personnel disclosures

Related party disclosure

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

Key management personnel

Description	Actual Current Year	Actual Prior Year
Salaries & other short-term employee benefits	302,701	266,853
Other amounts paid	-	94,511
Total	302,701	361,364
Number of key management personnel	4	3

In 2021, the Board approved a severance payment of \$94,511 to a member of key management personnel.

No additional amounts were paid to staff or key members of management. Non-executive board members receive no fees or remuneration.

At 31 December 2022 and 2021, no loans are due from key management personnel.

Note 14: Financial instruments risks

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

Credit risk

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

Currency and interest rate risk

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

Liquidity risk

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

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

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2022
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Note 15: Capital management

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

Among the donations received in 2020, were funds in the amount of CI\$3,147,859 bequeathed to the Foundation by the benefactor of the FJ Harquail Cultural Centre (FJHCC), the late Mrs. Helen Harquail, MBE. The outright gift is restrictive and not for operations of the Foundation. As at 31 December 2021 and 2022, the proceeds from the bequests were invested in fixed term deposits and in a restricted cash account, earmarked for capital projects or major emergencies. Among the FJHCC projects that have been prioritised are the installation / construction of 1) A storm management system; 2) new sewerage system; 3) upgrades to the Studio Theater; 4) storage spaces and rehearsal rooms; and 5) a banquet room and lounge adjacent to the main theatre.

In 2022, the Foundation received CI\$240,000 of Capital Grant from the Cayman Islands Government, allocated for Capital improvements of the Foundation's offices, the F J Harquail Cultural Centre and Mind's Eye (Miss Lassie's House).

Note 16: Subsequent Events

The Director Designate contract ended on 31 December 2022, and the acting CEO has temporarily assumed operational and financial responsibilities (from 01 January 2023) while a recruitment exercise is completed.

Management is not aware of any other subsequent events.

Note 17: Other Significant Matters

Administration of the Pirates Week Office (and festival) was transferred from the Foundation effective 1 January 2022, therefore, the Foundation's 2022 financial statements excluded Pirates Week Office's 31 December 2021 net assets of \$326,616. The Foundation's 2022 financial statements no longer includes the Pirates Week Office's assets, liabilities, equity and financial performance, thus, the figures presented in these financial statements are not comparable.

Note 18: Compliance with the Public Authorities Act (2020 Revision)

Cayman National Cultural Foundation is required to comply with the Public Authorities Act (2020 Revision) (the "PAA"). Amongst other matters, Section 39 (2) of the PAA requires that where a public authority has surplus cash reserves for a period of more than ninety days, the surplus shall be paid to core government unless otherwise directed by Cabinet, after written consultation with the Board. Cabinet exempted public authorities from paying over surplus cash reserves for the years ended 31 December 2021 and 2022.

Section 39 (3) of the PAA requires public authorities to pay dividends in accordance with the formulae established by the Minister of Finance after written consultation with the public authorities' Board, unless otherwise directed by Cabinet. Cayman National Cultural Foundation is exempt from this requirement because its operations are not self-sustaining. Going forward Cayman National Cultural Foundation may be required to pay a dividend in accordance with Government's policy for the payment of annual dividends, unless it continues to satisfy the exemption criteria noted under the policy.

Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with a public authority's board. There is no capital charge payable for 2022 (2021: \$0) because the rate for the 2022 financial year was set at 0%. Going forward, Cayman National Cultural Foundation may be required to pay a capital charge in accordance with the PAA.

**NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
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Note 19: Multi-year budgets

The government operates a two-year budget appropriation cycle under the PMFA. 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.