



**NATIONAL HOUSING
DEVELOPMENT TRUST**



**ANNUAL REPORT
2018**



Mandate and Mission

The mandate of the National Housing Development Trust (NHDT) of the Cayman Islands is to construct and provide **affordable homes** in planned communities to Caymanians in the low- and middle-income categories.

Our mission is to support this mandate by providing **financing opportunities** and a **management system** that adds security, value, and ownership that imparts a sense of pride in hard-working Caymanians in need of such support.



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Message from the Minister

The National Housing Development Trust is a key organization within the Cayman Islands Government that enhances the lives of many Caymanian families through the provision of safe and affordable housing opportunities.

I am pleased to present this annual report for 2018 to Parliament as required by the Public Management and Finance Act.



Hon. Johany S. "Jay" Ebanks, MP

Ministry of Planning, Agriculture, Housing, Infrastructure,
Transport & Development (PAHITD)
Cayman Islands Government

Foreword by the Board Chairperson

On behalf of the Board of Directors, I am pleased to present the Annual Report for the National Housing Development Trust for the eighteen months ending December 31, 2018

I hereby acknowledge the protracted delay in the provision of this report and would like to thank the members of the recently appointed Board for their dedication and dynamism in ensuring that we make transformative changes to reflect the new direction of the Trust.



Mr. Andrew McBean

Chairperson of the Board of Directors

Message from the General Manager

As General Manager of the National Housing Development Trust, I am proud to present the Annual Report for 2018. The reporting period was challenging yet it was prosperous as the NHDT assisted families in achieving the dream of homeownership.

The continued improvements on the NHDT's processes and controls were key in delivering the housing programs as there were increased Affordable Housing Initiative (AHI) house sales to tenants and new applicants. The efficient administration of the Government Guarantee Home Assisted Mortgage (GGHAM) program has and continues to be a success, in so much that the program is being re-introduced to assist new applicants.

Looking ahead, the NHDT will continue to improve its customer service, reinforce its internal processes and refine its approach in providing housing opportunities to Caymanian families.

Included in this annual report is the NHDT's financial report for 2018. The financial statements were audited by the Office of the Auditor General and received an opinion without any qualifications. This was an excellent achievement by the management and staff of the NHDT.

On behalf of the NHDT, I wish to thank the Ministry of PAHI, prior Ministries and the Board for their continued support. I also want to express my gratitude to my fellow employees for their dedicated efforts and service to the public. I wish to express my appreciation to the affordable housing tenants, applicants and the wider community for their patience and continued support.



Mr. Julio Ramos
General Manager, NHDT

“Looking ahead, the NHDT will continue to improve its customer service, reinforce its internal process, and refine its approach in providing housing opportunities to Caymanian families.”



Introduction

This Annual Report for the National Housing Development Trust (the NHDT) for the period January 1 to December 31, 2018 was prepared in accordance with the reporting requirements of section 52 of the Public Management and Finance Act (as revised) (the 'PMFA') and Public Authorities Act as revised (PAA).

The NHDT is a government owned not-for-profit company, registered under section 80 of the Cayman Islands Companies Act (2001 Revision) to provide the following outputs:



Housing



Accommodations



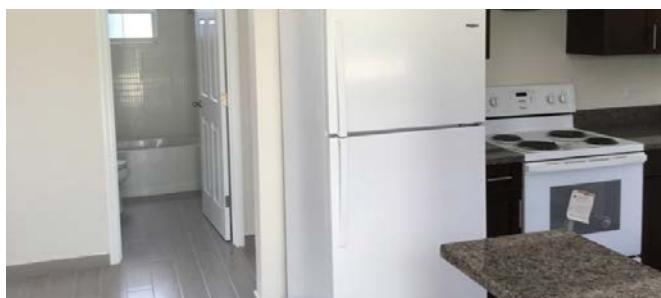
Assistance to
help house
people



Associated
facilities and
amenities



Loans and
advances and
the giving of
guarantees



Introduction

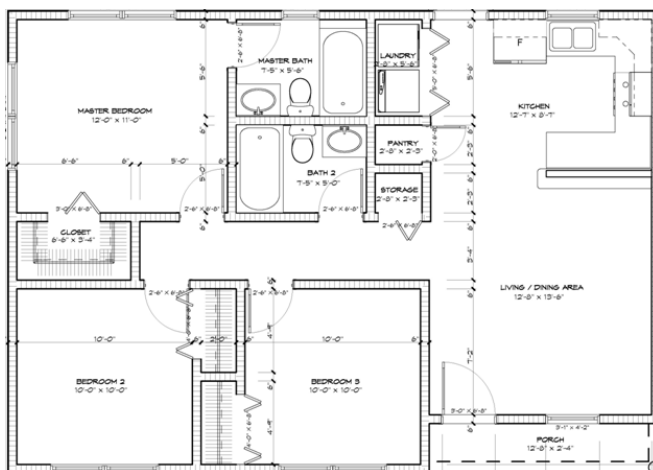
To meet its statutory responsibilities, the NHDT operates three distinct programs

1. AFFORDABLE HOUSING INITIATIVE (AHI) PROGRAM in which affordable homes are constructed and sold to low-to medium-income Caymanians who qualify under criteria set by the Board of Directors.

2. GOVERNMENT GUARANTEED HOME ASSISTED MORTGAGE (GGHAM) PROGRAM in which the NHDT acts as an administrator and loan processing agent on behalf of the Cayman Islands Government.

3. BUILD ON YOUR OWN PROPERTY (BYOP) PROGRAM, which provides bridge financing, is offered to Caymanians for the construction of homes on the clients' own property, and a local banking institution then refinances the mortgage loan.

Management operates the NHDT with the objective of increasing the number of houses available to low- and medium-income Caymanians across all districts. This makes home ownership more affordable and promotes communities where families can thrive and be successful. In carrying out its responsibilities, the NHDT not only provides benefits for private individuals, but also contributes to the local economy by providing local developers with more opportunities. In support of these goals, the NHDT builds long-term relationships with local contractors for the development of new homes. To ensure that the Government Guaranteed Home Assisted Mortgage Program is managed efficiently and prudently, Management also operates the lease portfolio and counsels clients as an additional service.



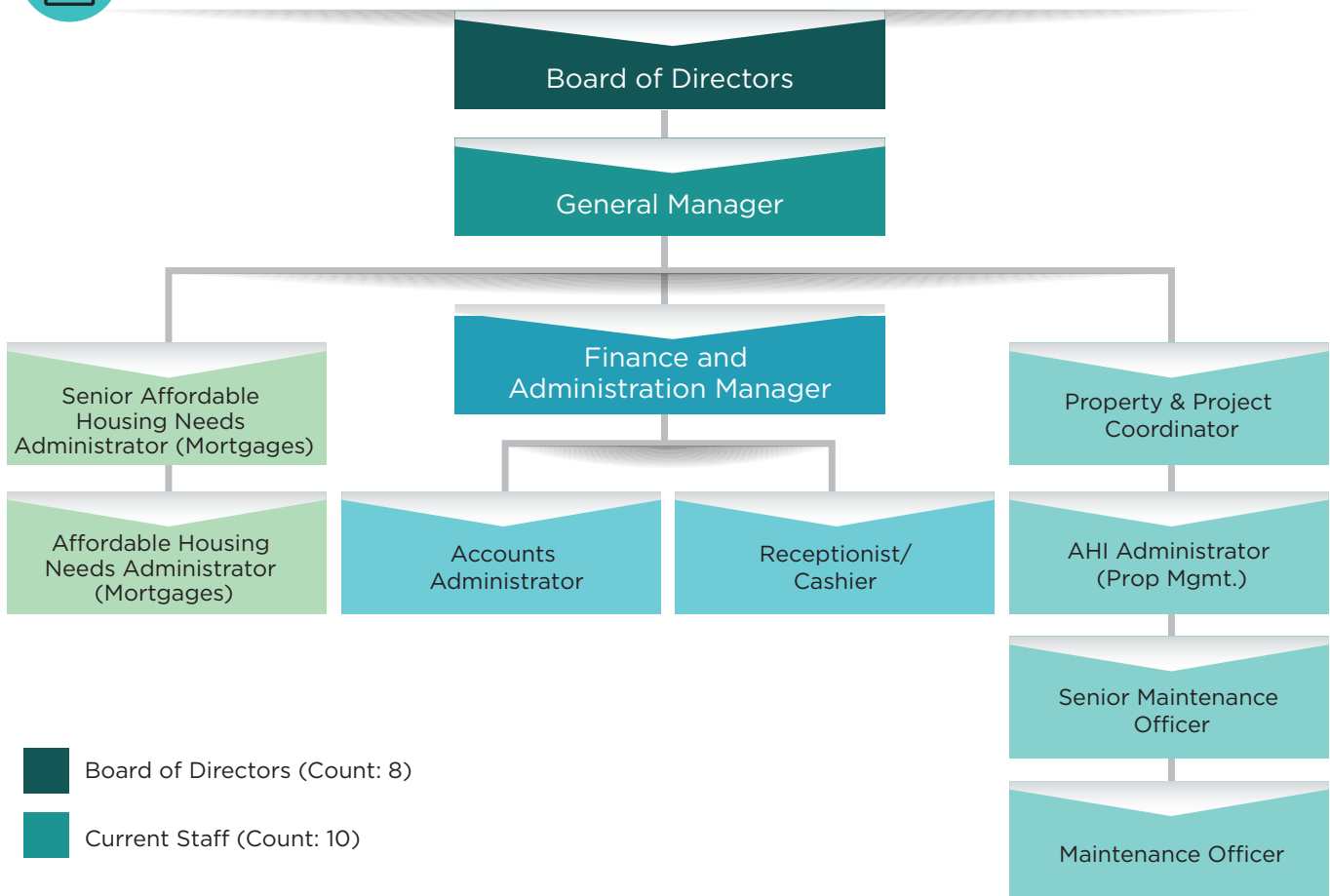


Organization Overview

The NHDT is governed by a Board of Directors that is responsible for setting the organization’s strategic direction, approving its operational plans and company policies, and overseeing the work of the NHDT’s General Manager and staff.



ORGANIZATION CHART:

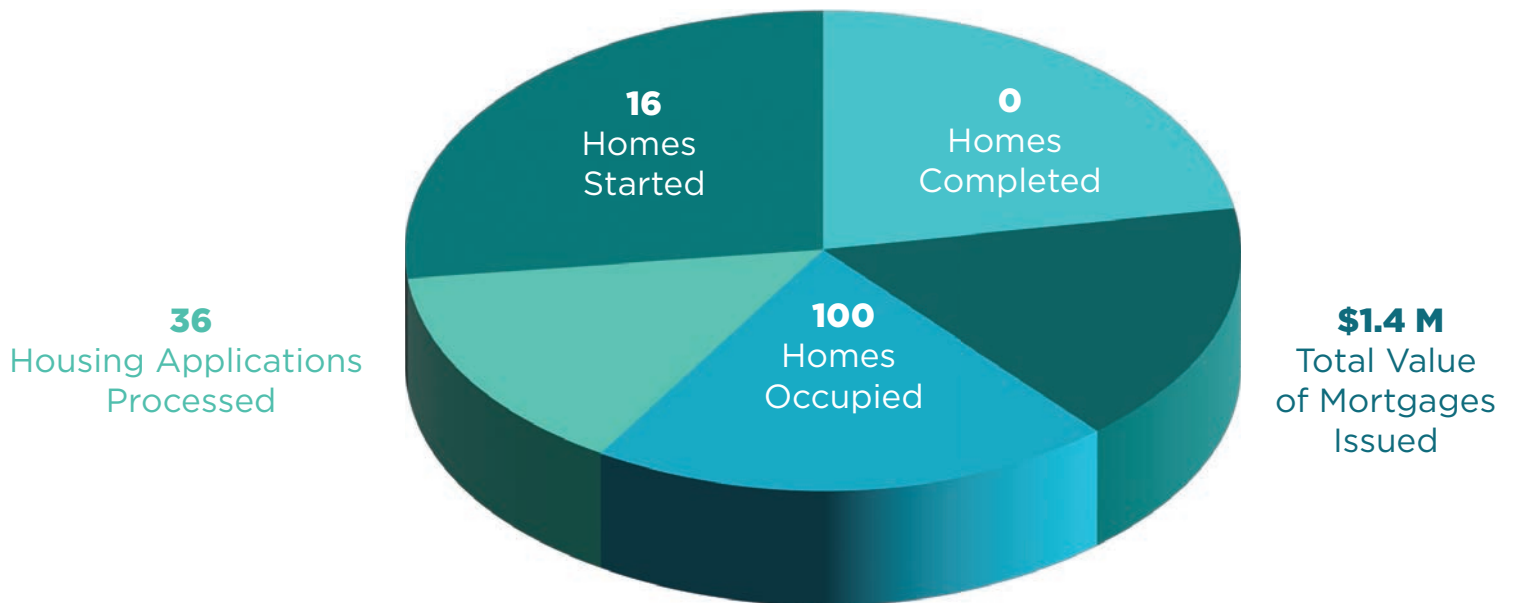




Financial and Operational Highlights



OPERATIONAL HIGHLIGHTS:



Financial and Operational Highlights



FINANCIAL HIGHLIGHTS:

FINANCIAL PERFORMANCE	2018 \$000's
REVENUE	2,230
LESS: COST OF GOODS SOLD	1,677
GROSS PROFIT/(LOSS)	553
LESS: OPERATING EXPENSES	1,950
NET SURPLUS/(DEFICIT)	(1,397)

FINANCIAL POSITION	31 December 2018 \$000's
ASSETS	19,493
LESS: LIABILITIES	12,947
NET WORTH	6,546





NATIONAL HOUSING
DEVELOPMENT TRUST

Audited Financial Statements for the Year Ended 31 December 2018

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the National Housing Development Trust in accordance with the provisions of the *Public Management and Finance Law (2018 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 Law (2018 Revision)*.

As Chairman and General Manager, 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 National Housing Development Trust.

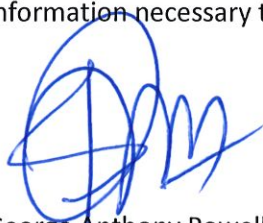
As Chairman and General Manager, we are responsible for the preparation of the National Housing Development Trust financial statements and for the judgments made in them.

The financial statements fairly present the statement of financial position, statement of financial performance, cash flow statement, and statement of changes in net worth for the financial year ended 31 December 2018.

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

- (a) completely and reliably reflect the financial transactions of the National Housing Development Trust for the year ended 31 December 2018;
- (b) fairly reflect the financial position as at 31 December 2018 and performance for the year ended 31 December 2018;
- (c) comply with International Public Sector Accounting Standards under the responsibility of the International Public Sector Accounting Standards Board.

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



George Anthony Powell
Chairman
National Housing Development Trust

Date - August 2, 2019



Julio Ramos
General Manager
National Housing Development Trust

Date – August 2, 2019

AUDITOR GENERAL'S REPORT

To the Board of Directors of the National Housing and Development Trust

Opinion

I have audited the financial statements of the National Housing and Development Trust (the "Trust"), which comprise the statement of financial position as at 31 December 2018 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 27.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2018 and its financial performance and its cash flows for the year ended 31 December 2018 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Trust 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.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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.

AUDITOR GENERAL'S REPORT (continued)

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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If 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 Trust 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 Law (2018 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.



Patrick Smith CPA, CFE
Acting Auditor General

2 August 2019
Cayman Islands

NATIONAL HOUSING DEVELOPMENT TRUST
Statement of Financial Position
As at 31 December 2018
(Expressed in Cayman Islands Dollars)

Prior Year Restated \$000		Note	Current Year Actual \$000	Original Budget \$000	Variance (Budget vs Actual) \$000
Current Assets					
6,052	Cash and cash equivalents	2	5,025	1,768	(3,257)
652	Trade receivables	3	673	126	(547)
18	Prepayments		3	39	36
125	Inventory Assets	1(m)	956	3,525	2,569
6,847	Total Current Assets		6,657	5,458	(1,199)
Non-Current Assets					
13,356	Property, plant and equipment	4	12,764	14,520	1,756
16	Other Non-Current Assets		72	-	(72)
13,372	Total Non-Current Assets		12,836	14,520	1,684
20,219	Total Assets		19,493	19,978	485
Current Liabilities					
146	Payables and accruals	5	193	127	(66)
17	Employee entitlements	6	30	49	19
1,322	Current portion – Bonds Payable	7	1,360	1,360	-
1,485	Total Current Liabilities		1,583	1,536	(47)
Non-Current Liabilities					
12,503	Long term – Bonds Payable	7	11,143	11,143	-
176	Deferred Liabilities	1(o)	221	172	(49)
12,679	Total Non-Current Liabilities		11,364	11,315	(49)
14,164	Total Liabilities		12,947	12,851	(96)
6,055	Net Assets		6,546	7,127	581
Net Worth					
26,225	Contributed capital		28,261	28,664	403
4,528	Revaluation Surplus		4,397	496	(3,901)
(24,698)	Accumulated (deficits)		(26,112)	(22,033)	4,079
6,055	Total Net Worth		6,546	7,127	581

The accounting policies and notes on pages 8 -27 form part of these financial statements.

NATIONAL HOUSING DEVELOPMENT TRUST
Statement of Financial Performance
For the year ended 31 December 2018
(Expressed in Cayman Islands Dollars)

Prior Year Actual \$000			Current Year Actual \$000	Original Budget \$000	Variance (Budget vs Actual) \$000
	Revenue	Note			
871	Outputs to Cabinet	8	581	581	-
337	Sale of goods and services		219	383	164
108	Donation Revenue		-	-	-
683	House Sales	8	1,430	-	(1,430)
1,999	Total Revenue		2,230	964	(1,266)
	Cost of Goods Sold				
911	Cost of House Sales	8	1,677	-	(1,677)
1,088	Gross Profit		553	964	411
	Expenses				
1,013	Personnel costs	9	713	758	45
526	Supplies and consumables	10	338	474	136
283	Depreciation	4	206	150	(55)
1,032	Financing Expense	11	693	570	(124)
-	Losses on disposal of property, plant and equipment		-	153	153
2,853	Total Expenses		1,950	2,105	155
(1,765)	Deficit for the period		(1,397)	(1,142)	256

The accounting policies and notes on pages 8 - 27 form part of these financial statements.

NATIONAL HOUSING DEVELOPMENT TRUST
Statement of changes in Net Worth
For the year ended 31 December 2018
(Expressed in Cayman Islands Dollars)

	Contributed Capital \$000	Accumulated deficits) Restated) \$000	Revaluation Surplus Restated \$000	Total Net worth Restated \$000	Original Budget \$000	Variance (Budget vs Actual) \$000
Balance at 30 June 2016	22,872	(22,893)	4,528	4,507	3,761	(746)
Capital Injection	3,353	-	-	3,353	3,354	1
(Deficit) for the (year 2017)	-	(1,765)	-	(1,765)	(1,735)	30
Revaluation Surplus transfer to Accum. Surplus	-	-	-	-	-	-
Prior Period Adjustment	-	(40)	-	(40)	-	40
Balance at 31 December 2017	26,225	(24,698)	4,528	6,055	5,380	(675)
Capital Injection	2,036	-	-	2,036	2,889	853
(Deficit) for the (year 2018)	-	(1,397)	-	(1,397)	(1,142)	255
Revaluation Surplus transfer to Accum. Surplus	-	-	(131)	(131)	-	131
Prior Period Adjustment	-	(17)	-	(17)	-	17
Balance at 31 December 2018	28,261	(26,112)	4,397	6,546	7,127	581

NATIONAL HOUSING DEVELOPMENT TRUST
Statement of Cash Flows
For the year ended 31 December 2018
(Expressed in Cayman Islands Dollars)

Prior Year Actual \$000		Note	Current Year Actual \$000	Original Budget \$000	Variance (Budget vs Actual) \$000
CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES					
<i>Receipts</i>					
511	Outputs to Cabinet		531	581	50
328	Sale of goods and services - third party		217	384	167
683	House Sales - Inventory		1,430	-	(1,430)
<i>Payments</i>					
(1,052)	Personnel costs		(701)	(758)	(57)
(426)	Suppliers		(199)	(738)	(539)
(1,032)	Interest paid		(693)	(570)	123
(988)	Net cash flows (used in)/from operating activities	13	585	(1,101)	(1,686)
CASH FLOWS USED INVESTING ACTIVITIES					
(179)	Purchase of property, plant and equipment		(228)	(928)	(700)
(4)	Net Movement in Capital Assets		-	-	-
-	Investment – Low Income Housing Properties		(2,098)	(472)	1,626
(183)	Net cash flows from investing activities		(2,383)	(1,400)	926
CASH FLOWS FROM FINANCING ACTIVITIES					
(1,918)	Payments on Bonds Payable		(1,322)	(1,360)	(38)
3,353	Equity Investment		2,036	2,889	853
1,435	Net cash flows from financing activities		714	1,529	815
265	Net increase/(decrease) in cash and cash equivalents		(1,027)	(972)	55
5,787	Cash and cash equivalents at the beginning of period/ year		6,052	2,719	(3,333)
6,052	Cash and cash equivalents at the end of period/ year	2	5,025	1,747	(3,278)

The accounting policies and notes on pages 8 – 27 form part of these financial statements

Description and principal activities

The National Housing Development Trust (the "Trust") was incorporated on September 29, 2003, as a not for profit company by guarantee without share capital. The Trust provides affordable housing to Caymanian citizens of the Cayman Islands.

National Housing Development Trust offers several programs:

- a) The Government Guaranteed Home Mortgage Assistance (GGHMA) - The Cayman Islands Government (CIG), working along with local banks, provide mortgage funding to persons who cannot qualify for a traditional mortgage from a commercial bank and who are unable to accumulate the required 5-20% required for acquiring a mortgage. As of 31 December 2018, there were no loans processed.
- b) The Affordable Housing Initiative ("AHI") is designed to assist low-income families in having their housing needs met. As of 31 December 2018 there were 32 registered clients that are under Tenancy agreement within the Affordable Housing Initiative program.
- c) The Affordable Housing Initiative ("AHI") is also designed to provide low-income families with the opportunity of homeownership. As of 31 December 2018 there were 70 Affordable Houses sold to families under the Affordable Housing Initiative program.
- d) The Build on Your Own Property ("BYOP") is an option for a person owning their own home if they have their own land. The National Housing Development Trust assists Caymanians to construct affordable homes on their own property. This program was previously put on hold and later re-initiated for applicants that can qualify under the required criteria.

The Trust is a Government owned company with its registered office situated at the Government Administration Building on Elgin Avenue, George Town, Grand Cayman, and its office operation located at Cayman Centre, Bldg E Unit 4, Dorcy Drive, Grand Cayman.

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

NATIONAL HOUSING DEVELOPMENT TRUST

Notes to the Financial Statements

For the year ended 31 December 2018

(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2018 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2018 reporting period and have not been early adopted by the Trust. The Trust's assessments of the impact of these new standards are set out below:

IPSAS 40, Public Sector Combinations was issued in January 2017 and shall be applied for annual financial statements covering periods beginning on or after 1 January 2019.

IPSAS 41, Financial Instruments, was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing, and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured.

Based on our assessment, it is anticipated that these standards will not be applicable to the Trust in future periods; however, we will reassess IPSAS 41, Financial Instruments, more fully closer to the effective date of adoption.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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 are included in Property, Plant, and Equipment these items are stated at fair value. These Financial Statements (FS) are rounded to the nearest thousand.

Changes in accounting policies

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

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2018 Ownership Agreement and approved by the Legislative Assembly on 25 June 2017. The Final Budget reflects changes to the original budget and the amounts are approved in the Supplementary Budget. There was no change to the original budget during the financial year.

(c) Reporting period

The Trust's financial year-end was changed from 30th June to 31st December as a result of an amendment to the Public Management and Finance Law (2017 Revision) that was passed by the Legislative Assembly on 27th March 2017. Accordingly, the comparative financial statements (FS) for the prior year were prepared for

Note 1: Significant accounting policies (continued)

(c) Reporting period (continued)

the 18 month period end 31 December 2017. The current year FS are for the year ended 31 December 2018 and are not comparable to the 18 months 31 of December 2017 numbers.

(d) Judgments and estimates

The preparation of financial statements is in conformity with International Public Sector Accounting Standards 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 they are determined and in any future periods that are affected by those revisions.

(e) Revenue

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

The Trust derives its revenue from outputs to cabinet, mortgage interest, strata fees, donations, sale of homes and rental of houses to the Caymanian public. Revenue is recognised at fair value of services provided.

(f) Expenses

Expenses are recognised when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received.

(g) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as an expense on a straight-line basis over the lease term.

(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 at the date of acquisition.

(i) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment in these financial statements.

(j) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognized impairment loss. Depreciation is charged as to write off the cost or valuation of asset over their estimated useful lives, using the straight-line method, on the following bases:

Note 1: Significant accounting policies (continued)

	Years
Computer equipment	3
Furniture and fixtures	12
Office and telephone equipment	5
Vehicle	5
Road Formation Works	50
Road Structure	20
Low-income housing properties	50
Leasehold improvements	Over the unexpired period of lease or useful life of the improvement

Depreciation on the new AHI houses is recognized upon the issuance of the Certificate of Occupancy, which signals the point at which they are available for use. At this point they are in the location and condition necessary for them to be operating in the manner intended by Management, as outlined in IPSAS 17.

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 treated in one of the following ways:

- (a) Restated proportionately with the change in the gross carrying amount of the asset, so that the carrying amount of the asset after revaluation equals its revalued amount or
- (b) Eliminate against the gross carrying amount of the asset.

(k) Disposals

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

(l) Work in progress

This account consists of costs incurred attributable to bringing the asset condition necessary for it to be capable of operating in the manner intended by management. It is categorized as non-current assets for the actual cost related to each project. When the Affordable Housing Initiative (AHI) houses are complete then a reclass will be made to the relevant property, plant and equipment. The NHDT's objective is to complete projects within approximately an eighteen (18) month period.

(m) Inventory assets

AHI Houses- Bodden Town

This account consists of completed AHI houses, for which have been allocated parcels, issued Certificate of Occupancy and held specifically for re-sale. Homes are valued at lower of cost and net realizable value. Houses which are held as rental property or lease-to-own are held in property, plant and equipment –AHI Houses.

Land-Bodden Town

Inventory assets also consist of land lots held for transfer on sale of the completed AHI houses held in inventory. In accordance with IPSAS 12, where inventory is acquired as a non-exchange transaction, the costs are measured at the fair value on acquisition. The fair value of the land is based on the first valuation carried out on acquisition.

Note 1: Significant accounting policies (continued)

(m) Inventory assets (continued)

(n) Land

Land is acquired from the government at no cost and is recorded at fair market value at the date of acquisition. A revaluation of this asset will be undertaken every 5 years.

(o) Deferred liabilities

Payments/ accrued amounts made by purchasers on their mortgage principal are recorded as deferred liabilities.

(p) Employee benefits

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

Pension contributions for employees of the Trust are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Plan. The Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration, management and investment functions. Intertrust are the plan administrators, Saxon Pensions are the Client Services Agent and Coutts Cayman are the Investment Managers.

(q) Financial instruments

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

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and 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 instruments comprise of accounts payable and accrued expenses, employee entitlements and long-term debt.

Recognition

The Trust 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.

Note 1: Significant accounting policies (continued)

Measurement

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

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

De-recognition

A financial asset is derecognised when the Trust 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 expired.

(r) Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(s) Foreign currency

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

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at year-end date;
- 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

2017 Actual \$000	Description	Currency	Exchange Rate	2018 Actual \$000
1	Cash on hand (Petty Cash)	CI \$	1	1
6051	Bank Accounts held at other financial institutions (<i><u>Scotia Bank & Trust Cayman Ltd and Butterfield Bank Cayman Ltd</u></i>)	CI \$	1	5,024
6,052	TOTAL	CI \$	1	5,025

Note 2: Cash and cash equivalents (continued)

Cash and cash equivalents include cash on hand; bank accounts in the name of the Trust maintained at the Scotiabank & Trust (Cayman) Limited and Butterfield Bank (Cayman) Limited. No restricted cash balances were held by the Trust at 31 December 2017 and 31 December 2018.

Note 3: Trade receivables and other receivables

At year end all overdue receivables have been assessed and appropriate provisions were made. The provision for doubtful debts has been calculated based on expected losses for the Trust and review of specific debtors. Expected losses have been determined based on analysis of the Trust's losses in previous periods.

Note 3: Trade receivables and other receivables

2017 Actual \$000	Description	2018 Actual \$000
784	Debtors	766
-	Other Receivable	69
(131)	Less: provision for doubtful debts	(163)
652	Total trade & other receivables	673

As at December 31, 2018 the aging analysis of trade and other receivables is as follows:

	Gross Receivables 31-Dec-2017	Gross Receivables 31-Dec-18
Current	603	583
Past due 1-30 days	36	7
Past due 31-60 days	7	7
Past due 61-90 days	6	6
Past due 90 and above	131	163
Total	783	766

Changes in the provision for doubtful debts.

2017 Actual \$000	Description	2018 Actual \$000
(109)	Balance at 1 January 2018	(131)
(22)	Additional provisions made during the year	(32)
	Receivables written off during the period	
(131)	Balance at 31 December 2018	(163)

As at 31 December 2018 and 31 December 2017, trade and other receivables are due within one year from financial position date.

Approximately \$131K had been provided up to 31 December 2017, and therefore \$32K further expense was required for the current year. These balances relate to client receivables for the new AHI houses.

Note 4: Property, plant and equipment

	<i>Land (Restated)</i>	<i>Buildings (Restated)</i>	<i>Leasehold Improvement</i>	<i>Furniture & Fixtures</i>	<i>Computer Equipment</i>	<i>Office & Tel Equipment</i>	<i>Vehicle</i>	<i>Land Improvement</i>	<i>Road Formation Works</i>	<i>Road Structure</i>	<i>Work in Progress</i>	<i>Total</i>
Cost	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance as at 31 Dec 2017	5,808	5,294	135	42	16	29	17	884	1,218	1,136	16	14,595
Additions	124	-	-	1	3	10	33	-	-	-	56	228
Additions (Note: Re-evaluation)	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss 2018	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(64)	(370)	-	-	-	-	-	-	-	-	-	(434)
Transfers	(147)	6	-	-	-	-	-	-	-	-	-	(141)
Balance as at 31 Dec 18	5,721	4,931	135	43	19	39	50	884	1,218	1,136	72	14,248

Accumulated Depreciation

Balance as at 31 Dec 2017	-	576	135	33	10	28	6	-	132	302	-	1,222
Depreciation Expense 2018	-	109	-	2	2	2	9	-	24	57	-	206
Impairment loss 2018	-	-	-	-	-	-	-	-	-	-	-	-
Eliminate on Disposal 2018	-	(42)	-	-	-	-	6	-	6	13	-	(17)
Balance as at 31 Dec 18	-	643	135	35	12	30	21	-	162	373	-	1,412
												-
Net Book value 31 Dec 17	5,808	4,718	-	9	6	1	11	884	1,086	833	16	13,372
Net Book value 31 Dec 18	5,721	4,288	-	8	7	9	29	884	1,056	763	72	12,836

Note 4: Property, plant, and equipment (continued)

- a) In July 2012 the NHDT retained the services of JEC Property Consultants an independent valuer to provide a fair market valuation for the new AHI Houses located in the East End, Windsor Park, and West Bay. AHI Houses recorded in property, plant, and equipment is 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.
- b) The NHDT land located at Eastern Avenue was valued at \$1.81M by JEC Property Consultants under its current zoning as high-density residential but was valued at \$3M when categorized as commercial. The high-density residential value is being used in our report at December 31, 2018.
- c) In March 2013 the NHDT retained the services of Integra Realty Resources (IRR) an independent valuer to provide a fair market valuation for its land assets located in the East End, Windsor Park, West Bay, and Bodden Town. Land recorded in property, plant, and equipment is recorded at the revalued amounts.
- d) The Depreciated Replacement Cost and the Sales Comparison Approach were used to derive the Open Market Value. For the AHI Houses and the Sales Comparison Approach used for the AHI Land. Major assumptions for the AHI Houses are that no encumbrances or encroachments exist, that the buildings are structurally sound, and that the land is free from any defects. For the AHI Land, it was assumed that apart from being cleared and filled, the land is undeveloped and only the land value was included.
- e) Land Improvements Asset refers to the cost of developmental improvements made to land located at the Bodden Town Site. These include clearing and filling of the site.
- f) Road Formation is the category of our Road Asset which relates to the preparation for the road structure along with the installation of utility mains and other formative works. These have been depreciated using a useful life of 50 years. The break-down by Districts are as follows;

Asset	Bodden Town	East End	West Bay	Windsor Park	Grand Total
Formation works	219,503	385,043	291,557	321,742	1,217,845

- g) Road Structure is the category of our road asset, which refers to the physical road structures including paved roadways. These have been depreciated using a useful life of 20 years. The break-down by the district is as follows;

Asset	Bodden Town	East End	West Bay	Windsor Park	Grand Total
Road Structure	213,701	282,646	458,054	181,805	1,136,206

Note 4: Property, plant and equipment (continued)**Buildings:**

2017 Actual \$000	Location	2018 Actual \$000
2,961	West Bay	2,591
2,333	Windsor Park	2,333
-	East End	-
5,294	Total	4,924

The Buildings pertaining to affordable low-income property houses that are located in West Bay, East End, and Windsor Park. During the financial year, 2 homes previously held as property, plant, and equipment from the West Bay location were purchased by clients. At December 31, 2018, there were 21 homes held as lease to own and 12 held as rental properties.

Note 5: Trade payables, accruals, and other payables

2017 Actual \$000	Description	2018 Actual \$000
138	Trade Payables	185
8	Housing Rental Deposits	9
146	Total trade payables, accruals and other payables	193

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. The Housing rental deposits are advance payments made by clients on lease agreements between the NHDT.

As at 31 December 2018 and 31 December 2017, trade payables, accruals and other payables are all due within one year from financial position date.

Note 6: Employee entitlements

2017 Actual \$000		2018 Actual \$000
	Current employee entitlements are represented by:	
17	Annual Leave	30
17	Total employee entitlements	30

Note 7: Bonds Payable**Scotiabank Bond**

In October 2004, the Trust secured funding in the form of a bond issuance from Scotia Capital in the amount of US\$14.5 million at a fixed interest rate of 5.238%. Bi-annual payments of US \$607,032 commenced on April 28, 2006 and the loan will be paid in full by October 2024. The bond issue has been guaranteed by the Cayman Islands Government. The bond payable balance was translated at 0.82 at the financial year end reporting period. As per wire instruction on the bond, payments are made to Sun Life Financial, Waterloo, Ontario, Canada.

Note 7: Bonds Payable (continued)

Scotiabank Bond	Reported in the Notes of the Audited Financials			
Particulars	USD		CI at (0.82)	
	2018 (\$000)	2017 (\$000)	2018 (\$000)	2017 (\$000)
Principal- Beginning of Year	7,038	8,243	5,771	6,759
Principal repayments	(856)	(1,205)	(702)	(988)
Bond balance	6,182	7,038	5,069	5,771
Current portion	901	856	739	702
Long term portion	5,280	6,182	4,330	5,069

Butterfield Bond

In August 2009, the Trust secured a bond issuance from Butterfield Bank (Cayman) Ltd in the amount of KYD\$12,083,000 at the Applicable Margin per annum above the Butterfield Bank Cayman Islands Dollar Base Rate (currently 3.25%).

This bond issuance is to provide long term financing to finance the costs of constructing homes to low-income Caymanians. Repayments are being made in equal bi-annual principal payments of KYD 310,000, plus accrued interest.

The Cayman Islands Government agreed to execute a Guaranty Agreement for the full amount of the Bond. This Guaranty Agreement was signed by the Premier and dated 2nd January 2010.

Butterfield Bond	Reported in the Notes of the Audited Financials			
Particulars	USD		CI at (0.82)	
	2018 (\$000)	2017 (\$000)	2018 (\$000)	2017 (\$000)
Principal- Beginning of Year	9,821	10,955	8,053	8,983
Principal repayments	(756)	(1,134)	(620)	(930)
Bond balance	9,065	9,821	7,433	8,053
Current portion	756	756	620	620
Long term portion	8,309	9,065	6,813	7,433

Total NHDT - Bonds (Scotiabank & Butterfield)	Reported in the Notes of the Audited Financials			
Particulars	USD		CI at (0.82)	
	2018 (\$000)	2017 (\$000)	2018 (\$000)	2017 (\$000)
Bond balance	15,246	16,859	12,502	13,824
Current portion	1,657	1,612	1,359	1,322
Long term portion	13,589	15,246	11,143	12,502

Note 8: Revenue

2017 Actual \$000	Revenue Description	2018 Actual \$000	Final/Original Budget \$000	Variance (Budget vs Actual) \$000
871	Outputs Sold to EXCO -	581	581	(0)
180	Income from Rental Property	118	143	26
113	Income from Mortgage Property	72	105	34
683	Income from Sale of AHI Houses	1,430	-	(1,430)
32	Strata Fees - Charges on Mortgage Property	18	34	17
1	Interest on Cash Balances & Late Fees	-	-	-
12	Miscellaneous Income	12	-	(12)
108	Other Income	-	100	100
1,999	Total Revenue	2,230	964	(1,266)
911	Cost of Goods Sold - AHI Houses	1,677	-	(1,677)
1,088	Gross Profit	552	964	412

As at 31 December 2018 and 31 December 2017, income from rental property by location is as follows:

2017 Actual \$000	Description	2018 Actual \$000
100	West Bay	55
-	East End	9
79	Windsor Park, George Town	53
179	Total	117

Income from sale of AHI houses represents sale of homes held in inventory and is made up of payments made by clients for the AHI Houses at the Bodden Town location.

Cost of Goods sold represents the cost of the AHI houses sold from inventory.

As at 31 December 2018 and 31 December 2017, outputs sold to EXCO is as follows:

2017 Actual \$000	Description	2018 Actual \$000
218	AHI Output 4	146
347	GGHAM Output 5	231
281	Project Development Output 6	187
25	BYOP Output 7	17
871	Total	581

Note 8: Revenue (continued)

As at 31 December 2018 and 31 December 2017, income from mortgaged property by location is as follows:

2017 Actual \$000	Description	2018 Actual \$000
48	West Bay	30
65	Windsor Park, George Town	41
-	East End	-
113	Total	71

Note 9: Personnel costs

2017 Actual \$000	Description	2018 Actual \$000
733	Salaries, wages and allowances	516
189	Health care	128
72	Pension	51
9	Leave	-
10	Other personnel related costs	18
1,013	Total Personnel Costs	713

The Trust signed a lease agreement with Bodwin Investments Ltd. for the rental of National Housing Development Trust operating premises in the amount of \$41,250 (US dollar) annually, effective 01 October 2007 for a period of five (5) years. This contract expired on the 01 October 2012 and the option to renew for an additional five (5) years was not affected. The Trust now operates on a month by month rental.

Note 10: Supplies and consumables

2017 Actual \$000	Description	2018 Actual \$000
22	Doubtful debt expense	31
211	Repairs and maintenance	104
78	Insurance	38
68	Lease of buildings	45
117	Other Supplies and Consumables	96
30	Utilities	24
526	Total Supplies and consumables	338

Note 11: Finance Costs

2017 Actual \$000	Description	2018 Actual \$000
3	Bank charges	3
1,032	Interest on bonds payable	693
1,035	Total Finance Costs	696

2017 Actual \$000	Description	2018 Actual \$000
497	Interest Payment to Scotia Bank	289
535	Interest Payment to Butterfield Bank	404
1,032	Total Finance Costs	693

Note 12: Prior Year Adjustment

The Trust made an adjustment on Prior Year Income relating to 2 homes which were incorrectly classified as Inventory but was related to Property, Plant and Equipment.

Financial Statement Area	As reported in 31 December 2017 Audited Financials	Adjustments from Current Year Restatement	As reported in 31 December 2018 Audited Financials
Assets	CI\$'000	CI\$'000	CI\$'000
Property Plant and Equipment	13,018	338	13,356
Cost			
Land	5,735	73	5,808
Buildings	4,985	309	5,294
Accumulated Depreciation			
Buildings	549	27	576
Net Book Value			
Land	5,735	73	5,808
Buildings	4,436	282	4,718
Inventory	488	(363)	125
Net Worth			
Revaluation Surplus	4,399	129	4,528
Accumulated (deficit)	(24,560)	(129)	(24,689)
Prior Period Adjustment (Depreciation)	(30)	(9)	(39)

Note 13: Reconciliation of net cash flows from operating activities to surplus/ (deficit)

2017 Actual \$000	Description	2018 Actual \$000
(1,765)	Surplus/(deficit) from ordinary activities	(1,397)
	Non-cash movements	
(31)	Prior Year adjustments	-
22	Provision for Doubtful Expense	31
282	Depreciation Expense	206
(477)	Increase in Receivables (Net of Provision for Doubtful Debts)	(21)
(4)	Increase in Prepaid Expense	16
911	Increase in Inventory	1,677
90	Increase in Employee entitlements	13
(74)	Increase in Accrued expenses	47
59	Deferred Liabilities, increase	45
(987)	Net cash flows from operating activities	585

Note 14: Contingencies

	Beginning Balance	Additions	Disbursements	Adjustments	Ending Balance
Contingent Liabilities					
Security Center Limited	12	-	-	-	12

There was legal action against the Trust by the Security Centre Limited in the amount \$12,000 for breach of contract for work performed in August 2005. The case is currently inactive, and the amount is not reflected in the statement of financial position

Note 15: Explanation of major variances against budget

Explanations for major variances for the Trust's performance against the original/final budget are as follows:

Statement of Financial Performance

Revenue

Revenue was \$1.266K above budget and mainly attributed to the sale of New Affordable Houses that were constructed in Bodden Town is now categorized as inventory sales. Also, in order to be IPSAS compliant the sale of the AHI homes previously held as Property Plant and Equipment were transferred to inventory and included in inventory sales, this was not previously included in the budget.

Personnel costs

Personnel costs were \$45K below budget as one staff resigned in the latter part of the 2018 financial year.

Supplies and consumable & finance cost

Supplies and consumables were \$136K below budget as there were no major costs for remedial work of AHI houses when compared to budget.

Statement of Financial Position

Cash and cash equivalents

The actual year-end cash balances were approximately \$3.257M above budget that is attributed to unutilized funds and also to inflows from the Sale of the Bodden Town Affordable Houses that were realized during the financial year.

Debtors and other receivables

The actual year-end debtors and other receivables balances were \$547K above budget as output billings to Government were still outstanding at year-end. The level of delinquency with the AHI Clients was low in comparison to previous periods as the Clients paid up the commitments for the reporting period.

Property, Plant, and Equipment

Property, plant, and equipment were \$1,756K below the original budget, and the significant difference is that the budgeted figures were highly estimated because the actual difference on prior-year is approx \$500k for a restatement of houses reported in fixed asset and inventory.

Note 15: Explanation of major variances against budget (continued)

Statement of Cash Flows

Cash from operating activities

The overage of \$1,686K cash on the budget from operating activities is mainly attributed to cash inflows from the sale of the affordable houses and to the fact that there were savings in payments for remedial work on vacant AHI Houses.

Cash from investing activities

The excess of \$926K cash on the budget from investing activities is mainly attributed to the balance of houses that remain on the books for sale under AHI House Inventory at the end of the year.

Cash from financing activities

The cash from financing activities difference on budget of \$815k is for undrawn equity balance for project refund that will be requested within the subsequent financial period.

Note 16: Related party and key management personnel disclosures

The Trust is a government company from which it derives a major source of its revenue from Cabinet through Output funding. The Trust and its key management personnel transact with other government entities on a regular basis.

These transactions were provided free of cost during the financial year ended December 31, 2018, and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Due to its uniqueness and set up of the Trust, the operation of the Trust relies on the Board of Directors. The Directors offer their services through Board and Committee Meetings, for which they earn directors fees. The total Board and Directors Fees and Committees fees paid out for 2018 was \$27.7K (2017 \$10.7K). the increase on the fees is due to the increase of Committee meetings held during the 2018 reporting period. The Board approved for the supervision of the construction of the sixteen affordable houses in Bodden Town was undertaken by a Director that conducted site visits for the period of construction and paid a total of \$30.8K. This matter was further disclosed in the notice of interest form and also reported to the Ministry of Health, Environment, Culture, and Housing.

During the year, The Trust had no business transactions with registered companies in which members of the Board of Directors or their close family members have an interest. There were transactions with Government entities which totaled \$195k.

Key management personnel

There is two full-time equivalent personnel considered at the senior management level. The total remuneration includes regular salary, allowances, pension contributions, and health insurance contributions. Total remuneration for senior management in 2018 was \$163K (2016 - 17 \$297K). There were no loans made to key management personnel in 2018 (2016-17: \$0). There were no transactions with Government entities which could be reliably measured.

Note 17: Subsequent Events

The NHDT completed on January 31, 2019, the Purchase of a 24.5 acre George Town Property (located off the Lindford Pierson By-Pass in the amount of CI\$2.8M. The formalities of a request to the Cayman Islands Government were processed on February 6, 2019, and final approval for Stamp Duty Waiver was completed on February 14, 2019.

The NHDT commenced the construction of 6 additional AHI Houses on the East End Affordable Housing Site on February 12, 2019. The due diligence on the selected six (6) pre-approved contractors was completed and the contracts were signed on Friday, February 8, 2019, with a 5% mobilization and a 10% stage payment.

In March 2019 the NHDT entered into an offer to purchase of an 11-acre property in North Side in the amount of US\$450K. The formalities of completing the purchase and obtaining Stamp Duty are ongoing and remain to be carried out.

Note 18: Financial instrument risks

National Housing Development Trust (NHDT) is exposed to a variety of financial risks including interest rate risk, credit risk, and liquidity risk. NHDT's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the CIG Financial Regulations.

Interest Rate Risk

NHDT is subject to interest rate risk on the cash placed with a local bank which attracts interest. A late fee of \$15.00 is charged to tenants on late payments on accounts receivable and not late interest payments. The NHDT is not exposed to significant interest rate risk as to the cash and cash equivalents are placed on call and short term fixed deposits which are available on demand.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the NHDT. Financial assets which potentially expose NHDT to credit risk comprise the development of property investments, house construction, cash equivalents and accounts receivable. NHDT is exposed to the potential loss that would be incurred if the counterparty to the bank balances failed to discharge its obligation to repay. All bank balances are with three financial institutions located in the Cayman Islands which management and the Board considers being financially secure and well managed.

NHDT is also exposed to a significant concentration of credit risk in relation to accounts receivables, all of which are due from persons who have a lease or mortgage agreements with NHDT. The maximum amount of these accounts varies with a month to month payment of \$699 or \$579 for both the rental and mortgage accounts with the total cost of the homes being stated as \$69,900 and \$56,900 respectively for mortgages. As at 31 December 2018 provision, for doubtful debts have been made for these accounts in the amount of \$32K.

The carrying amount of financial assets recorded in the financial statements represents NHDT's maximum exposure to credit risk. In the case of the mortgage accounts, the collateral for these accounts is the house itself, and for the rental, no collateral is required from NHDT's debtors.

Note 18: Financial instrument risks (continued)

Liquidity Risk

Liquidity risk is the risk that NHDT is unable to meet its payment obligations associated with the financial liabilities when they fall due. The ability of NHDT to meet its debts and obligations is dependent upon its ability to collect the debts outstanding to NHDT in a timely basis and from proceeds of capital injection that are received from the Cayman Islands Government. In the event of being unable to collect its outstanding debt, it is expected that the Cayman Islands Government would fund any shortfalls.

Note 19: Authorization date

The Financial Statements relating to the 12 month period ended 31st December 2018 for the National Housing Development Trust and is authorized for issue on 14th August 2019 by the Trust's Board of Directors.



Appendix 1:

Ownership Performance Reporting and Statement of Outputs Delivered to Cabinet

Information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2021 Revision) is detailed below.



OUTPUTS / PURCHASE AGREEMENT

ITEM #	PURCHASE AGREEMENT OF NHDT OPERATIONAL OUTPUTS	2018 \$000's
NHT 4	Administer the lease of the Affordable Housing Initiative (AHI) Program and provide support services to low income Caymanian families.	146
NHT 5	Administer the lease of the Government Home Assisted Mortgage (GGHAM) Program and provide support services to low income Caymanian families.	231
NHT 6	Administer the New Affordable Housing Initiative (AHI) Program which provides support services to low income Caymanian families.	187
NHT 7	Administer the Build On Your Own Property Program which provides assistance and support to low income Caymanian families.	17
Total Outputs - Purchase Agreement for Operations		\$581

Appendix 1:



CAPITAL/OWNERSHIP AGREEMENT

ITEM #	NHDT- BOND COMMITMENTS & PROJECT DEVELOPMENT	2018 \$000's
1	NHDT - Equity Injection - Bond Repayment Sunlife Assurance (Bond Maturity to 2024)	1,013
2	NHDT - Equity Injection - Bond Repayment Butterfield Bank (Balloon Pymt of \$6.8m due Jun 2020)	896
3	NHDT - Equity Injection EI57 - NHDT Project Dev for Affordable Housing Sites	979
	Total Outputs - Capital/Ownership Agreement	2,888



Appendix 2:

List of Acronyms and Abbreviations

ACRONYM	DESCRIPTION
AHI	Affordable Housing Initiative Program
BYOP	Build Your Own Property Program
GGHAM	Government Guaranteed Home Assisted Mortgage Program
HECH	Ministry of Health, Environment, Culture and Housing
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
NHDT	National Housing Development Trust
PAA	Public Authorities Act
PLAHI	Ministry of Planning, Agriculture, Housing & Infrastructure
PMFA	Public Management and Finance Act



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