



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
(Formerly Ministry of Health, Environment, Youth, Sports &
Culture)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2014

CONTENTS

	Page
1. Statement of Responsibility for the Financial Statements	2
2. Auditor General's Report	3-4
3. Statement of Financial Position	5
4. Statement of Financial Performance	6
5. Statement of Changes in Net Worth	7
6. Statement of Cash Flows	8
7. Notes to the Financial Statements	9-29



5th Floor Government Administration Building
Box 110, 133 Elgin Avenue
George Town
Grand Cayman KY1-9000
Cayman Islands

Phone: (345)949-7900 ext. 2318
Fax: (345)949-1790

Cayman Islands Government

MINISTRY OF HEALTH, SPORTS, YOUTH AND CULTURE

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Health, Sports, Youth & Culture (the "Ministry") in accordance with the provisions of the Public Management and Finance Law (2013 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 (2013 Revision).

As Chief Officer I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Ministry.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry's financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, performance and cash flows of the Ministry for the financial year ended 30 June 2014.

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

- (a) Completely and reliably reflect the financial transactions of the Ministry for the year ended 30 June 2014;
- (b) Fairly reflect the financial position as at 30 June 2014 and performance for the year ended 30 June 2014;
- (c) Comply with the provisions of the Public Management and Finance Law (2013 Revision) and International Public Sector Accounting Standards.

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.

A handwritten signature in blue ink, appearing to read "Jennifer", written over a horizontal line.

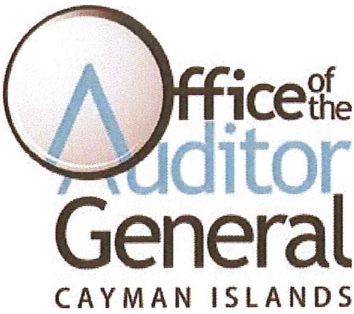
Jennifer M. Ahearn, AICP
Permanent Secretary & Chief Officer

Date- 25 September 2017

A handwritten signature in blue ink, appearing to read "N. Pouchie", written over a horizontal line.

Nellie Pouchie
Chief Financial Officer

Date- 25 September 2017



Phone: (345) - 244-3211 3rd Floor, Anderson Square
Fax: (345) - 945-7738 64 Shedden Road, George Town
AuditorGeneral@oag.gov.ky PO Box 2583, KY1-1103
www.auditorgeneral.gov.ky Grand Cayman, Cayman Islands

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly and the Financial Secretary and Chief Officer of the Ministry of Health, Sports, Youth & Culture

I have audited the accompanying financial statements of the Ministry of Health, Sports, Youth & Culture which comprise the statement of financial position as at 30 June 2014 and the related statements of financial performance, statement of changes in net worth and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 8 to 25 in accordance with the provisions of Section 60(1)(a) of the Public Management and Finance Law (2013 Revision).

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor General's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.


Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Health, Sports, Youth & Culture as at 30 June 2014 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Standards.

Other Matter

Vehicle Disposal Fees - Reporting of Executive revenue in Entity financial statements

Included in the sales of goods and services revenue line item in the financial statements is an amount of \$929,828 for vehicle disposal fees. Under section 57(1) of the Public Health Law (2002 Revision), the Department of Environmental Health receives directly, a fee charged, collected and paid through Customs for special waste handling related to motor cycle, lead-acid battery and motor vehicle tyres imported into the Islands. It has been determined that base on their nature disposal vehicle fees are considered coercive revenues and should initially be recorded as such in the Ministry's executive revenue account with subsequent transfers to the entity revenue account as disposal services are rendered by the Department of Environmental Health, rather than be directly recorded as entity revenue upon receipt from the Customs Department. The Ministry has earned the amount of disposal vehicle fees recorded as entity revenue as at 30 June 2014, therefore my opinion is not qualified with respect to this matter.



Sue Winspear, CPFA
Auditor General

25 September 2017

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014
(Stated in Cayman Islands Dollars)

Prior Year Actual		Note	Current Year Actual	Original Budget	Final Budget	Variance (Orig. vs Actual)
\$'000			\$'000	\$'000	\$'000	\$'000
	Current Assets					
7,375	Cash and cash equivalents	3	13,753	9,125	9,125	(4,628)
1,327	Trade receivables	4	3,188	1,343	1,343	(1,845)
39	Other receivables	4	258	38	38	(220)
	Inventories	5	789	-	-	(789)
(0)	Prepayments		1	-	-	(1)
8,741	Total Current Assets		17,989	10,506	10,506	(7,483)
	Non-Current Assets					
11,188	Property, plant and equipment	6	24,864	25,573	25,573	709
2	Intangible assets	6b	-	-	-	-
11,190	Total Non-Current Assets		24,864	25,573	25,573	709
19,931	Total Assets		42,853	36,079	36,079	(6,774)
	Current Liabilities					
464	Trade payables	7	3,003	417	417	(2,586)
346	Other payables and accruals	7	1,090	385	385	(705)
148	Unearned revenue	9	-	149	149	149
114	Employee entitlements	8	415	114	114	(301)
2,210	Repayment of surplus		2,457	2,210	2,210	(247)
3,282	Total Current Liabilities		6,965	3,275	3,275	(3,690)
3,282	Total Liabilities		6,965	3,275	3,275	(3,690)
16,649	Net Assets		35,888	32,803	32,803	(3,085)
	NET WORTH					
21,370	Contributed capital		39,862	36,383	36,383	(3,479)
(2,414)	Revaluation reserve		(1,684)	-	-	1,684
(2,307)	Accumulated surpluses/(deficits)		(2,290)	(3,580)	(3,580)	(1,290)
16,649	Total Net Worth		35,888	32,803	32,803	(3,085)

The accounting policies and notes starting on pages 9-29 form an integral part of these financial statements.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2014
(Stated in Cayman Islands Dollars)

Prior Year Actual \$'000			Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
	Revenue					
9,229	Sale of goods and services	10	21,626	21,573	21,573	(53)
74	Donations	11	-	-	-	-
9,303	Total Revenue		21,626	21,573	21,573	(53)
	Expenses					
5,887	Personnel costs	12	12,001	12,535	12,535	534
1,973	Supplies and consumables	13	7,464	7,043	7,043	(421)
1,254	Depreciation	6	1,891	1,609	1,609	(282)
2	Amortization of intangible assets	6b	1	-	-	(1)
211	Litigation costs	14	20	245	245	225
1	(Gains)/losses on foreign exchange transactions	15	(7)	2	2	9
2,444	(Gains)/losses on disposal/revaluation of property, plant and equipment	15	8	-	-	(8)
11,772	Total Expenses		21,378	21,434	21,434	56
(2,469)	Surplus or (Deficit) for the period		248	139	139	(109)

The accounting policies and notes starting on pages 9-29 form an integral part of these financial statements.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2014
(Stated in Cayman Islands Dollars)

	Contributed Capital \$'000	Revaluation of Property, Plant & Equipment \$'000	Accumulated Surplus/ (deficits) \$'000	Total Net worth \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs. Actual) \$'000
Balance at 30 June 2012	18,046	-	(1,121)	16,925	16,356	17,390	(569)
Prior year adjustments	3,196	-	(1,131)	2,065	(16)	(1,050)	(2,081)
Restated balance	21,242	-	(2,252)	18,990	16,340	16,340	(2,650)
Changes in net worth for 2012/13							
Gain/(loss) on property revaluation	-	(2,414)	-	(2,414)	-	-	2,414
Equity investment from Cabinet	128	-	-	128	300	300	172
Net revenue / expenses recognized directly in net worth	128	(2,414)	-	(2,286)	300	300	2,586
Surplus/(deficit)for the period 2012/13	-	-	(55)	(55)	1,154	1,154	1,209
Total recognized revenues and expenses for the period	128	(2,414)	(55)	(2,341)	1,454	1,454	3,795
Balance at 30 June 2013 carried forward	21,370	(2,414)	(2,307)	16,649	17,794	17,794	1,145
	Contributed Capital	Revaluation of Property, Plant & Equipment	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs. Actual)
Balance at 30 June 2013 brought forward	21,370	(2,414)	(2,307)	16,649	17,794	17,794	1,145
Changes in net worth for 2012/13							
Prior year adjustments	-	-	-	-	12,183	12,183	12,183
Restated balance	21,370	(2,414)	(2,307)	16,649	29,977	29,977	13,328
Changes in net worth for 2013/14							
* Other changes	13,173	-	17	13,190	-	-	(13,190)
Equity investment from Cabinet	5,319	730	-	6,049	6,406	6,406	357
*Repayment of surplus to Cabinet	-	-	(248)	(248)	-	-	248
Net revenue / expenses recognized directly in net worth	18,492	730	(231)	18,991	6,406	6,406	(12,585)
Surplus/(deficit)for the period 2013/14	-	-	248	248	(3,580)	(3,580)	(3,828)
Total recognized revenues and expenses for the period	18,492	730	17	19,239	2,826	2,826	(16,413)
Balance at 30 June 2014	39,862	(1,684)	(2,290)	35,888	32,803	32,803	(3,085)

* See Note 18 for details

The accounting policies and notes starting on pages 9-29 form an integral part of these financial statements.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2014
 (Stated in Cayman Islands Dollars)

Prior Year Actual		Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
\$'000					
	CASH FLOWS FROM OPERATING ACTIVITIES				
	<i>Receipts</i>				
9,432	Outputs to Cabinet	17,282	17,968	17,968	686
3	Outputs to other government agencies	28	71	71	43
108	Sale of goods and services - third party	3,519	3,525	3,525	6
147	Donations / Grants	-	-	-	-
12	Other receipts	4	9	9	5
	<i>Payments</i>				
(5,908)	Personnel costs	(11,598)	(12,535)	(12,535)	(938)
(2,496)	Supplies and consumables	(4,908)	(7,043)	(7,043)	(2,135)
(119)	Other payments	(298)	(245)	(245)	53
1,179	Net cash flows from operating activities	4,029	1,750	1,750	(2,279)
	CASH FLOWS FROM INVESTING ACTIVITIES				
(221)	Purchase of property, plant and equipment	(2,970)	(6,406)	(6,406)	(3,436)
(221)	Net cash flows from investing activities	(2,970)	(6,406)	(6,206)	(3,436)
	CASH FLOWS FROM FINANCING ACTIVITIES				
93	Equity investment	5,319	6,406	6,406	1,087
93	Net cash flows from financing activities	5,319	6,406	6,206	1,087
1,051	Net increase/(decrease) in cash and cash equivalents	6,378	1,750	1,750	(4,628)
6,324	Cash and cash equivalents at beginning of period	7,375	7,375	7,375	-
7,375	Cash and cash equivalents at end of period	13,753	9,125	9,125	(4,628)

The accounting policies and notes on pages 9-29 form an integral part of these financial statements.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Description and Principal Activities

The Ministry of Health, Sports, Youth & Culture, formerly referred to as the Ministry of Health, Environment, Youth, Sports & Culture (the "Ministry") is a Government owned entity as defined by Section 2 of the Public Management and Finance Law (2013 Revision) and it is domiciled in the Cayman Islands.

Its principal activities and operations as discussed in Note 2 include all activities carried out in terms of the outputs purchased by Cabinet from the Minister of Health, Sports, Youth & Culture as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ending 30 June 2014.

During the year ended 30 June 2014, the Ministry comprised the following departments: Health Regulatory Services, Department of Environmental Health, Mosquito Research & Control Unit, Department of Sports, Youth Services Unit and the Cayman Islands Cadet Corps. The Department of Environmental Health and the Mosquito Research & Control Unit were added in the current year.

Note 2: Significant Accounting Policies

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

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements.

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 (Buildings are stated at fair value). All figures are rounded to the nearest thousand unless otherwise indicated.

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 financial statements show comparison of actual amounts with amounts in the original and final budget. Explanations of material differences between original budget and actual amounts are provided as required by IPSAS 24.

(b) Budget Amounts

The original budget amounts for the financial year are as presented in the 2013/2014 Annual Budget Statement and were approved by the Legislative Assembly in October 2013. The financial information in the Annual Budget Statement was prepared based on the accrual accounting concept and the going concern basis.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 2: Significant Accounting Policies (continued)

(c) 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, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the reporting period and in any future periods that are affected by those revisions.

Changes in Accounting Estimates

IPSAS 3 requires disclosure of any changes in accounting estimates and the nature, amount and the financial effect on present and/or future period. There were no changes in accounting estimates.

(d) Revenue

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

The Ministry derives a significant percentage of its revenue through the provision of services to Cabinet. A relatively small component of the Ministry's revenue comes from other agencies in government and third parties. Cabinet revenue is recognized at the unit price agreed in the Annual Budget Statement for 2013/2014. Other revenues are recognized at the fair value of services provided.

Revenue from non-exchange transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as services in-kind as defined under IPSAS 23- Revenue from non-exchange Transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of an item of property, plant and equipment, such service in-kind is recognized in the cost of property, plant and equipment.

(e) Expenses

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

(f) Operating Leases

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

(g) Cash and Cash Equivalents

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

**MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 2: Significant Accounting Policies (continued)

(h) Prepayments

The portion of recognized expenditure paid in advance of receiving services has been recognized as a prepayment in the Statement of Financial Position.

(i) Inventories

Inventories held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost and net realizable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

The amount reported for inventory held for distribution reflects management's estimates for obsolescence or other impairments.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realizable value. Costs are assigned to inventories using first-in first-out (FIFO) as appropriate.

The write-down from cost to current replacement cost or net realizable value is recognized in the statement of financial performance in the period when the write-down occurs.

(j) Property, Plant and Equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation except for buildings which are stated at fair value. Items of property, plant 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 year in which the asset is acquired.

Buildings were revalued on 1 July 2012 in accordance with IFRS and interpreted by the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 2012 (Global) which refers to the requirements set down by the International Valuation Standards Council (IVSC). The valuations were undertaken by qualified valuers, each being a Chartered Valuation Surveyor. None of the valuers has any personal interest in the properties they have valued, present or prospective, direct or indirect.

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

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings	40 – 60 years
• Motor vehicles	4 – 12 years
• Furniture and fittings	3 – 20 years
• Computer equipment and software	3 – 10 years
• Office equipment	3 – 20 years
• Other plant and equipment	5 – 25 years
• Other assets	3 – 25 years

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 2: Significant Accounting Policies (continued)

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.

(k) Employee Benefits

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

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

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

(l) Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognized 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 favorable. Financial assets comprise of cash and cash equivalents and prepayments.

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 unfavorable. Financial instruments comprise of accounts payable and accrued expenses.

Recognition

The Ministry recognizes 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 recognized in the Statement of Financial Performance.

**MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 2: 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 amortized cost, being the amount at which the liability was initially recognized less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is de-recognized when the Ministry realizes the rights to the benefits specified in the contract or loses control over any right that comprises that asset. A financial liability is de-recognized when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(m) Contingent Liabilities and Assets (including guarantees)

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 realized.

(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 recognized 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.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 3: Cash & Cash Equivalents

Actual Prior Year \$'000	Description	Foreign Currency \$'000	Exchange Rate	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
18	Cash in transit			119	18	18	(101)
6,857	CI\$ Operational Current Account			13,449	8,606	8,606	(4,843)
348	US\$ Operational Current Account	90	0.84	75	347	347	272
(1)	Payroll Current Account			110	1	1	(109)
153	Bank Accounts held at other financial institutions				153	153	153
7,375	Total			13,753	9,125	9,125	(4,628)

Note 4: Trade and Other Receivables

Actual Prior Year \$'000	Trade Receivables	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
-	Sale of goods and services	8,494	-	-	(8,494)
1,327	Outputs to Cabinet	1,543	1,343	1,343	(200)
-	Outputs to other government agencies	3	-	-	(3)
-	Less: provision for doubtful debts	(6,852)	-	-	6,852
1,327	Total trade receivables	3,188	1,343	1,343	(1,845)

Sale of goods and services along with the related provision for doubtful debts relate to the Department of Environmental Health which was transferred into the Ministry effective 1 July 2013.

Actual Prior Year \$'000	Other Receivables	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
-	Advances (salary, Official Travel, etc)	2	-	-	(2)
-	Dishonored cheques	9	-	-	(9)
36	Other Receivable	245	36	36	(209)
3	Interentity Due from	2	2	2	-
39	Total other receivables	258	38	38	(220)

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 4: Trade & Other Receivables (continued)

Actual Prior Year \$'000	Receivables	Trade Receivable \$'000	Other Receivable \$'000	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
	Current						
1,327	Past due 1-30 days	639	258	897	1,381	1,381	484
	Past due 31-60 days	14	-	14	-	-	(14)
	Past due 61-90 days	7	-	7	-	-	(7)
	Past due 90 and above	2,528	-	2,528	-	-	(2,528)
	Non-Current						
	Past due 1 year and above	-	-	-	-	-	-
1,327	Total	3,188	258	3,446	1,381	1,381	2,065

Changes in provision for doubtful debts:

Actual Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
-	Balance at 1 July	-	-	-	-
	Additional provisions made during the year	(6,852)	-	-	6,852
-	Balance at 30 June	(6,852)	-	-	6,852

Note 5: Inventories

Actual Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
-	Inventory held for use in the provision of goods and services	789	-	-	(789)
-	Total inventories	789	-	-	(789)

Inventory balance for the current year resulted from the transfer into the Ministry of the Mosquito Research and Control Unit effective 1 July 2013.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 6: Property, Plant & Equipment

Asset Revaluation

Properties (buildings and structures) were revalued as at 1 July 2012 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.

Valuation methods

The valuations of the Ministry's buildings have been prepared in accordance with IPSAS, Royal Institute of Chartered Surveyors (RICS) Red Book, 2016 Valuation Standards references with the International Valuation Standards, and the guidance notes provided by the 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."

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 it 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.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 6: Property, Plant & Equipment (continued)

These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, 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 \$0.5 million 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 2001 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.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 6: Property, Plant & Equipment (continued)

Cost or Opening Valuation	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or in-progress	Total	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	483	14,544	417	244	42	142	829	893	-	143	17,737	17,757	17,757	20
Revaluations	-	(11,240)	-	-	-	-	-	-	-	-	(11,240)	-	-	11,240
Additions	1	258	2	8	-	-	-	24	-	-	293	300	300	7
Disposals	-	(34)	(81)	(13)	-	-	(24)	-	-	(105)	(256)	-	-	256
Transfers	-	8,212	-	-	-	(27)	-	-	-	-	8,185	-	-	(8,185)
Balance as at 30 June 2013	484	11,739	338	239	42	115	805	917	-	39	14,718	18,057	18,057	3,339
	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or in-progress	Total	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	483	11,739	338	239	42	115	805	917	-	39	14,718	18,057	18,057	3,339
Prior-year adjustments	-	-	-	-	-	-	-	-	-	-	-	14,299	14,299	14,299
Additions	5	850	14	9	7	-	375	-	-	4,346	5,607	6,406	6,406	799
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(1,138)	-	-	-	(1,138)	-	-	1,138
Transfers	3,637	6,823	159	55	31	(18)	9,207	(902)	1,638	-	20,631	-	-	(20,631)
Balance at 30 June 2014	4,125	19,412	511	303	81	97	9,250	15	1,638	4,385	39,817	38,762	38,762	(1,055)
Accumulated Depreciation and Impairment Losses	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or in-progress	Total	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	378	3,089	221	221	31	35	666	494	-	-	5,135	5,150	5,150	15
Transfers	-	6,162	-	-	-	-	-	-	-	-	6,162	-	-	(6,162)
Impairment Reserve -	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	30	1,035	19	15	2	6	66	80	-	-	1,254	1,157	1,157	(97)
Eliminate on Disposal	-	(8)	(39)	(14)	-	(2)	(22)	-	-	-	(86)	-	-	86
Revaluation	-	(8,935)	-	-	-	-	-	-	-	-	(8,935)	-	-	8,935
Balance as at 30 June 2013	409	1,343	201	221	33	38	710	574	-	-	3,529	6,307	6,307	2,778
	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Other assets	Infrastructure	Motor Vehicles	Marine Vessels	Aircraft	Assets under construction or in-progress	Total	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	409	1,343	201	221	33	38	710	574	-	-	3,529	6,307	6,307	2,778
Prior-year adjustments	-	(17)	-	-	-	-	-	-	-	-	(17)	5,273	5,273	5,290
Transfers	2,711	11	182	(19)	(12)	(9)	7,919	(569)	590	-	10,804	-	-	(10,804)
Impairment Reserve - Movement 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	227	1,116	25	32	3	4	400	1	82	-	1,890	1,609	1,609	(281)
Eliminate on Disposal	(115)	-	-	-	-	-	(1,138)	-	-	-	(1,253)	-	-	1,253
Balance at 30 June 2014	3,232	2,453	408	234	24	33	7,891	6	672	-	14,953	13,189	13,189	(1,764)
Net Book value 30 June 2013	76	10,397	137	18	9	77	94	343	-	39	11,188	11,750	11,750	562
Net Book value 30 June 2014	893	16,959	103	69	57	64	1,359	9	966	4,385	24,864	25,573	25,573	709

**MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 6a: Property, Plant & Equipment – Assets under construction or In-progress

Assets under construction or in-progress include items which were not yet finalized or received as at 30 June 2014. The below table details this category noting the in-service dates of said assets.

Description	Total Cost \$'000	In Service Date
Motor Vehicles:		
Al-Jon Advantage 500 - (Terex TC400 Landfill compactor)	448	Jan-15
Bobcat S-590 - (skid steer Loader)	38	May-15
Freightliner M-2112 - 151235 (Garbage Truck - GT)	162	Apr-15
Freightliner M-2112 - 151164 (Garbage Truck - RL)	177	Mar-15
Freightliner M-2112 - 151168 (Garbage Truck - RL)	177	Mar-15
Freightliner M-2112 - 151179 (Garbage Truck - RL)	177	Mar-15
Freightliner M-2112 - 151208 (Garbage Truck - RR)	161	Apr-15
Freightliner M-2112 - 151209 (Garbage Truck - RR)	161	Apr-15
Freightliner M-2112 - 151210 (Garbage Truck - RR)	161	Apr-15
Mack MRU613E - 151165 (Garbage Truck - FL)	248	Mar-15
Mack MRU613E - 151166 (Garbage Truck - FL)	248	Mar-15
Mack MRU613E - 151167 (Garbage Truck - FL)	248	Mar-15
FORD F150 crew cab 4X4 gas auto	31	Jul-14
FORD F150 Crew Cab 4X4 gas auto	31	Jul-14
FORD F150 Crew Cab 4X4 gas auto	31	Jul-14
FORD F150 Crew Cab 4X4 gas auto	31	Jul-14
FORD F150 Crew Cab 4X4 gas auto	31	Jul-14
FORD F150 Crew Cab 4X4 gas auto	31	Jul-14
FORD F150 Crew Cab 4X4 gas auto	31	Jul-14
Econoline Panel Van	33	Jul-14
Buildings and Leasehold Improvements:		
Ed Bush Stadium changing rooms	1,493	Jul-14
Stadium furniture	72	Jul-14
Stadium furniture – VIP seating section	15	Jul-14
Netball courts – Paving	16	Jul-14
Computer Hardware :		
Computers	19	Oct-14
Plant and Other Equipment:		
Various Other Equipment (Fire pump equip, Track timing system, etc.)	122	2014/15
Garbage collection containers	22	In-progress
Total assets under construction or In-progress as at 30 June 2014	4,385	

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

Note 6b: Intangible Assets

Cost

	Computer Software \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
Balance as at 1 July 2012	22	-	-	(22)
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance as at 30 June 2013	22	-	-	(22)

	Computer Software \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
Balance as at 1 July 2013	22	-	-	(22)
Additions	7	-	-	(7)
Disposals	-	-	-	-
Transfers	(22)	-	-	22
Balance at 30 June 2014	7	-	-	(7)

Accumulated Depreciation and Impairment Losses

	Computer Software \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
Balance as at 1 July 2012	17	-	-	(17)
Transfers 2012/13	-	-	-	-
Impairment reserve 2012/13	-	-	-	-
Depreciation expense 2012/13	2	-	-	(2)
Eliminate on disposal 2012/13	-	-	-	-
Balance as at 30 June 2013	19	-	-	(19)

	Computer Software \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
Balance as at 1 July 2013	19	-	-	(19)
Prior-year adjustments	-	-	-	0
Transfers 2013/14	(13)	-	-	13
Impairment reserve 2013/14	-	-	-	0
Depreciation expense 2013/14	1	-	-	(1)
Eliminate on disposal 2013/14	-	-	-	-
Balance at 30 June 2014	7	-	-	(7)

Net Book Value 30 June 2013	2	-	-	(2)
------------------------------------	----------	----------	----------	------------

Net Book Value 30 June 2014	-	-	-	-
------------------------------------	----------	----------	----------	----------

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 7: Trade Payables, Other Payables & Accruals

Prior Year Actual \$'000	Description	Current \$'000	Total Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
464	Creditors	2,429	2,429	417	417	(2,012)
-	Creditors Ministries/Portfolios	401	401	-	-	(401)
-	Creditors other government agencies	172	172	-	-	(172)
43	Payroll deductions	99	99	43	43	(56)
295	Accrued expenses	168	168	335	335	167
-	Accrued expenses Ministries/Portfolios	794	794	-	-	(794)
-	Accrued expenses other government agencies	24	24	-	-	(24)
8	Other payables	6	6	7	7	1
810	Total trade payables, other payables & accruals	4,093	4,093	802	802	(3,291)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 8: Employee Entitlements

Actual Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
	<i>Current employee entitlements are represented by:</i>				
13	Annual leave	272	114	114	(158)
101	Retirement and long service leave	-	-	-	-
-	Accrued salaries	143	-	-	(143)
114	Total employee entitlements	415	114	114	(301)

The annual leave entitlements are calculated on current salary paid to those employees eligible for this benefit.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 9: Unearned Revenues

Actual Prior Year \$'000	Details	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
	<i>Current Portion</i>				
148	Other unearned revenue	-	149	149	149
148	Total unearned revenue	-	149	149	149

Note 10: Sales of Goods & Services

Actual Prior Year \$'000	Revenue type	Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
9,125	Outputs to Cabinet	17,502	17,968	17,968	466
-	Outputs to other government agencies	-	71	71	71
(4)	Fees and charges	3,970	3,525	3,525	(445)
1	General sales	105	-	-	(105)
107	Other	49	9	9	(40)
9,229	Total sales of goods and services	21,626	21,573	21,573	(53)

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

Fees & charges, general sales and other include administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are gazetted and governed by the relevant revenue laws and regulations.

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 11: Donations

Actual Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
74	Other	-	-	-	-
74	Total donations	-	-	-	-

Donations are comprised of external grants sponsored to fund various Environmental related initiatives which are managed by the Department of Environment. Effective 1 July 2013 the Department of Environment is no longer under the Ministry.

Note 11b: Revenue from Non-Exchange Transactions

During the year ended 30 June 2014, the Ministry received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements for the year ended 30 June 2014 (2013: \$396k).

Note 12: Personnel Costs

Actual Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
4,782	Salaries, wages and allowances	9,589	9,724	9,724	135
855	Health care	1,958	2,211	2,211	253
262	Pension	478	539	539	62
(15)	Leave	(40)	20	20	60
3	Other personnel related costs	16	42	42	25
5,887	Total personnel costs	12,001	12,535	12,535	534

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 13: Supplies and Consumables

Actual Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
181	Supplies and materials	2,371	2,608	2,608	238
808	Purchase of services	2,297	2,313	2,313	16
34	Lease of property and equipment	389	136	136	(253)
475	Utilities	754	997	997	243
379	General insurance	627	764	764	137
2	Interdepartmental expenses	8	67	67	59
49	Travel and subsistence	59	73	73	14
27	Recruitment and training	41	62	62	21
18	Other	918	22	22	(896)
1,973	Total supplies & consumables	7,464	7,043	7,043	(421)

The "Other" category includes C1\$903K relating to the movement in provision for doubtful debts on receivable for Department of Environmental Health.

Note 14: Litigation Costs

Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Revised Budget \$'000	Variance (Orig. vs Actual) \$'000
211	Legal fees	20	245	245	225
211	Total litigation costs	20	245	245	225

Note 15: Gains/ (Losses)

Actual Prior Year \$'000	Description	Actual Current Year \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Orig. vs Actual) \$'000
30	Net (gain) / loss on disposal of property, plant and equipment	-	-	-	-
2,414	Loss on revaluation of asset	8	-	-	(8)
1	Net (gain) / loss on foreign exchange transactions	(7)	2	2	9
2,445	Total gain/ (losses)	1	2	2	1

MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 16: Segment Reporting

	Environment		Youth & Sports		Health Administration		TOTAL	
	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue:								
Outputs from Cabinet	10,236	2,359	4,476	4,022	2,790	2,744	17,502	9,125
Outputs - Other govt agencies	72	-	-	-	3	-	75	-
Donations	-	76	-	-	-	(2)	-	74
Other revenue	4,004	1	45	41	-	62	4,049	104
Total Revenue	14,312	2,436	4,521	4,063	2,793	2,804	21,626	9,303
Expenses:								
Salaries and wages	7,967	2,054	1,852	1,757	2,182	2,076	12,001	5,887
Other expenses	6,648	990	2,433	4,384	296	511	9,377	5,885
Total Expenses	14,615	3,044	4,285	6,141	2,478	2,587	21,378	11,772
Surplus/ (Deficit) from Operating Activities	(303)	(607)	236	(2,078)	315	217	248	(2,469)
Assets:								
Current assets	2,634	1	5	6	15,349	8,734	17,989	8,741
Non-current assets	12,826	758	11,074	10,347	964	85	24,864	11,190
Total Assets	15,460	759	11,079	10,353	16,313	8,819	42,853	19,931
Liabilities:								
Current liabilities	2,625	263	671	212	3,669	2,807	6,965	3,282
Total Liabilities	2,625	263	671	212	3,669	2,807	6,965	3,282
Capital expenditure	2,700	-	2,594	-	25	129	5,319	129

The Ministry's segment report is prepared on the basis of the following areas: Environment, Youth & Sports and Health Administration. Environment services are provided by the Department of Environmental Health and the Mosquito Control & Research Unit for the 13/14 financial year (Department of Environment for the 12/13 financial year), Youth & Sports through the Department of Sports, Youth Services Unit and the Cayman Islands Cadet Corps. Health Administration included services provided by the Ministry Admin and the Department of Health Regulatory Services.

**MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 17: Related Party and Key Management Personnel Disclosures

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue.

The Ministry and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2014 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel, for the purposes of this disclosure, is defined as Ministers of the Government, Chief Officer and Deputy, HR Manager, Chief Financial Officer, Heads of Department and the Senior Policy Advisor and Project Manager. The summary of the remuneration paid to the key management personnel is as outlined below. There were 12 key management personnel as at 30 June 2014 (2013: 11 persons).

The increase in the number of key management personnel was the net effect of the transfer out from the Ministry of the Department of Environment and the transfer into the Ministry of the Department of Environmental Health and the Mosquito Control & Research Unit following the 2013 general elections.

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig. vs Actual)
\$'000		\$'000	\$'000	\$'000	\$'000
1,077	Salaries & other short-term employee benefits	1,265	1,392	1,392	127
1,077	Total	1,265	1,392	1,392	127

No loans were granted to key management personnel or their close relatives during the financial year ended 30 June 2014 (2013: \$nil).

Note 18: Explanation of Major Variances Against Budget

Statement of Financial Position:

Cash and Cash Equivalents

The actual year-end cash balances were above budget due to unpaid capital charges, insurance premiums, as well as cash held for the replacement of fixed assets. The ministry also received equity funding from Cabinet prior to year-end.

**MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 18: Explanation of Major Variances against Budget (continued)

Trade Receivables

The Ministry closed the financial year with the monthly cabinet funding outstanding for June. The Ministry assumed receivables of approx. \$8 million (gross) following the change in Ministries effective 1 July 2013.

Fixed Assets

Actual fixed assets as at 30 June 2014 were slightly lower than budgeted once the transferred assets were accounted for following the change in Ministries for the Department of Environment, the Department of Environmental Health and the Mosquito Research and Control Unit, effective 1 July 2013 following the general elections.

Trade Payables and Other Payables

Creditors, accruals and other payables were higher than the original budget due to insurance premiums for 2013/14 remaining unpaid at year-end 30 June 2014, as well as the outstanding capital charge. The Ministry also assumed additional payables following the change in Ministries effective 1 July 2013.

Statement of Financial Performance:

Personnel Costs

Personnel costs were below budget due to the moratorium on hiring which remained in effect during the financial year. As a result, the Ministry had a number of budgeted posts that were not filled.

Litigation Costs

Litigation costs were well below budget at the end of the financial year as compared to the original budget due to reduced activity relating to legal costs.

Statement of Cash Flows:

Cash from Operating Activities

The increase in cash from operating activities is due to timing differences for receipt of output funding, payments for supplies and consumables.

Cash from Investing Activities

The Ministry did not utilize the full budget allocation of \$6.206 million for equity injection. Timing differences relating to project completion also contributed to the full equity injection received not yet being utilized at year-end.

Cash from Financing Activities

The Ministry did not utilize the full budget of \$6.206 million for equity injection, as due to time constraints, some capital projects/acquisitions were not realized.

**MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 18: Explanation of major variances against budget (continued)

Statement of Changes in Net Worth:

Other Changes & Repayment of Surplus

This represents the net movement of the transfers into the Ministry for the Department of Environmental Health and the Mosquito & Research & Control Unit and the transfer out of the Ministry by the Department of Environment, effective 1 July 2013 following the general elections. This information was not known at budget time for the 2013/14 financial period. Repayment of Surplus in the amount of CI\$248k represents surplus realized during the financial year ending 30 June 2014.

Note 19: Financial Risk Management

The Ministry is exposed to a variety of financial risks including credit risk and liquidity risk. The Ministry'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 Financial Regulations (2013 Revision).

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Ministry. Financial assets which potentially expose the Ministry to credit risk comprise cash and cash equivalents and trade and other receivables.

The Ministry is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers being financially secure and well managed.

The Ministry is also exposed to a significant concentration of credit risk in relation to accounts receivables, most of which are due from third parties. No credit limits have been established. As at 30 June 2014 a provision for doubtful debts has been made and is noted in note 4.

The carrying amount of financial assets recorded in the financial statements represents the Ministry's maximum exposure to credit risk. No collateral is required from debtors.

Liquidity Risk

Liquidity risk is the risk that the Ministry is unable to meet its payment obligations associated with its financial liabilities when they are due. The ability of the Ministry to meet its debts and obligations is dependent upon its ability to collect the debts outstanding to the Ministry in a timely basis. Management manages liquidity risk through monitoring cash flows from debtors, maximizing day's credit taken from suppliers, and if the circumstances required it to obtain funding from Cabinet to temporarily fund any shortfalls.

Note 20: Contingent Liabilities and Assets

The Ministry has no contingent assets and liabilities as at 30 June 2014 (2013: \$nil).

**MINISTRY OF HEALTH, SPORTS, YOUTH & CULTURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 21: Commitments

The Ministry has accommodation leases for a warehouse for storage on Grand Cayman and office space in Cayman Brac for the Department of Environmental Health. The leases are on an annual and biennial basis respectively.

As at 30 June 2014 the Ministry's commitments were as follows:

Type	One year or less \$'000	Two to five years \$'000	Over five years \$'000
Accommodation leases	4	17	-
Total Commitments	4	17	-

Note 22: Subsequent Events

Effective 1 January 2015, the Department of Sports, the Youth Services Unit and the Cadets Corp were transferred out of the Ministry following a shift in Ministries, as announced by the Honourable Premier on 19 December 2014.

Effective 1 June 2017, the Ministry's name was changed to the "Ministry of Health, Environment, Culture & Housing" following the general elections. As a result of the new ministry configuration, the departments of Environment and Counselling Services are now under the ambit of the Ministry.