CAYMAN NATIONAL CULTURAL FOUNDATION

ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2025

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FOREWORD

This Annual Report of the Cayman National Cultural Foundation (CNCF) outlines the organization's performance for the year ended 31 December 2025.

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

The annual report covers three main areas:

- Delivery of National Cultural Foundation Outputs;
- Financial performance; and
- Governance.

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

The financial performance section shows the financial resources CNCF was afforded in the 2025 budget and the inputs purchased to provide services. The financial performance is presented in the form of financial statements prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the supporting notes to those financial statements.

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

ABOUT US

Nature and Scope of Activities

The Cayman National Cultural Foundation (the "Foundation" or "CNCF") is a non-profit organization that was established by the Cayman National Cultural Foundation Act, 1984 (revised 2013). The work of the Foundation covers the full scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts incorporating cultural preservation, the presentation of cultural festivals, artistic development, youth arts, and special projects.

CNCF is housed across four separate facilities over 10 acres that is made up the F. J. Harquail Cultural Centre (FJHCC) and Mind's Eye–the Visionary World of Gladwyn K. Bush (ME). At the FJ Harquail Cultural Centre, theatrical events, exhibitions, conferences and cultural gatherings are facilitated and/or produced year-round by the Foundation, as well as by others. The World Monuments Fund recognized site*: Mind's Eye–the Visionary World of Gladwyn Bush*, is the historic home of Cayman's renowned intuitive artist, which the Foundation has been responsible for conserving since it took stewardship in 2009. The Foundation is funded primarily by an annual grant from the Cayman Islands Government Ministry of Youth, Sports, Culture and Heritage (MYSCH).

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

2025 at CNCF saw a busy schedule of planned programmes and events to which we welcomed approximately 33,000 members of the community to our onsite and offsite events, festivals and productions during the year. The CNCF team ensured that the programmes, events and exhibitions outlined in our 2025 Purchase and Ownership Agreements were achieved even as we introduced new initiatives which aligned with the new strategic position. Some of the new initiatives were developed in response to our audiences' needs, such as our school resources programme. Both our existing commitments, and the new programmes, were executed professionally and within the agreed time allocated.

The scope of the *Cayman National Cultural Foundation (CNCF)* activities in 2025 was as follows:

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

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

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

Cultural Festivals, International Exchange/ Local Partnerships [NCF 2]: Each year CNCF supports the production of a number of community events and festivals that aim to support the Caymanian arts and cultural experience at home and oversees, such as the Cayman Islands International Storytelling Festival: GIMISTORY; the Cayman Islands National Festival of Arts: CAYFEST; Red Sky at Night; and/or at overseas arts and culture festivals/conferences/seminars. Under this output CNCF also administrates funding for other government-funded festivals and carnivals, including the Cayman Carnival (Batabano, CayMas, and Brachanal), and partners with other National Festivals such as Pirates Week.

Management of Operations and Maintenance of FJ Harquail Cultural Centre (FJHCC) [NCF 3]: CNCF manages the nine-acre F.J. Harquail Cultural Centre which houses the Harquail Theatre which fulfils the function of the national theatre of the Cayman Islands, the Studio Theatre, and the CNCF Offices. This output includes the management of the physical plant to a high standard, as well as the busy rental programme of 103 rental nights featuring plays, concerts, conferences, receptions, and other events each year. In addition, CNCF also produces two theatrical productions throughout the year from these venues. For many creative partners the use if the theatre is waived, thus it in use more than 103 nights.

Training and Support for Artistic Development [NCF 4]: CNCF's mission to preserve and development Caymanian arts and culture includes an active annual training programme in the performing, visual and literary arts. Every year CNCF hosts workshops, screening, seminars or residencies for local performers, teachers, and students. CNCF also manages the largest creative grant programme in the Cayman Islands titled 'Grants for the Arts', which over the years has funded numerous creative projects, productions, publications, and training opportunities. The mission of the grant is to facilitate opportunities for artists (and creative groups).

Youth Arts Programming [NCF 5]: CNCF provides school and teacher cultural resources and well as a variety of youth programmes involving the artistic disciplines of drama, dance, traditional arts and crafts, storytelling, and music. This is executed via extra-curricular classes, performances, and field trips, student work-shows, and in-classroom presentations.

Governance

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

a) to stimulate and facilitate the development and preservation of Caymanian culture generally.
b) to do anything necessary or desirable to assist people and organisations interested developing; cultural and artistic expression, particularly people and organisations interested in preserving and exploring Caymanian performing and visual arts.

c) to develop, maintain and manage theatres and other cultural facilities, as well as the equipment.
d) to stimulate the development of local cultural and artistic talent by means of training, workshops, competitions, exhibitions, pageants, parades, displays and similar activities.
e) to organize cultural festivals; and
f) to do such other things are prescribed.

Governance and Accountability

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

Compliance During the Year

CNCF seeks to compile with all relevant legal and regulatory requirements and acts with due regard for the legal and human rights of all individuals, without discrimination. We are governed by the Public Authorities Act (2020 Revision) and the CNCF Law (2013).

The Scope of Cayman National Cultural Foundation Activities are as follows:

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

Mission Statement

CNCF is chartered to promote, protect, preserve and nurture our cultural and artistic heritage, for all.

Our Mission is to provide the unity, to bring together our traditions and expressions of culture, creative groups, individuals and institutions that make up our arts and culture sector.

Through access to expertise, training and professional development, funding and grants, we help

Cayman preserve our cultural identity and grow an even richer, more vibrant arts and culture scene.

Guiding Principles

For more than 40 years, the non-profit Cayman National Cultural Foundation has carried out its mission through the extensive development of wide-ranging cultural development programmes. These programmes include stage productions, creative education for young people, free workshops and financial support of artists, festivals, publications, national recognition of artistic and cultural achievement and the preservation of Caymanian heritage, and the promotion of arts and culture for future generations.

OUR PEOPLE

CNCF Board (until 30 December 2027):

- Stephen Price (named Chairperson)
- Sulekha Tummala (Chairperson)
- Amanda Bodden (Deputy Chairperson)
- Angela Whittaker (Treasurer)
- Jason Gilbert
- Carmin Godfrey
- Nicholas Johnson
- Michael McLaughlin
- Menelik Miller
- Chief Officer of the Ministry of Culture (or designate) NVM

TOTAL EMPLOYEES:

- Rosalie Twohey — Managing Director
- Rita Powell — Head of Education, Grants, and Research
- Cassandra Shea — Head of Theatre and Festivals
- Barrington Campbell — Senior Theatre and Events Technician
- Nicole Durrant — Education and Research Officer
- Michelle Cayouette — Client Engagement Manager
- Yainelys Ebanks — Arts Administrator
- Megan Stewart-Green — Education Assistant
- Ashley Crowe — Production Assistant
- Benjamin Tatum — Education Intern
- John-Michael Kerford — Production intern
- George Powery — Maintenance

MANAGEMENT DISCUSSION AND ANALYSIS

HIGHLIGHTS OF ACHIEVEMENTS AND OUTPUT DELIVERY ANALYSIS

a. The continued implementation phase of CNCF's new **Strategic Redirection 2023-2027** which began in 2023 with the piloting of an expanded programme structure and new partnership model, escalated in Phase II 2025. Phase II implementation involved the recruitment of a senior team (Managing Director, Hd. Education, Research and Grants, Hd. of Theatre & Festivals) all of whom was onboarded in 2024. Informed by the vision of the Strategic Redirection the team vigorously progressed the expanded program remit in 2025.

b. The **Education, Research and Grants (ERG)** department was initiated due to overwhelming national need for education within the culture and heritage spheres. The schools, youth, and education programmes [NCF1, NCF4, NCF5] supported the development of cultural identity among young people while strengthening knowledge of Cayman's heritage and creative practices. The most significant piece of work created for schools, youth and education programmes by ERG in 2025 was the development and release of **student guides** to the history of the Cayman Islands from 1500 – 1950 targeted at KEYSTAGE 2 (KS2) Years 3-6. It is designed as a textbook resource and was made available to the public online in December 2025.

c. For community and public engagement, the ERG team collaborated with multiple cultural agencies in order to support programming. The creation of the 2025 Culture Keepers Activity booklet engaged most, if not all of the national cultural institutions during the **Culture Keepers Program**, thereby helping to build intersectoral links islandwide. Students and schools participated in multiple events and activities through the year including the expanded Christmas of Yester Year Programme teaching traditional heritage skills .

d. Research and collections focused on the cataloging of over 140 items from the Miss Lassie collection, bequeathed to CNCF as part of her legacy. Professional conservator, Greg Howarth was engaged early in 2025 to work on site to continue to assess the collection and carry out conservation treatment on numerous pieces.

e. Research conducted this year in **Cayman's Culture and Creative Industry** (CCI) helped shift how Cayman's creative and cultural industries are understood and positioned. Essays defining Caymanian creatives and work with the Economics and Statistics Office sparked new dialogue on data needs within the organization and supported evidence-based advocacy, informing programme design.

f. The **Grants for the Arts (GFTA)** program and related initiatives remain central to CNCF's role as a facilitator and supporter of the creative sector. In 2025 the department administered grants activities including professional development workshops, artist-in-residence development, and cultural sector collaboration. Grants were awarded to 13 grantees during 2025.

g. CNCF hosted its **Youth Summer Camp** series [NCF 5] in summer of 2025. Over 60 students participated in drama, dance, traditional arts and crafts, and storytelling exercises, administered under a lens of Caymanian culture and heritage. Summer Camp favourite Ms. Rosemay was on hand ensure the passing along of authentic thatching techniques.

h. The **Theatre and Festivals** department remained focused on the presentation of culture through live performance festivals and public facing productions. It manages CNCF's theater and festival programming, delivers annual productions and events, and provides platforms for artists and audiences to experience Caymanian and international cultural expression.

i. Under its continued focus CNCF expanded its two major national festivals which aim to support Caymanian arts and cultural [NCF2]. These are **CAYFEST** - Cayman Islands National Festival of Arts and **Gimistory** the Cayman Islands International Storytelling Festival. CAYFEST was expanded to the three-week festival as it was originally envisioned. Its feature programme was the presentation of an international panel of creatives with focus on 'The Business of Culture'. It featured a new film festival and ended with the iconic Red Sky at Night. **Gimistory** was delivered under the theme '**Welcome to Storyland**'. The theme celebrated the magic of stories - the way they shift, grow, and travel with us through time and imagination.

j. Under NCF2 the local production of **Wha Happening?** written and directed by local comedian and playwright, Matt Brown, was presented to an appreciative community. CNCF also hosted the Director-in-Residence program with former CNCF artistic director, Dr. Henry Muttoo for a Studio Theatre production of **Agnes of God**. Cayman was privileged to welcome the playwright, Mr. John Pielmier who visited to watch the opening night performance. CNCF also actively supported Cayman Art Week, Cayman Arts Festival, Mango Fest, and **Cayman Carnivals: Batabano, Brachanal, and CayMas.**

k. CNCF continued the usual repairs and maintenance across the **Harquail and Studio Theatres** [NCF 3], and the Mind's Eye Centre [NCF 1] keeping the sites at the professional standard developed in 2024. At the **Harquail and Studio Theatres**, CNCF productions are carried out to professional standards, and also facilitates a wide scope of artistic disciplines – theatre, dance, music, visual, literary, and traditional arts. CNCF hosted a vibrant programme of theatre and performing arts events and productions across the **Spring and Winter Season in the Harquail and Studio Theatre** with over 120+ performances across the year.

NCF 1: ARTS AND CULTURAL PRESERVATION, DOCUMENTATION AND PROMOTION:

NCF 1	ARTS AND CULTURAL PRESERVATION, DOCUMENTATION AND PROMOTION
DESCRIPTION Managing the ongoing conservation and promotion of Mind's Eye (Miss Lassie's House), the more than one hundred-year-old cultural heritage site that is a unique and exceptional example of both traditional Caymanian architecture and of internationally recognized home-grown artistic talent; Preservation of the national collection of Gladwyn K. Bush artworks acquired on behalf of the people of the Cayman Islands. This may include periodically exhibiting the works, upon invitation. Producing the National Arts and Culture Arts Awards programme and awards ceremony, recognizing individuals or groups whose work, or work with others, has made or is expected to make, in the long term, a meaningful contribution to the exploration, promotion or preservation of Caymanian cultural heritage and the development of Caymanian arts. Managing CNCF's research arm and maintaining a resource library of video and audio recordings, prints, photographs, books, magazines and other literature on or about art / culture. Support wider programming and consolidation of other national archival materials and archives.	

MEASURES	2025 Actual	2025 Budget	Variance
QUANTITY			
Mind's Eye, the Visionary World of Gladwyn K Bush (Miss Lassie's House):			
Property management	1	1	-
Number of inspections by preservation specialist	1	1	-
Number of visitors to the property	1,296	1,000	+296
Number of related education tours	4	10	-
Ongoing conservation requirements	12	12	-
National Collection of GK Bush artworks:			
Number of works in the collection	140	-	140
Number of inspections by art conservationist **	1	-	1
Number of exhibitions	2	-	2
National Arts and Culture Awards programme and production	-	1	-1
Heritage and Cultural Research Programme resources	>12	12	-
Helen Harquail Cultural Resource Library:			
Archive management and access	1	1	-
Number of titles/materials available for public access	600	800	-200
Number of new materials added/developed	-	5	-5
Number of new literary works/cultural journals and newsletters published	3	8	-5
Artist/Scholar-in-Residence Research programme	3	1	+2
QUALITY			
Conserve and preserve the art on the interior surfaces and on the windows and doors of Miss Lassie's house	100%	100%	-
Make further restorations and repairs to Miss Lassie's house and grounds to international heritage standards	100%	100%	-
Paintings to be maintained in a stable environment to international standards for art collections, and to be inspected annually by an art conservationist/ restoration expert, who will prepare a report regarding their condition.	100%	100%	-

Arts Awards Programme promotions and nominations reviewed, and winners selected by panel of experienced persons from leading cultural agencies in relevant fields.	-	100%	-100%
Execution of Heritage and Cultural Research Programme	100%	100%	-
Care and management of library materials	100%	100%	-
CNCF produced publications	100%	100%	-
Artist-in-Residence promotions and selection per annum	100%	100%	-
TIMELINESS			
Conservation, maintenance and protection of the Mind's Eye property (weekly review, annual conservation)	100%	100%	-
GK Bush Collection Inspection (weekly)	100%	0%	-
National Arts and Culture Awards Programme (annual)	0%	100%	-100%
Heritage and Cultural Research Programme (ongoing/weekly)	100%	100%	-
Public Access to Library (weekdays)	100%	100%	-
LOCATION			
Mind's Eye (Miss Lassie's House)	100%	100%	-
FJ Harquail Cultural Centre	100%	100%	-
COST	**$108,873**	**$108,873**	

RELATED BROAD OUTCOME:

Caymanian Identity, Culture, and Heritage

Variances:

Mind's Eye Tours and footfall

Number of works in the collection - A major focus during the year was the cataloguing of over 140 items from the Miss Lassie collection, bequeathed to CNCF as part of her legacy.

**In addition to the visit conservationist, CNCF conducted regular checks of the Art Collection and historic cottage and monitored environmental controls throughout the year by qualified staff.

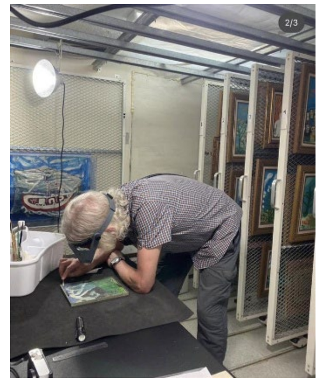
The variance to the number of publications available was due to an audit of outdated items or periodicals that were removed from CNCFs library.

Heritage resources include Student and teacher guides for KS2 was developed in 2025. KS2 covers 4 school grades which makes it the most challenging.

National Arts & Culture Awards (NACA) was paused for 2025, as with 2024, to allow for the redevelopment of the award scheme by the NACA Awards Committee.

The Artist-in-Residence programme welcomed three residency, Mr. Geoff Cresswell, a founding member of the Foundation, Dr. Henry Muttoo, former artistic director and artist in studio Reno Jackson.

HIGHLIGHTS AND ACHIEVEMENTS NCF1



Preservation and Conservation: CNCF is charged with managing the ongoing conservation and promotion of the Mind's Eye Centre (Gladwyn K. "Miss Lassie's" Bush Cottage and Duplex), which contains her hundred-year-old cottage as a unique cultural heritage site that is an exceptional example of both traditional Caymanian architecture and of internationally recognized home-grown artistic talent. In addition, CNCF cares for the artwork in her collection held in Trust for the people of the Cayman Islands. CNCF is committed to exhibiting the works annually, often in partnership with other cultural organizations. This year an exhibition of prints was supported by NGCI and remains as a permanent exhibition.

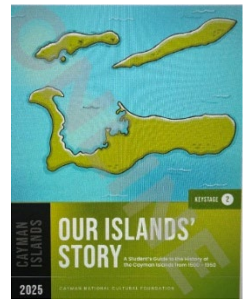
Documentation and Archiving: A major focus during 2025 was the cataloging of over 140 items from the Miss Lassie collection. A professional conservator was engaged early in the year and worked on site to continue to assess the collection and carry out conservation treatment on numerous pieces. The department completed extensive preparatory work to transition CNCF's collections into a secure, cloud-based, public-facing digital platform. The public launch of the collections platform is scheduled for 2026, pending the rollout of CNCF's new website.

Cayman's seniors have been participating in the Cayman Makers series videos which features the art of rope making and thatch weaving and making of the Cassava heavy cake. These videos now form part of the digital resources provided by CNCF for use in the classroom. Plans to extend the collection continued in 2025. Topics include 'Cooking Turtle' and 'Wattle & Daub'

Promotion of Caymanian Heritage: Tours of the Mind's Eye Centre continued in 2025 to include a wide array of groups (including students) and visitors. Students across a wide range of schools and age groups participated in immersive experiences, where historical practices were discussed and illustrated. Special tours with international groups included the Aviators Group and the Womens' Writing Group. In the interest of accessibility, tours of the Mind's Eye Centre remain free of charge to all visitors. In other community engagement activities CNCF collaborated with multiple cultural agencies in order to support programming. From hosting the museum summer camp at the MEC to providing a resident space for the curator of the National Gallery biennial, to engaging with most, if not all of the national cultural institutions during the Culture Keepers Program, the department helped to build links within the culture and heritage sectors islandwide. Our specialized community outreach initiatives—designed to engage seniors, individuals with disabilities, and other priority groups—include the Seniors Tea and Memory Bank activity, Sunrise Tours of the Mind's Eye Centre with accompanying art programmes, and the participation of Fairbanks and Northward residents in Gimistory.

The **Artist-in-Residence** program continued in 2025 with notable legacy director Geoff Creswell participating in this program and CNCF former artistic director Dr. Henry Muttoo directing Agnes of God in the Studio Theatre [Acclaimed drama 'Agnes of God' set to premiere at Harquail - Cayman Compass](). Newly actioned in 2025 was the Artist-in-Studio program with artist Reno Jackson participating, culminating in his solo show in the Bahamas, promoting Cayman's regional ties.

Cultural and Heritage Resources – A significant achievement in 2025 was the completion of the student resource for children. Our Islands' Story: A Student's Guide to the History of the Cayman Islands from 1500–1950 is the first Cayman history textbook created especially for children and classroom use. This limited-edition volume, crafted by Caymanian authors, illustrators, designers, and researchers, offers an authentic, accessible introduction to our Islands' rich heritage, resilient people, and vibrant culture. Developed as a living, evolving resource, it lays a foundation for future editions that will expand and deepen our understanding of Cayman's collective history and identity.



An educational initiative introduced in 2024, titled "Culture Keepers" targeted to primary aged students in the Cayman Islands was repeated in 2025 with greater collaboration among various cultural and heritage groups including CINM, NGCI, CINT, Turtle Centre, Pedro St James, Mission House, Heritage House, Cayman Brac Museum, and Botanic Park. The interactive downloadable activity booklet featured more than ten historical sites which students had to visit and engage with proprietors and then completed as they visited each partnering organization. Two separate booklets were produced, one for Grand Cayman and one for Cayman Brac Students receive a stamp for every organization they visit, and those who collect all stamps were officially crowned "Culture Keepers" and provided with a Culture Keepers pin as a keepsake.

Another cultural awareness programme included a presentation of 'An Overview of Cayman Culture' was delivered to 40+ Cayman International School teachers as a part of their professional development program Diversity, Equity, Inclusion and Belonging. The program was delivered again to the Cayman International School teachers in 2025 and to the DART organization as a part of their professional development programme. The 'Overview of Cayman Culture' and its supporting presentation, Cayman Culture and Values, continued to be delivered to students, teachers and businesses on request throughout 2025.

Arts & Culture Awards - The National Arts & Culture Awards (NACA) programme production was paused for 2025 as the restructuring process remains in progress. For 2026 it will include the Morgan DaCosta Award for Excellence, a grant generously donated by the Bould Foundation as an annual gift for excellence achieved by an artist in his field.

NCF 2: CULTURAL FESTIVALS, INTERNATIONAL EXCHANGE/ LOCAL PARTNERSHIPS

NCF 2	Cultural Festivals, International Exchange/Local Partnership		
DESCRIPTION Hosting/sharing the Caymanian arts and cultural experience at local and international arts and culture events, such as the Cayman Islands International Storytelling Festival, GIMISTORY; the Cayman Islands National Festival of Arts, CAYFEST; and/or at overseas arts and culture festivals/conferences/seminars. Administration of CIG approved funding for other Government-funded festivals and carnivals, including the Cayman Carnival. Support for Resident Companies and Cultural Partnerships			
MEASURES	**2025 Actual**	**2025 Budget**	**Variance**
QUANTITY			
Gimistory			
• Number of district touring presentations arranged	7	7	-
• Number of culinary events/competitions arranged	6	1	-5
CayFest and/or arts and culture festivals/conferences/ seminars			
• Number of national/international arts and culture events hosted, or attended/number of papers presented	3	3- 5	-2
Cayman Carnival			
• Number of consolidated carnivals for which funding is to be administered	3	3	-
Administration of the Cayman Islands Folk Singers	-	1	-1
Support for Resident Companies and Cultural Partnerships			
• In-kind or discounted venue use for cultural partners	4	5	-1
• Promotional support for cultural partners	3	15	-12
• Cultural sector advocacy	1	-	1
QUALITY			
Gimistory/CayFest/Cayman Carnival			
• Professional standards of production are applied	100%	100%	-
• Professional/experienced performers/presenters should be selected based on Board approved criteria	100%	100%	-
• Events/conferences/seminars relevant to the Caymanian context and/or the work of the Cultural Foundation, as approved by Board	100%	100%	-
Support for Resident Companies and Cultural Partnerships			
• CNCF to monitor organizers' achievement of key performance indicators	100%	100%	-
• Cayman Islands Folk Singer Key Performance indicators	0%	100%	-100%
• Number of Partnerships professionally managed and executed in a timely manner	100%	100%	-
• Cultural sector advocacy adhering to international standards and local laws and policies	100%	100%	-
TIMELINESS			
• Cayman Islands arts and culture festival(s) produced/presented	100%	100%	-

• Arts and Culture Events/Conferences/Seminars presented at/attended	100%	100%	-
• Cayman Carnival	100%	100%	-
• Cayman Islands Folk Singers Monthly Management	0%	100%	-100%
LOCATION	100%	100%	-
• Various indoor and outdoor venues in Grand Cayman and Cayman Brac	100%	100%	-
• Locations in the Cayman Islands and overseas	100%	100%	-
COST	**$433,468**	**$433,468**	**-**

RELATED BROAD OUTCOME:

Talent Identification and Development

VARIANCE

Gimistory did not merge with Pirates Week District Days this year as the festival was considered to have a different target audience. The festival did a pivot and was presented a week before the Pirates Week District days to record numbers both for the total evening performance and in particular 'Duppy Story' night, and school presentations.

CayFest/Red Sky at Night was successfully executed in March with footfall doubling from the previous year. In addition, CNCF participated in several national cultural events and festivals including National Children's Festival of the Arts (March/April), Cayman Art Week (May), Cayman Islands National Museum annual "Mango Fest", Pirates Week (November), and the CNCF produced 'Christmas of Yesteryear' (December).

The Cayman Islands Folk Singers were removed from CNCF Outputs in January. However, CNCF continued to support the group by waving rental costs for their annual two-night production and providing production support.

CNCFs Creative Partnership Programme grew in 2025 to accommodate 12+ company productions or regular programming, with multiple performances.

HIGHLIGHTS AND ACHIEVEMENTS NCF2

Each year CNCF produces several community events and festivals that aim to support the Caymanian arts and cultural experience at home and when possible, internationally. The following were successfully executed in 2025:

CAYFEST & Red Sky at Night:
CAYFEST 2025 successfully piloted a comprehensive, scalable, and culturally resonant festival model. The insights gained offer clear opportunities for refinement - particularly in areas such as communications strategy, scheduling coordination, and collaborator onboarding processes.

CAYFEST fulfilled its responsibility for support and advocacy in Q1 2025 through not only overall support of local artists and artisans during the 3-week event but especially through its launch event "Business of Culture'. This event engaged in an important dialogue exploring the journeys of local, regional and international creatives who have achieved global success who navigate the challenges of coming from a small community with various access to resources. This discussion featured insights from a renowned global industry leader, Benny Pough, who has broken barriers at the highest levels and will outline key benchmarks to global success.

While some financial losses were incurred due to the breath of the launch event 'Business of Culture' and the expansion of the festival to its originally designed three-week format, intangible strategic gains were made in relationship-building, stakeholder engagement, and data acquisition, all of which position CNCF and the broader cultural sector for sustained long-term growth.

Red Sky at Night was a well-attended and successful event, marked by smooth vendor coordination, efficient ticketing, and strong community engagement. Iconic presenters of the Caymanian Village demonstrators and entertainment from Swanky Kitchen band ensured the festival attendee's enjoyment. The transition to online systems for vendors and ticketing proved effective, and promotional efforts through radio and social media were consistent. Statistics below demonstrate the success of the event:

- 294 artists supported (excluding RSAN artisans) across various disciplines and events
- 1,900 attendees at Red Sky at Night (RSAN), the closing event
- 1,074 attendees across other CAYFEST events
- A total of 19 events successfully delivered under the CAYFEST umbrella
- 527 new or updated contacts added to CNCF's internal database, strengthening outreach capabilities

National Children's Festival of the Arts - CNCF continued to serve on the National Children's Festival of the Art's Committee in 2024 in preparation for the 2025 Festival. Staff were able to successfully assist with the organizing and invigilation of performances at this year's festival and to contribute to the visioning work for a larger festival. Following a successful distribution of awards, invitations were extended to top-scoring students to participate in Red Sky at Night. CNCF continues to work in partnership with DES to build and elevate the programme in anticipation of an expanded 2026 festival.

Cayman Carnival Grant Management - CNCF continued to manage CIG funds for Cayman Carnival (Batabano, CayMas and Brachanal) for 2024. This year, service level agreements were completed and signed, and funds disbursed to the three carnival bodies as follows:

- Cayman Batabano – CI$27,000
- Cayman Brachanal – CI$8,000
- CayMas – CI$15,000

Gimistory did not collaborate with Pirates Week District Days in 2025 as the festivals were considered to have a different target audience. The Gimistory festival did a pivot and was presented a week before the Pirates Week District days to record numbers both for the total evening performance and in particular 'Duppy Story' night, and school presentations. CNCF also produced the popular Gimistory 'Duppy Story Night' at a new venue at the Pedro Grounds which was well received, welcoming between 450 – 500 attendees.

Christmas of Yesteryear was presented during the week of 09 - 12 December where students were invited to attend a special 'Caymanian Christmas Traditions' presentation at the Mind's Eye Centre. They participated in traditional historical preparations for Christmas such as 'backing sand' and preparing traditional bedding. Students were able to paint their own ornament for Christmas to take home as a souvenir. CNCF hosted 538 students during the week-long event. This was an approximate 325% increase in attendees.

Creative Partnerships Programme (CCP) – CNCF implemented the CCP in 2023 in an effort to expand its production schedule through quality programming and partnerships with leading Cayman arts organizations and performers. In 2025 CCP grew to include ongoing collaborations with Cayman Arts Festival, The Red Boat Experience, Floetry, the Cayman Islands National Dance Company, UCCI Performing Arts, and others. CNCF also co-produced the popular Wha Happening comedy production written and directed by Matt Brown for a second year. Production partnerships for 2025 included the following:

- CNCO Spring, Autumn and Christmas Concerts (x3)
- Floetry Open Mic Night (quarterly)
- Cayman Arts Festival Performance (x6 performances)
- Geoff Cresswell Workshops
- Cayman Islands Folk Singers Annual Concert (x2)
- UCCI Culturama
- Cayman Talent Expo
- Cayman Music School Performances
- Musicians Ltd
- Centre Pointe Dance school, Footsteps School
- Radiance and Cayman Islands National Dance Company
- Wha Happening (10 performances)
- Hospice (3 performances)
- Agnes of God CNCF Production (Studio Theatre)
- Spark! School for Performing Arts, Dreamchasers and Quintessential Movement performances

The Cayman National Choir and Orchestra (CNCO) continue their relationship as a resident company of CNCF where they are permanently based at the complex, rehearsing, and performing on site. This move to welcome more creative companies to the Cultural Centre is part of the new strategic direction for CNCF. CNCO has complimentary use of the Studio Theatre for rehearsal space, storage of musical instruments and use of the theatre for performances and partner with CNCF to programme educational programming.

NCF 3: MANAGEMENT, OPERATIONS & MAINTENANCE OF FJ HARQUAIL CULTURAL CENTRE

NCF 3	**Management of Operations and Maintenance of FJ Harquail Cultural Centre (FJHCC)**

DESCRIPTION

Actively promote the use of the FJ Harquail Cultural Centre (FJHCC), which fulfils the function of the national theatre of the Cayman Islands and is held in trust for the people of the Cayman Islands for the staging of plays, concerts, conferences, receptions, and other events.

Manage rentals and maintain the physical plant to a high standard.

Support for the presentation of performing arts events, including at least one locally created theatrical production.

MEASURES	**2025 Actual**	**2025 Budget**	**Variance**
QUANTITY			
• Health and safety inspections of the FJHCC	4	4	-
• Number of rentals of the FJHCC	140+	145-150	-5
• Number of Cayman National Cultural Foundation supported productions presented	8	4	-4
• Mechanical systems upkeep and repairs	Ongoing	Ongoing	-
QUALITY			
• Facilities maintained to a high standard to ensure compliance with fire, health, and other safety regulations, as confirmed by annual inspection by Fire Department, Environmental Health, and other services.	100%	100%	-
• Customer satisfaction with the maintenance and facilities offered at the venue, evidenced by the receipt of fewer than two substantiated complaints per year on a customer service evaluation form or other means.	100%	100%	-
• Production script(s) to have sound technical structure and production potential.	100%	100%	-
• Production script(s)/repertoire to be locally created, or culturally relevant, and/or educational.	100%	100%	-
• Production elements to be in keeping with the conventions of theatre, as determined by the CEO	100%	100%	-
TIMELINESS			
• Available for Rental.	100%	100%	-
• Presentation of Stage Productions	100%	100%	-
LOCATION			
The Harquail Theatre	100%	100%	-
The Harquail Theatre and/or other stages/auditorium	100%	100%	-
COST	**$395,320**	**$395,320**	

RELATED BROAD OUTCOME: Talent Identification and Development

VARIANCE

Due to the expanded Grants for the Arts Programme interest from the creative sector, we were able to invest in an increased number of production partnerships this year and appeal to a wide variety of individuals and organizations.

CNCF partnered with several leading creative companies to expand the number of productions hosted at the Harquail Theatre in 2025.

HIGHLIGHTS AND ACHIEVEMENTS NCF3

Theatre Management and Concessions

CNCF manages the nine-acre **F.J. Harquail Cultural Centre** which houses the Harquail Theatres. The management of these facilities fulfills the function of the National Theatre of the Cayman Islands, the Studio Theatre, and the CNCF Offices. This output includes the management of the physical plant to a high standard, as well as the busy rental programme with the **Harquail and Studio Theatres** rented for 103 days in 2025 with a combination of plays, concerts, conferences, receptions and other events each year. Late Spring/early Summer saw a busy rental period as several private institutions utilized the Harquail for their annual concerts, prize giving's, and other official ceremonies. As such, the footfall for this period increased.

CNCF continued to improve its front of house management with increased personal, docent training, and janitorial on site for all major events. Feedback from attendees has been positive. Other amendments to the theatre management included reopening the CNCF bar for all productions and performances, along with the implementation of a new POS System. The new team members who joined in February were trained on the new systems and provided excellent support to the management and technical theatre staff. Weekly theatre maintenance checklists have been implemented. CNCF's property management company continue to manage and oversee the higher-level facility maintenance inclusive of the Mind's Eye Centre and both theatres. This is supported by weekly maintenance routine checks by the Front of House Supervisor for the Harquail Theatre.

After busy Spring Season (Feb-June), with multiple productions, presentations, concerts and events, along with the CNCF Summer Camp (July), the theatre closed for the mid-July through mid-September to accommodate CNCF's annual deep clean. This work included window and door maintenance and cleaning, general painting, fire inspection and generally refreshing the paint where necessary.

The CNCF dehumidifiers were not functioning as specified due to the age and extensive leaking in the two air-handlers, one of which failed in Q4 2025. In Q1 2025 a new air-handler was installed based on the recommendation of CNCF's air conditioning system supplier which also has the maintenance contract for the air conditioned systems for the CNCF properties. New condensers must be installed in 2026. Structural engineers were commissioned to do a full site audit for wider remediation recommendations for 2026.

Harquail and Studios Theatres: Production / Facilitation

The Harquail Theatre hosted a vibrant programme across the 2025 Spring and Winter Season. Production highlights included: the Cayman Islands Folk Singers in concert, the annual Jasmine fundraiser 'Voices for Hospice', dance performances by Centre Point, Radiance, CINDC, Quintessential Movements, and Dreamchasers, musical theatre by Musicians Ltd, Wha Happening Comedy Production, a tribute concert to Morgan DaCosta and Agnes of God in the Studio Theatre directed by former artistic director Dr. Henry Muttoo. The Playwright, John Pielmier visited Cayman to attend the play opening night.

NCF 4: TRAINING AND SUPPORT FOR ARTISTIC DEVELOPMENT

NCF4 Training and Support for Artistic Development

DESCRIPTION

- Provision of training programmes in the performing, visual and/or literary arts in the form of workshops, screening, seminars or residences for local performers, teachers, and students.
- Administration of arts grants and other assistance to individuals and groups to facilitate opportunities for artists to explore, practice, share, learn and benefit from their work.
- Promotion of Cayman Creative Sector locally and internationally
- Management of Creative Sector Database

MEASURES	2025 Actual	2025 Budget	Variance
QUANTITY			
• Workshops in Traditional, Visual, Literary and/or Performing Arts	24	10	14
• Artistic Grants Awarded	13	16-20	-3-7
• Promotion of Cayman Creative Sector	10	10	-
• Management of Creative Sector database	1	1	-
QUALITY			
• Workshops to be taught by professional tutors or other talented persons with expertise in relevant disciplines such as: Dramaturgy, Creative Writing, Theatre-in-Education, Dance-in-Education, Music-in-Education, Traditional Arts and Crafts, Storytelling or Performance Techniques.	100%	100%	-
• Award of scholarships and grants based on merit to individuals, and/or organizations based on determined criteria	100%	100%	-
• Professional execution of sector promotion	100%	100%	-
• Professional database management	100%	100%	-
TIMELINESS	100%	100%	-
• Workshops held at regular intervals	100%	100%	-
• Grants opportunities, promoted, reviewed and awarded		100%	
• Ongoing development and management of national database and sector promotion	100%	100%	-
LOCATION	100%	100%	-
• The Harquail and Studio Theatres and other venues in the Cayman Islands			
• Virtual/Online			
COST	**$266,437**	**$266,437**	

RELATED BROAD OUTCOME:

- Talent Identification and Development
- Awareness and Preservation of Culture and Heritage

VARIANCE

13 grants were awarded; 10 under the GftA and 3 discretionary. Although this exceed budget by $14.5k, all grantees were deserving and fulfilled CNCF mission to support creatives in their field of expertise.

CNCF was able to host increased workshops in 2025 as part of its expanded commitment to training and development for the creative sector. These include workshops in dance, storytelling, drama, music, and grant writing.

HIGHLIGHTS AND ACHIEVEMENTS NCF4

CNCF's mission to preserve and development Caymanian arts and culture includes provides an active annual training programmes in the performing, visual and literary arts. Every year workshops, screening, seminars or residencies for local performers, teachers and students are hosted. CNCF also manages the largest creative grant programme in the Cayman Islands titled 'Grants for the Arts', which over the years has funded numerous creative projects, productions, publications, and training opportunities. The mission of the grant is to facilitate opportunities for artists (and creative groups) to explore, practice, share, learn and benefit from their work.

Workshops and Training Programmes:
Dance and Choreography Workshops - In support of Caymanian creatives that are wishing to widen their horizons in the field of dance and choreography technique, CNCF hosted a Dance and Choreography workshop series in November. This focused-on elements of composition and form and catered to both beginner and advanced-level dancers. This series was held in addition to the full day workshops facilitated by Dr. Marlon Simms of the National Dance Theatre Company of Jamaica. The Education, Research and Grants team hosted additional theatre and dance workshops throughout schools in both Grand Cayman and Cayman Brac in partnership with the NCFA to support arts skills development.

Storytelling Workshops – As part CNCF's planned presentation for 2025's Gimistory , CNCF hosted a storytelling workshop series in the autumn season, to prepare for the 2025 Gimistory celebrations. Hosted in collaboration with local storytelling legend Nasaria Suckoo Chollette, the workshop spanned four days in October and provided comprehensive storytelling feedback to all local tellers. Youth teller workshops were hosted by professional drama teacher Julia Watkins and young performers were able to take the stage at the storytelling festival.

Grants for the Arts and Supplementary Workshop (GFA) - CNCF hosted two grant cycles in 2025 across Q1 and Q3. Ten artistic and cultural practitioners were awarded across a series of disciplines out of a total of thirty-seven applications. $39K in Grant awards was paid to artists to pursue various works. Discretionary Grants totaled approximately $4.5k. The Grant Awardees and their projects are listed below:

- Arek Nicholson – Heritage in Harmony / Roots & Rhythm: A Folk Honour Choir Musical Concert
- Carol Bennett – Duppy George
- Cay Young Writers – In their own Write
- Elite Productions - December
- Patrick Lopez - JustnSue – A 7-Song EP
- Cayman Dance Pool – 2025 Annual Dance Convention
- Devon Anglin – Equipment for music project
- John Gray High School – Music Dept – Master Drummer Residency
- John Gray High School – Drama Dept - Equipment for purchase
- Kevin Morales – National Team Portrait Exhibit

In addition to artistic grants, CNCF awarded Discretionary Grants to three Caymanians artists:

- Kristen Reid – Summer Intensive at Oxford
- Jazz Pitcairn – Tribeca Film Festival
- Nasaria Suckoo-Chollette – Crankie artform for storytelling.

The new Grants Policy was updated in Q3 2025 but was subject to Committee review. The new strategically designed Grant Program will debut in 2026 with 6 targeted grants with the aim to strategic growth within Cayman's cultural and creative industry.

Promotion of the Creative Sector

In 2025 CNCF started a series of on air interviews with the Daybreak TV program. Since May 2025 CNCF visited with Daybreak Show eight times to discuss CNCF as a whole and its funding needs, the 'Circles of Time' exhibition, the Culture Keepers programs, 'Wha Happening?', Gimistory, 'Agnes of God' and Christmas of Yester Year. Multiple radio interviews also took place to promote CAYFEST 2025. Together with socials and sponsorship packages with local media CNCF engagement with the community increased 30% over 2025.

Management of the Creative database

The structure of the Artist Registry was not formalized in 2025 as CNCF began intensive research into building the registry into a formal structure. CNCF also investigated the best software to host and build the registry and will complete this research in 2026. Mainly through the Constant Contact monthly newsletter, CNCF has maintained a list of supporters, including creatives. Appropriate software and full development of the registry programme built in conjunction with the CCI research is the goal for 2026.

NCF 5: YOUTH ARTS PROGRAMMING

NCF 5	Youth Arts Programming		
DESCRIPTION Provision of youth programmes involving the artistic disciplines of drama, dance, traditional arts and crafts, storytelling and music through the Young-At-Arts extra-curricular classes, performances, and field trips, which will culminate in work-shows to showcase to a public audience the participants' progress over the course of the workshops. Provision of Caymanian culture and heritage resources and related teaching materials for the school sector Support for the National Children's Festival of the Arts and National Curriculum (arts, culture, and heritage) implementation.			
MEASURES	**2025 Actual**	**2025 Budget**	**Variance**
QUANTITY			
• Number of courses/workshops/field trips	17	10	-
• Number of public performances resulting from workshops	1	2	-1
• Number of summer arts camps	2	2	-
• Provision of school and teaching resources	12	12	-
• NCFA and Curriculum Support	1	1	-
QUALITY			
• Classes/programmes are delivered by qualified tutors in the respective field.	100%	100%	-
• Students and youth have a variety of learning opportunities and experiences aimed at developing skills in and appreciation for arts and culture.	100%	100%	-
• Students and youth to have a variety of learning opportunities via a camp experience	100%	100%	-
• Membership on NCFA Committee to provide expertise	100%	100%	-
• Creation of quality and informed curriculum-related resources	100%	100%	-
TIMELINESS			
• Courses/workshops	100%	100%	-
• Performances	100%	100%	-
• Summer Arts Camp	100%	100%	-
• Provision of resources	100%	100%	-
• NCFA Committee	100%	100%	-
LOCATION			
• The Harquail Theatre	100%	100%	-
• Studio Theatre	100%	100%	-
• Mind's Eye Centre	100%	100%	-
• Other venues in Grand Cayman & Cayman Brac	100%	100%	-
• Online	100%	100%	-
COST	**$56,152**	**$56,152**	
RELATED BROAD OUTCOME: • Enhancement and Empowerment of Youth			
VARIANCE: Summer camp attendees performed for fellow camp attendees, parents and friends.			

HIGHLIGHTS AND ACHIEVEMENTS NCF5

CNCF provides school and teacher cultural resources and well as a variety of youth programmes involving the artistic disciplines of drama, dance, traditional arts and crafts, storytelling and music. In 2025 while continuing to navigate the change in the strategic direction, CNCF expanded its education offerings for youth and schools as a strategic priority. The following youth-oriented programming was delivered:

Youth Summer camp – In Q2 summer Camp was held at the Harquail Theatre for students aged 6-12, with activities that centered around traditional craft, drumming, drama, dance, and vocals. Local artists taught groups of students, and the programme ended the week with a lunchtime performance which was well attended and enjoyed by parents.

Work Experience Students - In June, CNCF welcomed one CXC-level work experience student from Clifton Hunter High School. The student was offered a comprehensive introduction to cultural management including Social media promotion, overseeing theatre activity, tours of the Mind's Eye Centre, education research, basic office administration. In addition to these areas, the students were also given a full tour of the CNCF facilities and the opportunity to interview staff members about their own career journeys and job roles.

Summer Internships - During July and August, CNCF extended one paid internship opportunity to an undergraduate student. The student is pursuing a major in culture and the arts and was able to translate their theoretical skills into action. This assisted in the Education, Research and Grants Department.

Needs Assessment Survey and Feedback Educators across all school age groups at a wide array of institutions voiced the need for resources to assist teachers who teach Caymanian culture in a multicultural education environment. CNCF created student and teacher guides for KS2.

CNCF's new resources include lesson plans and teacher guides and used the format of the **'Teacher Socials'** to introduce the newly developed learning resource. At these socials, teachers also previewed the Cayman Makers series and were able to give feedback into the format of resources being developed for the teaching of Cayman heritage and culture. These were made available online for download.

CNCF at Careers Fairs - CNCF attended a number of careers' fairs in the public high school across Grand Cayman and Cayman Brac. Students were able to learn more about CNCF, as well as career opportunities in the wider arts and culture scene in the Cayman Islands. Meaningful introductions were made to interested students, with contact details obtained for future work experience and volunteering opportunities, such as for Red Sky at Night.

National Children's Festival of the Arts – CNCF served as an advisor to the Department of Education Services in the planning and execution of this event. We also provide free use of the Harquail Theatre for the consultancy services regarding committee and judging selection.

ECONOMIC ASSESSMENT FOR 2025

FINANCIAL PERFORMANCE MEASURE	2025 Final Budget $ 000'S	2025 Actual $ 000'S
REVENUE FROM CABINET	**1,196**	**1,196**
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	**-**	**-**
REVENUE FROM OTHER PERSONS OR ORGANISATIONS (excluding Bequest)	**318**	**371**
OTHER EXPENSES	**1,864**	**2,169**
NET SURPLUS (DEFICIT)	**-349**	**-482**
TOTAL ASSETS	**16,743**	**17,716**
TOTAL LIABILITIES	**668**	**245**
NET WORTH	16,075	17,471
CASH FLOWS FROM OPERATING ACTIVITIES	-49	-248
CASH FLOWS FROM INVESTING ACTIVITIES	-200	-73
CASH FLOWS FROM FINANCING ACTIVITIES	200	137
CHANGE IN CASH BALANCES	-49	-184
FINANCIAL PERFORMANCE RATIO		
CURRENT ASSETS : CURRENT LIABILITIES	4.81	14.27
TOTAL ASSETS : TOTAL LIABILITIES	25.05	72.18

HUMAN CAPITAL MEASURES	2025 Budget $ 000'S	2025 Actual $ 000'S
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	12	11
STAFF TURNOVER (%)		
SENIOR MANAGER	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-
ADMINISTRATIVE STAFF	-	-

PHYSICAL CAPITAL MEASURES	2025 Budget $ 000'S	2025 Actual $ 000'S
VALUE OF TOTAL ASSETS	16,743	17,716
ASSET REPLACEMENTS: TOTAL ASSETS	-	-
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	-	-
DEPRECIATION (in year): CASH FLOW ON ASSET PURCHASES (in year)	-	-
CHANGES TO ASSET MANAGEMENT POLICES	N/A	N/A

MAJOR CAPITAL EXPENDITURE PROJECTS	2025 Budget $	2025 Actual $
Capital Expense Grant approved for 2025 at approximately $200k earmarked for the windows and doors and roof repair. Funds were reallocated to upgrade theatre lighting, hanging microphones, AED equipment, exterior electrical systems, Studio Theatre upgrade and Mind's EYE upgrade.	200,000	137,493

RISK MANAGEMENT

Risks and Concerns

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Vulnerability to winds and storm surge form Hurricanes and Tropical Storms	Ongoing	Act of God	10,000,000
Vulnerability to fire damage from nearby Landfill	Ongoing	Act of God	10,000,000
Vulnerability to flooding due to high water table	Ongoing	CNCF will be conducting a storm water management survey to determine recommended actions	50,000

Key Points of Concern:

CNCF faces the ongoing challenge of raising the shortfall of its annual operations budget annually.

[1] Actual grant received exclusive of CapEx injections.

FINANCIAL POSITION AND ANALYSIS

2024 Actual (CI$)		Note	2025 Actual (CI$)	Original Budget (CI$)	Final Budget (CI$)	Actual vs Original Budget Variance (CI$)
	Current Assets					
250,814	Cash and cash equivalents	**2**	66,570	2,884,011	2,884,011	(2,817,441)
3,125,440	Short term investments	**3**	3,198,647	-	-	3,198,647
308,309	Government grant and other receivables	**4**	230,129	322,003	322,003	(91,874)
410	Prepayments		4,406	930	930	3,476
-	Inventories		2,329	8,780	8,780	(6,451)
3,684,973	**Total Current Assets**		**3,502,081**	**3,215,724**	**3,215,724**	**286,357**
	Non-Current Assets					
13,191,035	Property and equipment	**5**	14,212,017	13,527,538	13,527,538	684,479
2,919	Intangible assets	**6**	2,512	-	-	2,512
13,193,954	**Total Non-Current Assets**		**14,214,529**	**13,527,538**	**13,527,538**	**686,991**
16,878,927	**Total Assets**		**17,716,610**	**16,743,262**	**16,743,262**	**973,348**
	Current Liabilities					
121,976	Trade payables	**7**	107,310	200,000	200,000	(92,690)
73,477	Insurance payable to government	**7**	79,826	403,085	403,085	(323,259)
58,887	Other payables and accruals	**7**	58,313	65,200	65,200	(6,887)
254,340	**Total Current Liabilities**		**245,449**	**668,285**	**668,285**	**(422,836)**
254,340	**Total Liabilities**		**245,449**	**668,285**	**668,285**	**(422,836)**
16,624,587	**Net assets**		**17,471,161**	**16,074,977**	**16,074,977**	**1,396,184**
	Equity					
94,240	General fund	**15**	(290,844)	(616,380)	(616,380)	325,536
3,164,170	Restricted fund	**15**	3,237,496	3,147,859	3,147,859	89,637
4,107,237	Contributed capital	**15**	4,244,730	4,284,558	4,284,558	(39,828)
9,258,940	Property revaluation		10,279,779	9,258,940	9,258,940	1,020,839
16,624,587	**Total Equity**		**17,471,161**	**16,074,977**	**16,074,977**	**1,396,184**

Cash & Cash equivalents and Short term investments

The Foundation’s fixed-term deposits previously included in Cash and cash equivalents were invested in US treasuries (Short term investments), thus, there is a large negative variance for Cash and cash equivalents and a large positive variance for short term investments.

Government grant and other receivables

The outstanding government grant balance at year-end 2025 reflects only the amounts for November and December, as the October portion has already been received. The budgeted receivable, however, includes the grant for the entire quarter, resulting to a variance compared to the budget.

FINANCIAL POSITION AND ANALYSIS (Continued)

Inventories
The budget was for historical inventory balance relating to historic publication materials for the Foundation which was written off in 2023. In 2025, however, the Foundation began recognizing inventory related to Bar stocks, which is what is now reported under Inventories.

Non-Current Assets
In 2025, there was a valuation of the Foundation's properties, as well as recognition of heritage assets, resulting to Property and equipment being higher than budget.

Current Liabilities
The decrease is primarily due to the derecognition of the Foundation's payable to the Government relating to insurance in 2024. The amount was held in payable during the budget exercise due to the uncertainly of the resolution of the amount that would remain payable.

General funds
The variance is due to the income / gain of the Foundation not budgeted for, mainly driven by the derecognition of historical payable to the Government relating to insurance as well as the derecognition outstanding payable to Pirates Week Office (net of the accumulated losses incurred by the Foundation over the years).

Restricted funds
This relates to the funds bequeathed to the Foundation by the benefactor of the FJ Harquail Cultural Centre (FJHCC), the late Mrs. Helen Harquail, MBE. The outright gift is restrictive and not for operations of the Foundation. This account has been adjusted to reflect the usage due for capital expenditures, and the interest and gains on the short-term investments. These adjustments have not been considered in the budget, thus resulting to a variance.

Contributed capital
This is due to the additional equity injections for capital projects. The budget variance is due to higher actual equity injections from the Government in the prior years than what was projected.

Property revaluation
This is due to the revaluation of properties in 2025 as a result of the adoption of IPSAS 45 for which there was no budget.

FINANCIAL PERFORMANCE AND ANALYSIS

2024 Actual (CI$)		Note	2025 Actual (CI$)	Original Budget (CI$)	Final Budget (CI$)	Actual vs Original Budget Variance (CI$)
	Revenue					
1,176,250	Sale of Outputs to Cabinet	**8**	1,196,292	1,160,250	1,196,292	36,042
85,663	Theatre rental	**8**	108,283	120,000	120,000	(11,717)
456,891	Payables derecognition	**8**	46,447	-	-	46,447
143,230	Other revenue	**8**	215,423	198,000	198,000	17,423
1,862,034	**Total Revenue**		**1,566,445**	**1,478,250**	**1,514,292**	**88,195**
	Expenses					
937,827	Operating and administrative expenses	**10**	1,163,004	684,727	684,727	478,277
630,162	Personnel costs	**9,13**	715,027	843,398	879,440	(128,371)
274,158	Depreciation and amortization	**5,6**	291,148	299,400	299,400	(8,252)
1,842,147	**Total Expenses**		**2,169,179**	**1,827,525**	**1,863,567**	**341,654**
19,887	**Net operating surplus / (deficit)**		**(602,734)**	**(349,275)**	**(349,275)**	**(253,459)**
	Investing					
	Investment income	**15**				
142,566	Realized gain on investments		86,936	-	-	86,936
(24,594)	Unrealized gain / (loss) on investments - net		10,052	-	-	10,052
28,988	Interest earned on investments		28,744	-	-	28,744
146,960	**Total investment income - net**		**125,732**	**-**	**-**	**125,732**
	Investment expenses					
6,841	Investment management and custodial fees		5,256	-	-	5,256
140,119	**Net investment surplus**		**120,476**	-	-	**120,476**
160,006	**Surplus / (Deficit) for the year**		**(482,258)**	**(349,275)**	**(349,275)**	**(132,983)**

Sale of Outputs to Cabinet

The Cabinet approved a reallocated budget of CI$36,042 for the Foundation on top of the Government Grant for 2025 in support of the 2025 5% COLA.

Other Revenue

The Foundation had higher general sales than budgeted, and there was also an additional contribution for Gimistory expenses amounting to CI$47,163, thus Other Revenue is ahead of budget. There was also a derecognition of the Foundation’s remaining payable to PWO of $46,447.

FINANCIAL PERFORMANCE AND ANALYSIS (Continued)

Personnel Costs & Operating and administrative expenses

Not all planned personnel hiring occurred in 2025, thus lower actual personnel costs. The recruitment of a communications hire was unsuccessful, which contributed to these savings. The Foundation was projected to have 12 full-time personnel but due to more entry level positions than mid-management, a favourable variance was recorded. CNCF experienced another year in deficit mainly due to the ambitious nature of the programming put in place to move forward the new strategic direction with no complimentary increase in the CIG stipend, that sum remaining at $1.160m for the past three years. Other considerations of note are:

- Fundraising was significantly under budget $153k as there was no comprehensive plan in place until Q4 of 2025.
- Rental income was strong and production income was up at $56k (unbudgeted); bar sales at $43k (unbudgeted) and rental income at $107k (under budget by $13k). Bars sales showed little profit when consideration is given to purchase of inventory and hiring of staff to cover events.
- Net deficit was softened by the derecognition of the Pirates Week Office payable of net $47k.
- Insurance costs increased by 76.6% from $55k budgeted for 2024-2025 to $98k in 2025-2026.
- Accounting costs increased by 8% although this did not affect the full year of 2025. An additional audit management fee of $6k introduced in 2025 contributed to an overall increase of 25% from $28.8K to $35.9k.
- CAYFEST was expanded to its original three-week run and included a launch event which, though well received, consumed a significant part of the budget. There were also more vendors at RSAN who needed more support which translated into higher rental costs to support the event. The total spend over budget was $64k.
- Education resources also introduced costs, approximately $50k, which were not budgeted mainly due to the timing and cycle of the budget exercise as it concerns the CIG stipend.
- Costs for the Mind's Eye Centre were also higher than expected at $51k. This includes all the R&M of which two air conditioning units were replaced, facility management, utilities and communication costs. The conservator's costs are included at $10.8k and light renovations to prepare the resident space which would accommodate Artist-in-Residence awardees.
- The production of 'Agnes of God' added $20k to the program in the Studio Theatre due to lighting and set building costs. 'Wha Happening?' did not have a long enough run to cover costs, plus additional costs were incurred to take the production to the Brac.
- Gimistory expenses were significantly higher when the festival was unable to leverage the costs of staging, venue rental, necessary extra marketing and event logistics costs by not running it in collaboration with Pirates Week District Days.
- The adoption of IPSAS 45 increased Net Equity by $1.020M.

SCRUTINY BY PARLIAMENT AND PUBLIC

CNCF previously achieved a qualification-free audit for several years, however a qualified opinion was given on the financial statements for the year ended December 31, 2025, due to non-compliance with IPSAS 45.

INTERNAL AND EXTERNAL AUDIT UPDATES

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

CROSS GOVERNMENT COMMITMENTS

None

FORWARD LOOKING

Plans for the upcoming 12-month period:

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

1. CNCF will continue to **manage the national theatres [NCF 3],** to ensure they are professionally maintained, that productions are carried out to professional standards, and that they cover a wide scope of artistic disciplines – theatre, dance, music, visual, literary and traditional arts.

2. CNCF will produces a number of **community events and festivals [NCF 2]** that aim to support the Caymanian arts and cultural experience at home and oversees, such as CAYFEST; Red Sky at Night; the Cayman Islands International Storytelling Festival Gimistory; along with and carnivals continue to support the Cayman Islands National Children's Festival of Arts through representation on the Committee and use of the Harquail Theatre for adjudication and showcasing.

3. **Research and Publication Scheme [NCF 4] –** We aim to develop a minimum of one **publication per annum** to support a wider body of research from local scholars. Our publications offer a source of knowledge for the Cayman Islands school system, visitors to the islands, and the public. All publications will be provided free to all local schools and libraries **(NCHP: PD1: 5 & 6/PD 4: SA 15/PD 5: SA: 2,5,6).**

4. CNCF will continue to build **school resources** - ***Our Islands Story*** - for teachers and students of KS1 and KS3, making them accessible online with limited printed volumes for school libraries and book sales **[NCF5]**.

5. **Digital Programming Expansion and website redevelopment [NCF 4 & 5]** CNCF will complete the **rebuild of its website** to host resources for schools with related downloadable lesson plans and panel discussions on Caymanian heritage and culture for the school sector. It will also feature a calendar of events happening at the Harquail and the Mind' Eye. Videos in the film series 'Cayman Makers' highlighting key aspects of our cultural heritage and corresponding lesson plans will be hosted on the Website.

6. **Caymanian Cultural Heritage Teaching Resources [NCF 1,4 & 5]** – expanding on 4. above, CNCF will continue to expand its schools programme and its Research & Heritage Library accessibility through the Teachers' Social Series which began in 2023 as well as our efforts to provide lesson plans that complement cultural resources

7. CNCF will revive its annual **Young-at-Arts programme [NCF 5]** in fall of 2026 as an after-school programme. Students involved will learn the artistic disciplines of drama, dance, traditional arts and crafts, through the Young-At-Arts extra-curricular programme, performances and field trips.

8. CNCF will elevate the **Grants for the Arts [NCF 4**] into a strategic tool to strengthen the sustainability of the cultural and creative industries in the Cayman Islands as a whole in 2026 with an aim to encourage the development of ideas, and to facilitate opportunities for artists to explore, practice, learn, and share for the wider community to benefit from their work.

9. CNCF will serve on the **National Children's Festival of the Arts Committee [NCF 3,4 & 5]** to help the festival thrive across all three islands. CNCF will provide general consultant and advice as well as hosting specific workshops and cultural events.

10. CNCF will continue managing the ongoing conservation and promotion of the Mind's Eye Centre (**Gladwyn K. "Miss Lassie's" Bush Cottage and Duplex**) **[NCF 1],** which contains her hundred-year-old cottage as a unique cultural heritage site, and the Miss Lassie art collection. Miss Lassie's cottage will be the subject of two distinct but complementary **consultancy projects**; an aerial and terrestrial photogrammetry survey and an architectural materials and structural assessment in support of the conservation and long-term stewardship of Miss Lassie's cottage**.**

11. **Research and Publication Scheme [NCF 4] –** We aim to develop a minimum of one **publication per annum** and to support a wider body of research from local scholars. Our publications offer a source of knowledge for the Cayman Islands school system, visitors to the islands, and the public. All publications will be provided free to all local schools and libraries and located on our website as public access documents **(NCHP: PD1: 5 & 6/PD 4: SA 15/PD 5: SA: 2,5,6).**

12. **CNCF's Strategic Plan Implementation** will see continuation in 2026 when the Foundation will further execute its related SPE Implementation Plan in collaboration with the Ministry Border Control, Labour and Culture, public and private sector stakeholders, partner organizations, and the wider community across all three islands.

CAYMAN NATIONAL CULTURAL FOUNDATION

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2025

CONTENTS

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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

The financial statements fairly present the financial position, financial performance and cash flows of the Cayman National Cultural Foundation for the financial year ended 31 December 2025.

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

(a) completely and reliably reflect the financial transactions of Cayman National Cultural Foundation for the year ended 31 December 2025;

(b) fairly reflect the financial position as at 31 December 2025 and performance for the year ended 31 December 2025;

(c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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

J. Rosalie Twohey	Stephen Price, Chairman
Managing Director	
Date: 30 April 2026	*Date: 30 April 2026*

Office of the Auditor General
CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

To the Board of Directors of the Cayman National Cultural Foundation

Qualified Opinion

I have audited the financial statements of the Cayman National Cultural Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2025 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 28.

In my opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Qualified Opinion

The Foundation's property and equipment balance in the Statement of Financial Position includes heritage assets amounting to $576,179, of which $412,237 represents a collection of artworks. The artworks register includes 36 paintings to which no cost or valuation has been assigned. Therefore, these are not recognised in the financial statements. In addition, there is an unreconciled difference of $24,822 between the artworks collection balance in the financial statements and the underlying artworks register. Consequently, I was unable to obtain sufficient appropriate audit evidence to determine whether any adjustments were necessary to Heritage Assets and the General Fund balances in the financial statements.

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

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

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

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

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

Auditor'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.

AUDITOR GENERAL'S REPORT (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Winston Sobers CFE, FCCA
Acting Auditor General

30 April 2026
Cayman Islands

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(Expressed in Cayman Islands Dollars)

2024 Actual (CI$)		Note	2025 Actual (CI$)	Original Budget (CI$)	Final Budget (CI$)	Actual vs Original Budget Variance (CI$)
	Current Assets					
250,814	Cash and cash equivalents	2	66,570	2,884,011	2,884,011	(2,817,441)
3,125,440	Short term investments	3	3,198,647	-	-	3,198,647
308,309	Government grant and other receivables	4	230,129	322,003	322,003	(91,874)
410	Prepayments		4,406	930	930	3,476
-	Inventories		2,329	8,780	8,780	(6,451)
3,684,973	**Total Current Assets**		**3,502,081**	**3,215,724**	**3,215,724**	**286,357**
	Non-Current Assets					
13,191,035	Property and equipment	5	14,212,017	13,527,538	13,527,538	684,479
2,919	Intangible assets	6	2,512	-	-	2,512
13,193,954	**Total Non-Current Assets**		**14,214,529**	**13,527,538**	**13,527,538**	**686,991**
16,878,927	**Total Assets**		**17,716,610**	**16,743,262**	**16,743,262**	**973,348**
	Current Liabilities					
121,976	Trade payables	7	107,310	200,000	200,000	(92,690)
73,477	Insurance payable to government	7	79,826	403,085	403,085	(323,259)
58,887	Other payables and accruals	7	58,313	65,200	65,200	(6,887)
254,340	**Total Current Liabilities**		**245,449**	**668,285**	**668,285**	**(422,836)**
254,340	**Total Liabilities**		**245,449**	**668,285**	**668,285**	**(422,836)**
16,624,587	**Net assets**		**17,471,161**	**16,074,977**	**16,074,977**	**1,396,184**
	Equity					
94,240	General fund	15	(290,844)	(616,380)	(616,380)	325,536
3,164,170	Restricted fund	15	3,237,496	3,147,859	3,147,859	89,637
4,107,237	Contributed capital	15	4,244,730	4,284,558	4,284,558	(39,828)
9,258,940	Property revaluation		10,279,779	9,258,940	9,258,940	1,020,839
16,624,587	**Total Equity**		**17,471,161**	**16,074,977**	**16,074,977**	**1,396,184**

The accounting policies and notes on pages 8 - 28 form an integral part of these financial statements.
Approved on behalf of the Board of Directors on **30 April 2026**.

J. Rosalie Twohey, Managing Director

Stephen Price, Chairman

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Cayman Islands Dollars)

2024 Actual (CI$)		Note	2025 Actual (CI$)	Original Budget (CI$)	Final Budget (CI$)	Actual vs Original Budget Variance (CI$)
	Revenue					
1,176,250	Sale of Outputs to Cabinet	**8**	1,196,292	1,160,250	1,196,292	36,042
85,663	Theatre rental	**8**	108,283	120,000	120,000	(11,717)
456,891	Payables derecognition	**8**	46,447	-	-	46,447
143,230	Other revenue	**8**	215,423	198,000	198,000	17,423
1,862,034	**Total Revenue**		**1,566,445**	**1,478,250**	**1,514,292**	**88,195**
	Expenses					
937,827	Operating and administrative expenses	**10**	1,163,004	684,727	684,727	478,277
630,162	Personnel costs	**9,13**	715,027	843,398	879,440	(128,371)
274,158	Depreciation and amortization	**5,6**	291,148	299,400	299,400	(8,252)
1,842,147	**Total Expenses**		**2,169,179**	**1,827,525**	**1,863,567**	**341,654**
19,887	**Net operating surplus / (deficit)**		**(602,734)**	**(349,275)**	**(349,275)**	**(253,459)**
	Investing					
	Investment income	**15**				
142,566	Realized gain on investments		86,936	-	-	86,936
(24,594)	Unrealized gain / (loss) on investments - net		10,052	-	-	10,052
28,988	Interest earned on investments		28,744	-	-	28,744
146,960	**Total investment income - net**		**125,732**	**-**	**-**	**125,732**
	Investment expenses					
6,841	Investment management and custodial fees		5,256	-	-	5,256
140,119	**Net investment surplus**		**120,476**	-	-	**120,476**
160,006	**Surplus / (Deficit) for the year**		**(482,258)**	**(349,275)**	**(349,275)**	**(132,983)**

The accounting policies and notes on pages 8 - 28 form an integral part of these financial statements.

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Cayman Islands Dollars)

Balances at	Contributed Capital (CI$)	Property Revaluation (CI$)	General Fund (CI$)	Restricted Fund (CI$)	Actual (CI$)	Original Budget (CI$)	Final Budget (CI$)	Actual vs Original Budget Variance CI$
31 December 2023	3,982,605	9,258,940	73,437	3,024,967	16,339,949	16,392,420	16,392,420	(52,471)
Equity Investment from Cabinet	124,632	-	-	-	124,632	185,000	185,000	(60,368)
Transfers to restricted fund (Note 15)	-	-	(139,203)	139,203	-	-	-	-
Surplus / (Deficit) for the year	-	-	160,006	-	160,006	(353,168)	(353,168)	513,174
31 December 2024	4,107,237	9,258,940	94,240	3,164,170	16,624,587	16,224,252	16,224,252	400,335
Equity investment from Cabinet	137,493	-	-	-	137,493	200,000	200,000	(62,507)
Transfers to restricted fund (Note 15)	-	-	(120,476)	120,476	-	-	-	-
Capex clawback from restricted fund (Note 15)	-	-	47,150	(47,150)	-	-	-	-
Recognition of heritage assets (Note 5)	-	-	170,500	-	170,500	-	-	170,500
Revaluation of properties (Note 5)	-	1,020,839	-	-	1,020,839	-	-	1,020,839
Deficit for the year	-	-	(482,258)	-	(482,258)	(349,275)	(349,275)	(132,983)
31 December 2025	4,244,730	10,279,779	(290,844)	3,237,496	17,471,161	16,074,977	16,074,977	1,396,184

The accounting policies and notes on pages 8 - 28 form part of these financial statements.

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Cayman Islands Dollars)

2024 Actual		Note	2025 Actual	Original Budget	Final Budget	Actual vs Original Budget Variance
(CI$)			(CI$)	(CI$)	(CI$)	(CI$)
	CASH FLOW FROM OPERATING ACTIVITIES					
	Receipts					
1,156,740	Sale of outputs to Cabinet		1,308,980	1,160,250	1,160,250	148,730
160,271	Other revenue		158,142	198,000	198,000	(39,858)
85,663	Theatre rental		108,283	120,000	120,000	(11,717)
	Payments					
(619,162)	Personnel costs		(715,027)	(843,398)	(843,398)	128,371
(922,480)	Operating and administrative expenses		(1,108,881)	(683,327)	(683,327)	(425,554)
(138,968)	**Net cash flows used in operating activities**		(248,503)	(48,475)	(48,475)	(200,028)
	CASH FLOW USED IN INVESTING ACTIVITIES					
(96,656)	Purchase / Transfer of property, plant and equipment		(120,384)	(200,000)	(200,000)	79,616
-	Funds transferred from short-term investments		47,150	-	-	47,150
(96,656)	**Net cash flows used in investing activities**		(73,234)	(200,000)	(200,000)	126,766
	CASH FLOW FROM FINANCING ACTIVITIES					
124,632	Contributed capital : CIG Equity Injection		137,493	200,000	200,000	(62,507)
124,632	**Net cash flows from financing activities**		137,493	200,000	200,000	(62,507)
(110,992)	**Net decrease in cash and cash equivalents**		(184,244)	(48,475)	(48,475)	(135,769)
361,806	Cash and cash equivalents at beginning of the year	**2**	250,814	2,932,486	2,932,486	(2,681,672)
250,814	**Cash and cash equivalents at end of the year**	**2**	**66,570**	**2,884,011**	**2,884,011**	**(2,817,441)**

The accounting policies and notes on pages 8 - 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Cayman Islands Dollars)

Description

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

Scope of Activities

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

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

Management and the Ministry completed a strategic redevelopment exercise aimed at changing the Foundation's scope of activities so that it can assume the role for which it was originally envisioned in 1984 (and which its Act outlines) as the leading umbrella organisation for culture in the Cayman Islands. The exercise was completed in November 2023, and implementation began later that month.

Location and Address

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

Number of Employees

The Foundation employs 11 Full-time and 1 Part-time personnel (2024: 7 Full-time and 2 Part-time personnel).

Mission Statement

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

Note 1: Significant accounting policies
These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. The financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New and revised accounting standards that are effective 1 January 2025

IPSAS 43, *Leases*, which replaced IPSAS 13, was published in January 2022 with an implementation date of January 1, 2025. The standard did not impact the Foundations' financial statements because the Foundation did not hold any leases during the year.

IPSAS 44, *Non-Current Assets Held for Sale and Discontinued Operations* (effective for periods beginning on or after 1 January 2025,) specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. The standard did not impact the Foundations' financial statements.

IPSAS 45*, Property, Plant, and Equipment*
The Foundation adopted IPSAS 45, Property, Plant, and Equipment, with an effective date of January 1, 2025. The standard replaces IPSAS 17- Property, Plant, and Equipment.

IPSAS 45 introduces enhanced guidance tailored to the public sector, including:

- Removal of the scope exclusion for heritage assets — heritage items that meet the definition of property, plant and equipment and recognition criteria are now within scope and subject to the Standard's requirements (where reliably measurable).
- Alignment with updated measurement principles from the IPSASB's Measurement project, including the introduction of current operational value as a measurement basis within the current value model (for assets primarily held for operational capacity rather than market-driven fair value).
- Updated disclosures, particularly for current value measurements (e.g., significant assumptions, techniques, and inputs used in estimating current operational values or fair values).

The Foundation has applied IPSAS 45 retrospectively, except as permitted by the transition provisions in IPSAS 45 as follows:

- On initial application, if there is a difference between the previous carrying amount at fair value and the new carrying amount at fair value or current operational value, an entity shall recognize that difference as an adjustment to the opening accumulated surplus or deficit without restatement of comparative information. In 2021, Lands and Buildings held by the Foundation were revalued using the Depreciated Replacement Cost (DRC) valuation method for specialised assets and the Existing Use Value (EUV) valuation basis (non-specialised assets) under RICS valuation standards. Both valuation methods align with the of current operational value measurement basis under IPSAS 45. Consequently, there was no difference between the previous carrying amount at fair value and the new carrying amount at current operational value.
- An entity may elect to measure heritage assets at their deemed cost when reliable cost information about these assets is not available at the date of application of this Standard.

Note 1: Significant accounting policies (continued)

New and revised accounting standards that are effective 1 January 2025 (continued)

IPSAS 45*, Property, Plant, and Equipment (continued)*

Impact of Adoption
The adoption of IPSAS 45 resulted in the following adjustments:

- Recognition of heritage assets previously not recognized under IPSAS 17, increasing property, plant and equipment by CI$170,500 at the beginning of the period, with a corresponding adjustment to accumulated surplus/deficit.
- Reassessment of measurement models for Land and Buildings, with resulting changes in the carrying value of the asset.
- Enhanced disclosures in Note 5 (Property, plant and equipment), including details of measurement bases, depreciation methods, useful lives, and reconciliation of carrying amounts.

IPSAS 46, *Measurement*
The Foundation adopted IPSAS 46, Measurement, with an effective date of January 1, 2025. IPSAS 46 replaces and consolidates previous scattered guidance on measurement bases across various IPSAS, providing a single source for applying commonly used measurement bases in the public sector. Key aspects include:

- Detailed application guidance on historical cost for initial and subsequent measurement.
- Introduction of current operational value as a public sector-specific current value measurement basis for assets primarily held for operational capacity
- Alignment with the Conceptual Framework's updated Chapter 7 on measurement, ensuring consistency in reflecting the cost of services, operational capacity, and financial capacity of assets and liabilities.

The Standard has been applied prospectively in accordance with the transitional provisions of IPSAS 46. The Standard did not significantly impact the Foundation's financial statements.

New and revised accounting standards not yet effective
Certain new accounting standards have been published that are not mandatory for the 31 December 2025 reporting period and have not been early adopted by the Foundation. The Foundation's assessment of the impact of these new standards is set out below:

IPSAS 47, Revenue was issued in May 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2026, with earlier application permitted. IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions. It is anticipated that IPSAS 47 will not have a significant impact on the Foundation's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 48, Transfer Expenses was issued in May 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2026, with earlier application permitted for entities that apply IPSAS 47, Revenue, at or before the date of initial application of this Standard. IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. This new Standard fills a significant gap in the IPSASB's literature and provides guidance to help entities account for public sector transfer expense transactions. It is anticipated that IPSAS 48 will not have a significant impact on the Foundation's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Note 1: Significant accounting policies (continued)

New and revised accounting standards not yet effective (continued)

IPSAS 49, Retirement Benefit Plans was issued in November 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2026, with earlier application permitted. IPSAS 49 establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members. It is anticipated that IPSAS 49 will not have a significant impact on the Foundation's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 50, Exploration for and Evaluation of Mineral Resources, provides guidance related to the costs incurred for exploration for and evaluation of mineral resources, as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. Amendments to IPSAS 12, Stripping Costs in the Production Phase of a Surface Mine, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. IPSAS 50 and Amendments to IPSAS 12 were issued in November 2024 and effective for periods beginning on or after January 1, 2027. It is anticipated that IPSAS 50 and IPSAS 12 amendments will not have an impact on the Foundation's 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 have been measured using the revaluation method.

(b) Budget amounts
The original budget amounts for the financial period are as presented in the 2024 and 2025 Budget Statements, approved by Parliament.

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

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

(d) Reporting period
The reporting period is for the 12 months commencing 1 January 2025 and ending 31 December 2025.

(e) Revenue from exchange transactions
Revenue is generally recognised when earned by the Foundation. The revenue recognised is the fair value of the consideration received for the sale of goods and services. Revenue from exchange transactions includes theatre rentals and ticket sales presented within other revenue in the statement of financial performance. Revenue earned but not received at year end is recognised as a receivable.

Note 1: Significant accounting policies (continued)

(f) Revenue from non-exchange transactions - government grants
Revenue from non-exchange transactions is generally recognised when the event occurs, and the resulting asset's recognition criteria are met. Revenue from non-exchange transactions includes donations and government grants. Non-exchange transactions billed but not received at year end are recognised as a receivable.

(g) Expenses
Expenses are recognised in the accounting period in which they are incurred. Expenses incurred but not yet paid at year end are recognised as payables.

(h) Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value. Although these assets at 31 December 2025 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

(i) Short-term investments
Short-term investments represent term deposits with banks with original maturities greater than three months but less than twelve months. Impairment of short-term investments has been considered on a 12-month expected credit loss basis and reflects the short maturities of the exposures. Although short-term investments on 31 December 2025 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

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

Asset Type	***Estimated Useful life***
Building	50 years
Heritage Assets	50 years
Land improvements	3-10 years
Furniture and other equipment	5-7 years
Motor Vehicles	5 years
Property Improvements	7-10 years

Valuation techniques

Subsequent to initial recognition, the Foundation measures its Land and Buildings using the current value model, in accordance with IPSAS 45. Under this model, assets are measured at either current operational value or fair value, depending on the purpose for which the asset is held. The different classes are valued as follows.

Note 1: Significant accounting policies (continued)

(j) Property and equipment (continued)

Valuation techniques (continued)

Asset Category	Valuation Techniques
Specialised land and buildings	Subsequently measured at current operational value (cost approach) as the assets are held primarily for service delivery. The market-based direct comparison method was applied to determine the value per square foot for specialised land, while specialised buildings were valued using the depreciated replacement cost (DRC) method based on a modern equivalent asset (MEA).
Non-specialised land and buildings	Subsequently measured at current operational value (market approach) as the Foundation's non-specialised lands and buildings are held primarily for service delivery. The market-based direct comparison method was applied to determine the value per square foot for non-specialised land, while buildings were valued using Existing Use Value (EUV) valuation basis under RICS professional Standards.

Asset Revaluation

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

In accordance with IPSAS 45, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Valuation methods

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

Fair Value (Market Value) defined in accordance with IPSAS 46 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."

Note 1: Significant accounting policies (continued)

(j) Property and equipment (continued)

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g., lifts or air conditioning equipment) or where they perform tasks 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 Current Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent, the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use.

These valuations do not consider 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.

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.

Note 1: Significant Accounting Policies (continued)

(j) Property and equipment (continued)

Valuation assumptions (continued)

Buildings were revalued as an entire class of asset.

Asset Category	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square feet Useful life of specialised buildings	\$238 - \$395 per sq. ft. 15 – 50 years	Increase or decrease in the direct cost per square metre adjustment and/or estimated useful life would result in a significantly lower or higher fair value.

Reconciliation of movements in specialised buildings – \$'000s

Description	Specialised Buildings
Opening Balance	5,927,443
Depreciation	(223,624)
Impairment Loss	–
Revaluation	320,839
Acquisitions / (Disposals)	8,984
Transfers	–
Closing Balance	**6,033,642**

Heritage assets
Heritage assets are accounted for generally in accordance with the accounting policy for property, plant and equipment. These assets have determinate lives and residual values commensurate with carrying values and hence depreciation is considered necessary. The Statement of Financial Position includes a historic building and a collection of artworks with a carrying value of CI\$576,179.

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

(k) Intangible assets

Intangible assets consist solely of trademarks, which the Foundation recognizes at cost when it is probable that future service potential will arise and the cost can be reliably measured. Trademarks are carried at cost less accumulated amortisation and impairment and are amortised on a straight-line basis over their estimated useful lives. The Foundation reviews useful lives, amortisation methods, and carrying amounts annually and assesses for indicators of impairment at each reporting date. Trademarks are derecognized upon disposal or when no future service potential is expected.

Note 1: Significant Accounting Policies (continued)

(l) Impairment of assets

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

Impairment losses are recognized in the statement of financial performance.

(m) Employee benefits

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

(n) Financial instruments

Financial assets and financial liabilities are recognised in the Foundation's statement of financial position when the Foundation becomes a party to the contractual provisions of the instrument.

Initial Recognition

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Subsequent measurement and classification

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. The Foundation assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.

Cash and cash equivalents, short term investments, government grant and other receivables, and payables are recorded at amortized cost using the effective interest method less any impairment.

Derecognition

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

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

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

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

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

Note 2: Cash and cash equivalents

Cash include cash on hand; bank accounts in the name of Cayman National Cultural Foundation maintained at First Caribbean International Bank. As at 31 December 2025 Cayman National Cultural Foundation cash balances were as presented below.

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
233,337	CI$ Operational Current Account	60,211	65,291	65,291	(5,080)
5,839	US$ Operational Current Account	2,976	2,818,220	2,818,220	(2,815,244)
10,606	Undeposited funds	2,050	-	-	2,050
1,032	Petty cash fund	1,333	500	500	833
250,814	**Total cash**	**66,570**	**2,884,011**	**2,884,011**	**(2,817,441)**

No cash equivalents were held as at 31 December 2025.

Note 3: Short term investments

Short term investments are held with Cayman National Securities Ltd and RBC Dominion Securities Global Limited. As at 31 December 2025 Cayman National Cultural Foundation short term investments were as presented below.

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
1,561,011	Investment in Cayman National	1,572,861	-	-	1,572,861
1,564,429	Investment in RBC Dominion	1,625,786	-	-	1,625,786
3,125,440	**Total short term investments**	**3,198,647**	**-**	**-**	**3,198,647**

Note 3: Short term investments (continued)

Included in the cash and cash equivalents and short-term investments balances is $3.24M (2024: $3.16M) restricted cash. This relates to a bequest received from the estate of the late Mrs. Helen Harquail. These funds have been set aside by the Foundation for special capital projects or major emergencies. The fair value of the short-term investments is based on quoted prices in active markets.

Short term investments consist primarily of treasury notes and treasury bills with maturity of less than one year from reporting date, with a total cost of $3,141,229.

Note 4: Government grant and other receivables

Actual Prior Year	Government grant and other receivables	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
10,178	Sale of goods and services	61,642	50,000	50,000	11,642
306,063	Outputs to Cabinet	193,375	290,063	290,063	(96,688)
-	Employee advances	1,563	-	-	1,563
2,500	Other deposits	2,500	-	-	2,500
318,741	**Total Government grant and other receivables**	**259,080**	**340,063**	**340,063**	**(80,983)**
(10,432)	Less: expected credit losses	(28,951)	(18,060)	(18,060)	(10,891)
308,309	**Net Government grant and other receivables**	**230,129**	**322,003**	**322,003**	**(91,874)**

At year-end all overdue receivables have been assessed and appropriate provisions calculated based on expected losses for the Foundation and review of specific debtors. Expected losses have been determined based on an analysis of the Foundation losses in previous periods. Bad debt expense recorded in the current financial year is CI$19,233 (2024: C$4,108).

In 2025, the Foundation decided to write off specific long outstanding receivables amounting to CI$714 (2024: CI$8,295). This adjustment did not affect net surplus as this was written off from the general provision, with the full amount already provided for in the financial years prior.

Actual Prior Year	Maturity Profile	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
308,000	Current 1 - 30	196,697	340,063	340,063	(143,366)
1,600	Past due 31 - 60 days	50,043	-	-	50,043
(500)	Past due 61- 90 days	1,500	-	-	1,500
9,641	Past due over 90 days	10,840	-	-	10,840
318,741	**Total Government grant and other receivables**	**259,080**	**340,063**	**340,063**	**(80,983)**

Note 4: Government grant and other receivables (continued)

Trade receivables and other receivables comprise of balances due from other Government entities, including Output Receivables. The simplified approach to providing for expected credit losses as prescribed by IPSAS 41 is applied to trade and other receivables. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses.

The expected credit Loss rates are based on the Foundation's historical credit loss experience. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Foundation's customers. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant. The Foundation's policy is to recognise expected credit losses of 100% for receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable.

The Foundation performed an individual/specific ECL assessment on any related party debtors with qualitative or quantitative factors indicating doubts around collectability. These have a low risk of default due to the Cayman Islands Government's high credit rating, and absence of historical losses on amounts due.

The Foundation believes that the amounts outstanding on related party receivables are recoverable.

There have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

The table below shows the changes in the provision for expected credit losses.

2024	Description	2025	Original Budget	Final Budget	Variance (Original vs Actual)
14,619	Opening provision	10,432	16,060	16,060	(5,628)
(8,295)	Write-offs	(714)	-	-	(714)
4,108	Additional provision	19,233	2,000	2,000	17,233
10,432	Closing provision	28,951	18,060	18,060	10,891

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Note 5: Property, plant and equipment

Cost

	Land (CI$)	Buildings (CI$)	Furniture & Other Equipment (CI$)	Motor Vehicles (CI$)	Heritage Assets (CI$)	Property Improvements (CI$)	Work in Progress (CI$)	Total (CI$)	Original and Final Budget (CI$)	Actual vs Budget Variance (CI$)
Balance as at 1 January 2024	6,700,000	6,582,052	492,693	23,611	412,237	254,171	8,103	14,472,867	14,835,890	(363,023)
Additions / (Transfers)	-	1,955	26,752	-	-	15,424	52,525	96,656	185,000	(88,344)
Balance as at 31 December 2024	6,700,000	6,584,007	519,445	23,611	412,237	269,595	60,628	14,569,523	15,020,890	(451,367)
Balance as at 1 January 2025	6,700,000	6,584,007	519,445	23,611	412,237	269,595	60,628	14,569,523	15,020,890	(451,367)
Additions / (Transfers)	-	8,984	87,898	-	-	61,265	(37,763)	120,384	200,000	(79,616)
Adjustment	-	-	-	-	170,500	-	-	170,500	-	170,500
Revaluation	700,000	280,814	-	-	-	-	-	980,814	-	980,814
Balance as at 31 December 2025	7,400,000	6,873,805	607,343	23,611	582,737	330,860	22,865	15,841,221	15,220,890	620,331

Accumulated Depreciation

	Land (CI$)	Buildings (CI$)	Furniture & Other Equipment (CI$)	Motor Vehicles (CI$)	Heritage Assets (CI$)	Property Improvements (CI$)	Work in Progress (CI$)	Total (CI$)	Original and Final Budget (CI$)	Actual vs Budget Variance (CI$)
Balance as at 1 January 2024	-	610,366	389,525	23,611	-	81,235	-	1,104,737	1,108,052	(3,315)
Depreciation Expense 2024	-	216,698	29,971	-	-	27,082	-	273,751	285,900	(12,149)
Balance as at 31 December 2024	-	827,064	419,496	23,611	-	108,317	-	1,378,488	1,393,952	(15,464)
Balance as at 1 January 2025	-	827,064	419,496	23,611	-	108,317	-	1,378,488	1,393,952	(15,464)
Depreciation Expense 2025	-	217,066	35,866	-	6,558	31,251	-	290,741	299,400	(8,659)
Revaluation	-	(40,025)	-	-	-	-	-	(40,025)	-	(40,025)
Balance as at 31 December 2025	-	1,004,105	455,362	23,611	6,558	139,568	-	1,629,204	1,693,352	(64,148)
Net Book value 31 December 2024	6,700,000	5,756,943	99,949	-	412,237	161,278	60,628	13,191,035	13,626,938	(435,903)
Net Book value 31 December 2025	7,400,000	5,869,700	151,981	-	576,179	191,292	22,865	14,212,017	13,527,538	684,479

At year end, the Foundation had capital commitments of CI$14,948.

NOTES TO THE FINANCIAL STATEMENTS OF CAYMAN NATIONAL CULTURAL FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Cayman Islands Dollars)

Note 5: Property, plant and equipment (continued)

Property Revaluation

The Foundation's properties, which include the Buildings and Land of the FJ Harquail Cultural Centre (FJHCC) and Mind's Eye– the Visionary World of Gladwyn K. Bush, were revalued in May 2019 for the year ended 30 June 2016. The fair value of CI$7,403,051 was included in the Foundation's accounts as at 30 June 2016 at CIG request. The resulting revaluation unrealized gain of CI$4,019,673 was reported in the statement of changes in equity for the year ended 31 December 2016.

In 2021, the properties were revalued and the fair value of CI$12,920,000 was included in the accounts. The resulting unrealized gain of CI$5,239,267 was included in Property Revaluation in the statement of changes in equity for the year ended 31 December 2021. The effective date of the revaluation was 1 January 2021.

In 2025, the properties, which include the land of Miss Lassie's House and Mind's Eye Duplex were revalued and the fair value of CI$3,187,000 was included in the accounts. The resulting unrealized gain of CI$1,020,839 was included in Property Revaluation in the statement of changes in equity for the year ended 31 December 2025. The effective date of the revaluation was 31 December 2025.

Art Collection

The Foundation's Art collection is held at cost and has not been revalued. The collection includes 36 paintings with Nil ($0) value or cost.

Heritage Land and Buildings

A heritage asset is a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

The Foundation has one operational heritage asset which is being held for the contribution to knowledge and culture but also used to provide other services. Heritage land and buildings are recognised at cost and revalued every five years by external professionally qualified valuers, on the basis of depreciated replacement cost. A professional revaluation was carried out in March 2026, by JEC Property Consultants with an effective valuation date of 1 January 2025. An adjustment of CI$170,500 to accumulated surplus/deficit was recognised based on the valuation.

As of December 31, 2025, Work in Progress includes costs for the ongoing upgrades of electrical and security system amounting to CI$13,592, Website costs amounting to CI$6,400, and costs for a new awning amounting to CI$1,356 and Trademark application costs amounting to CI$1,517.

Note 6: Intangible assets

The Foundation's Intangible assets relate to Trademarks.

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
3,326	Balance at the beginning of the year	2,919	-	-	2,919
(407)	Amortization for the year	(407)	-	-	(407)
2,919	**Balance at the end of the year**	**2,512**	**-**	**-**	**2,512**

Note 7: Trade payables, other payables and accruals

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
121,976	Trade payables	107,310	200,000	200,000	(92,690)
73,477	Insurance payable to government	79,826	403,085	403,085	(323,259)
58,887	Other payables and accruals	58,313	65,200	65,200	(6,887)
254,340	**Total trade payables other payables and accruals**	**245,449**	**668,285**	**668,285**	**(422,836)**

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
93,529	Other government agencies	105,951	411,285	411,285	(305,334)
3,237	Payroll deductions	6,895	7,000	7,000	(105)
157,574	Other payables and accruals	132,603	250,000	250,000	(117,397)
254,340	**Total trade payables other payables and accruals**	**245,449**	**668,285**	**668,285**	**(422,836)**

Amounts payable to other government agencies relate primarily to annual property insurance premiums that are due to be paid to Government Risk Management Unit. As at 31 December 2025, the amount payable for property insurance totals CI$79,826 (31 December 2024: CI$73,477).

Included in the Other payables and accruals balance at year end is unearned revenue of $40,211 (2024: CI$37,823).

Note 8: Revenue

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

Note 8: Revenue (continued)

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

Actual Prior Year	Revenue type	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
1,176,250	Outputs to Cabinet	1,196,292	1,160,250	1,196,292	36,042
85,663	Rentals of Harquail Theatre	108,283	120,000	120,000	(11,717)
76,387	Others - net	137,312	15,000	15,000	122,312
19,575	Donations	23,677	160,000	160,000	(136,323)
47,268	General sales (miscellaneous)	54,434	23,000	23,000	31,434
456,891	Payables derecognised	46,447	-	-	46,447
1,862,034	**Total sales of goods and services**	**1,566,445**	**1,478,250**	**1,514,292**	**88,195**

In September 2024, the Ministry of Finance and Economic Development (MFED) wrote off $456,891 in liabilities owed to MFED by the Foundation. The liabilities related to insurance paid by MFED on the Foundation's behalf from 2019 to 2023. In November 2025, the Ministry of Youth, Sports, Culture and Heritage (MYSCH) approved the derecognition of the Foundation's remaining payable to Pirates Week Office (PWO) of $46,447. The liabilities related to PWO's portion of the government grant received by the Foundation, net of expenses. The derecognition of the payables has been recorded in the statement of financial performance.

Donations made to the Foundation were as follows:

Source	Purpose	Actual Current Year	Actual Prior Year
Dart Enterprises	CAYFEST	13,000	-
Entech Ltd.	Wha Happening?	3,000	-
Maples Group	Cultural Programs	2,050	2,050
CIBC Cayman Bank Limited	Wha Happening?	2,000	-
Coca-Cola	Red Sky At Night, Wha Happening?	3,500	-
Donations < $1,000 each	Cultural Exchange / Festivals and Theatre Production	127	97
Anonymous	Strategic Redevelopment Exercise	-	7,873
Ministry of Education	Writer-in-Residency	-	6,000
Wanda Ebanks	Cultural Programs	-	2,470
John Watler	Cayman Island Folk Singers (CIFS)	-	1,085
Total donations		**23,677**	**19,575**

Note 9: Personnel costs

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
564,089	Salaries, wages, allowances and other costs	637,626	742,765	778,807	(105,139)
41,131	Health care	47,964	64,368	64,368	(16,404)
24,942	Pension	29,437	36,265	36,265	(6,828)
630,162	**Total Personnel Costs**	**715,027**	**843,398**	**879,440**	**(128,371)**

Note 10: Operating and administrative expenses

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
340,075	Cultural Development Expense (incl CayFest, Gimistory, Cayman Carnival, Grants, Creative Partnerships, Artists in Residence, and Summer Camp expense)	533,691	259,690	259,690	274,001
242,623	Maintenance/Repairs Property, Automobile, Computers, Insurance	238,730	162,225	162,225	76,505
157,887	General Administration (Fees, Permits, Audit, Advertising, Travel & Subs, Equipment rental)	167,564	118,612	118,612	48,952
130,368	Utilities and Communications	86,883	92,700	92,700	(5,817)
4,108	Bad Debt Expense	19,233	-	-	19,233
62,766	Theatre Production Expense	116,903	51,500	51,500	65,403
937,827	**Total Operating and administrative expenses**	**1,163,004**	**684,727**	**684,727**	**478,277**

Note 11: Going concern

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

Note 12: Explanation of major variances against final budget

Changes to the budget

In February 2025, the Cabinet of the Cayman Islands approved changes to the Foundation's 2025 budget through section 11(5) of the PMFA, increasing the Foundation's funding by CI$36,042. The purpose of the additional funding was to cover Cost of Living Adjustment (COLA) in line with personnel circular 11 of 2024. A supplementary appropriations bill for the budget changes was introduced in Parliament before 31 March 2026 as required by section 11(6) of the PMFA.

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

Statement of financial position

Current Assets – Cash & Cash equivalents and short-term investments
The Foundation's fixed-term deposits previously included in Cash and cash equivalents were invested in US treasuries (Short term investments), thus, there is a large negative variance for Cash and cash equivalents and a large positive variance for short term investments.

Current Assets – Government grant and other receivables
The outstanding government grant balance at year-end 2025 reflects only the amounts for November and December, as the October portion has already been received. The budgeted receivable, however, includes the grant for the entire quarter, resulting to a variance compared to the budget.

Current Assets – Inventories
The budget was for historical inventory balance relating to historic publication materials for the Foundation which was written off in 2023. In 2025, however, the Foundation began recognizing inventory related to Bar stocks, which is what is now reported under Inventories.

Non-Current Assets
In 2025, there was a valuation of the Foundation's properties, as well as recognition of heritage assets, resulting to Property and equipment being higher than budget.

Current Liabilities
The decrease is primarily due to the derecognition of the Foundation's payable to the Government relating to insurance in 2024.

Equity – General funds
This is due to the income / gain of the Foundation not budgeted for, mainly driven by the derecognition of historical payable to the Government relating to insurance as well as the derecognition outstanding payable to PWO (net of the accumulated losses incurred by the Foundation over the years).

Equity – Restricted funds
This relates to the funds bequeathed to the Foundation by the benefactor of the FJ Harquail Cultural Centre (FJHCC), the late Mrs. Helen Harquail, MBE. The outright gift is restrictive and not for operations of the Foundation. This account has been adjusted to reflect the usage due for capital expenditures, and the interest and gains on the short-term investments. These adjustments have not been considered in the budget, thus resulting to a variance.

Equity – Contributed capital
This is due to the additional equity injections for capital projects. The budget variance is due to higher actual equity injections from the Government in the prior years than what was projected.

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

Statement of financial position (continued)

Equity – Property revaluation
This is due to the revaluation of properties in 2025 as a result of the adoption of IPSAS 45 for which there was no budget.

Statement of financial performance

Sale of Outputs to Cabinet
The Cabinet approved a reallocated budget of CI$36,042 for the Foundation on top of the Government Grant for 2025 to cover honorariums and COLA in accordance with the Cabinet directive.

Other Revenue
The Foundation had higher general sales than budgeted, and there was also an additional contribution for Gimistory expenses amounting to CI$47,163, thus Other Revenue is ahead of budget. There was also a derecognition of the Foundation's remaining payable to PWO of $46,447.

Personnel Costs & Operating and administrative expenses
Not all planned personnel hiring occurred in 2025, thus lower actual personnel costs. The Foundation was projected to have 12 Full-time personnel for 2025 but only had 11 Full-time at the end of the year, some of whom were not with the Foundation for the entire year. However, there are more events and programming and higher costs for production in 2025, plus higher costs were incurred for maintenance and general administration fees, contributing to the variance on operating and administrative expenses being higher than budget.

Investment income and expenses
Fixed-term deposits previously held by the Foundation were placed in US treasuries (Short term investments) which generated related investment income and expenses. These transactions were not included in the budget resulting in the noted variance.

Note 13: Related party and key management personnel disclosures

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

Key management personnel

Description	Actual Current Year	Actual Prior Year
Salaries & other short-term employee benefits	309,230	277,222
Other amounts paid	-	-
Total	309,230	277,222
Number of key management personnel	3	5

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

At 31 December 2025 and 2024, no loans are due from key management personnel.

Note 14: Financial instruments risks

The Foundation is a party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash & cash equivalents, short-term deposits, accounts receivable, and accounts payable. The Foundation seeks to minimise exposure from financial instruments and does not enter into speculative financial instrument transactions.

Credit risk

Credit risk is the risk that the counterparty to a transaction with the Foundation will fail to discharge its obligations, causing the Foundation to incur a financial loss. In the normal course of business, the Foundation is exposed to credit risk from cash & cash equivalents, short-term deposits and government grant and other receivables.

For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position. In addition, cash and cash equivalents and short-term investments are held with reputable financial institutions in the Cayman Islands. The Foundation considers the financial institutions to be financially secure and well managed.

The average credit period on sales is 30 days. The Foundation manages its credit risk by limiting the counter parties it transacts business with to those it believes to be capable of performing their contractual obligations. Generally, the Foundation does not require collateral.

Currency and interest rate risk

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

Liquidity risk

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

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

Note 15: Capital management

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

Among the donations received in 2020, were funds in the amount of CI$3,147,859 bequeathed to the Foundation by the benefactor of the FJ Harquail Cultural Centre (FJHCC), the late Mrs. Helen Harquail, MBE. The outright gift is restrictive and not for operations of the Foundation. The proceeds from the bequest were invested in US treasuries, earmarked for capital projects. Among the FJHCC projects that have been prioritised are the installation / construction of: 1) A storm management system; 2) new sewerage system; 3) upgrades to the Studio Theater; 4) storage spaces and rehearsal rooms; and 5) a banquet room and lounge adjacent to the main theatre. Interest and gain on the investment purchased using proceeds from the bequest are reclassified to the restricted fund from retained earnings in equity. The interest income and gains on the investments are shown as part of the investing surplus / (deficit) in the statement of financial performance.

In 2025, the Foundation received a total of CI$137,493 (2024: CI$124,632) of Capital Grant from the Cayman Islands Government, as Capital Projects Reimbursements, as well as for improvements to the Foundation's offices, the FJ Harquail Cultural Centre (FJHCC) and Mind's Eye (Miss Lassie's House).

Note 15: Capital management (continued)

For the year ended December 31, 2025, a net adjustment of CI$73,326 was recorded in Restricted Fund, CI$47,150 of which was transferred to the General Fund to reflect Restricted Fund usage during the year for capital expenditure, and CI$120,476 from the General Fund to the Restricted Fund to reflect interest and gains on short-term investments funded by the Harquail bequest. For the year ended December 31, 2024, an adjustment of CI$139,203 was recorded in Restricted Fund. CI$139,203 was transferred from the General Fund to the Restricted Fund to reflect interest and gains on short-term investments funded by the Harquail bequest.

Note 16: Subsequent Events

The Foundation has evaluated subsequent events after the reporting period through the date the financial statements were authorized for issue. No events or transactions have occurred during this period that would require adjustment to, or disclosure in, the accompanying financial statements.

Note 17: Other Significant Matters

Discussions remain ongoing relating to the possible separation of the Gladwyn K 'Miss Lassie' Bush Estate from the Foundation to the Ministry of Youth, Sports and Heritage. While dialogue has begun and the Foundation have written formally to seek further direction, no decisions have been received relating to this matter.

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

Cayman National Cultural Foundation is required to comply with the Public Authorities Act (2020 Revision) (the "PAA"). Amongst other matters, Section 39 (2) of the PAA requires that where a public authority has surplus cash reserves for a period of more than ninety days, the surplus shall be paid to core government unless otherwise directed by Cabinet, after written consultation with the Board. In prior years, Cabinet has exempted public authorities from paying over surplus cash reserves and the Foundation expects that a similar exemption will be made in respect of its surplus cash reserves as at 31 December 2025.

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

Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with a public authority's board. Based on past practice, the Foundation expects that the applicable rate for the 2025 financial year will be set at 0% (2024: 0%) and that no capital charge will be payable for 2025 (2024: $0). Going forward, the Foundation may be required to pay a capital charge in accordance with the PAA.

Note 19: Multi-year budgets

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