



Annual Report

January - December 2025

Maritime Authority of the Cayman Islands (MACI)

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Annual Report

FORWORD FROM:

CHAIRPERSON, MACI BOARD OF DIRECTORS

It gives me great pleasure to present the 2025 Annual Report on behalf of the Board of Directors of the Maritime Authority of the Cayman Islands (MACI).

The past year again underscored the resilience required across the global maritime sector. Ongoing geopolitical uncertainty, evolving security risks, and continued volatility in trade patterns have challenged shipowners and operators as they work to protect crews, safeguard assets, and maintain reliable services. Against this backdrop, MACI remained focused on what matters most: delivering consistent, timely, and practical support to our clients, while upholding the high standards expected of the Cayman Islands flag.

The Cayman Islands has built its reputation as a trusted, quality flag administration through professionalism, dependability, and a strong commitment to safety and compliance. In 2025, MACI continued to strengthen this position by adapting to changing market conditions, maintaining robust oversight, and investing in the people and processes that enable responsive, solutions-oriented service. We remain committed to identifying new opportunities and ensuring our products and services evolve in line with industry expectations and regulatory developments.

From a financial perspective, MACI continued to operate on a stable footing during the year, maintaining prudent financial management and a disciplined approach to long-term sustainability. Cash and a fixed deposit position continue to grow, with an ending balance at 31 December 2025 of CI\$16,021,100 (2024: CI\$14,375,256). Total assets were valued at CI\$19,629,488, compared with total liabilities of CI\$9,599,282, resulting in a surplus net worth of CI\$10,030,206. As of 31 December 2025, MACI recorded a net operating profit of CI\$483,518, a significant increase over the prior year's profit of CI\$193,960.

MACI's financial performance reflects our focus on operational efficiency, responsible stewardship of resources, and ongoing investment in capability to support both domestic and international obligations. MACI continued to demonstrate measurable financial improvement throughout the 2025 financial year, reflecting prudent fiscal management and sustained operational performance.

Looking ahead, we recognise that the maritime industry remains highly competitive and increasingly complex. Success will continue to depend on our ability to understand the needs of vessel owners and operators, anticipate industry shifts, and respond with high-quality, practical solutions. The Board remains confident that MACI is well-positioned to meet these demands, while maintaining the standards that have earned the Cayman Islands continued recognition as a quality flag.

I would like to extend my sincere thanks to my fellow Board members, the Ministry of Financial Services and Commerce, our Chief Executive Officer, and the entire MACI team for their dedication and professionalism throughout 2025. Their commitment to technical excellence and quality customer service remains central to MACI's achievements and to protecting the reputation of the Cayman Islands as a premier maritime jurisdiction.

Jennifer Stein
Chairperson, MACI Board of Directors

CHIEF EXECUTIVE OFFICER, MACI

2025 has been another demanding year for the maritime industry, marked by continued geopolitical uncertainty, evolving security risks, and shifting operating conditions across key trading regions. These pressures have reinforced the importance of clear regulatory oversight and practical support for shipowners and operators as they work to safeguard seafarers, protect vessels, and maintain reliable service in an increasingly complex environment.

Operational disruption remained a persistent feature of the year. Fluctuating threat levels, heightened compliance expectations, and changing commercial realities required careful planning and, in many cases, route and operational adjustments to prioritise safety. The consequences of these challenges—ranging from schedule uncertainty to increased operating costs—continued to test global supply chains and underscored the vital role of effective flag Administration and responsive maritime governance.

Against this backdrop, the Cayman Islands Shipping Registry, a division of the Maritime Authority of the Cayman Islands (MACI), remained firmly focused on its core priorities: crew welfare, the safety of Cayman Islands vessels, and the protection of the marine environment. Owners and managers of Cayman Islands—registered vessels continued to navigate dynamic regional risks and operational demands throughout 2025. MACI worked closely with our clients and partners to support sound decision-making and ensure that Cayman-flagged vessels maintained the high standards expected of a quality register.

Maintaining the quality and reputation of the Cayman flag remains central to everything we do. Throughout 2025, we continued to emphasise robust compliance, effective oversight, and consistent service delivery. These efforts support the Cayman Islands' standing within the international maritime community and help ensure that the Cayman flag remains recognised for excellence, efficiency, and professionalism.

The Register ended 2025 with 2,656 vessels registered with a total of 4.31 million gross tons. We continued to dominate the superyacht new-build market with roughly 70% of the Global Order Book supervised under the Cayman Islands flag. Once again, the Cayman Islands flag received low risk, white list status on the major MOUs, namely Paris and Tokyo MOU, as well as the US Coast Guard's Qualship 21 status, demonstrating that the Cayman Islands is continuing a solid reputation as a leader in regulatory and advisory services.

The resilience and professionalism of the MACI team have again been a defining strength. Our people have responded to a challenging operating landscape with commitment, technical expertise, and a steadfast focus on client service. We continue to invest in our capability and capacity to deliver timely, pragmatic support while protecting the integrity of the register and meeting our national and international obligations.

As we look ahead, our focus remains clear. We will continue to prioritise the safety of life at sea and high standards of seafarer welfare while delivering responsive, solutions-oriented service to our clients. I would like to thank our stakeholders for their continued support.

A. Joel Walton, JP
CEO, MACI

ABOUT US

OUR VISION

To be the leading maritime administration in the provision of exceptional service to the global shipping community.

OUR MISSION

To facilitate the development of the Cayman Islands as a premier international maritime centre, whilst promoting compliance with international standards, regional agreements and domestic legislation in the areas of maritime safety and security, pollution prevention, and social responsibility.

NATURE AND SCOPE OF ACTIVITIES

GENERAL NATURE OF ACTIVITIES

The *Maritime Authority of the Cayman Islands (MACI)* activities involve the national maritime administration for the Cayman Islands. MACI will facilitate the development of Cayman as an international maritime centre and help foster a dynamic environment that supports its clients' efforts to maximise their respective stakeholders' growth opportunities and returns in global shipping, whilst promoting compliance with international standards, regional agreements, and Cayman's legislation in the areas of maritime safety and security, marine environmental pollution prevention, and social responsibility.

SCOPE OF ACTIVITIES

MACI is a statutory regulatory corporation formed as a separate legal entity under the Maritime Authority of the Cayman Islands Act (2005), which came into effect on 1 July 2005.

The original Cayman Islands Shipping Registry (CISR) maritime administration structure, which is the main forerunner to MACI, was first set up in 1903 when George Town was established as a British Port of Registry. The CISR obtained British Registry Category 1 Status on 25 July 1991. The Category 1 Group of British Registries includes the UK, Bermuda, Cayman Islands, Gibraltar, Isle of Man, and the British Virgin Islands. The CISR (now simply known as "Cayman Registry" or "the Registry") is now a division of MACI. However, a number of other critical responsibilities were added to the Authority.

The Authority, therefore, combines into one body:

1. The CISR's (Cayman Registry) vessel and mortgage registration, advisory, and marine survey and audit services;
2. The overall responsibility for implementing Cayman's maritime safety and security, marine pollution prevention and social responsibility obligations under international Conventions and Codes, and under Cayman Islands legislation for Cayman-flagged vessels;
3. To assist the Ministry of Financial Services and Commerce (MFSC) with the implementation of the Cayman Islands' obligations under the Caribbean Memorandum of Understanding on Port State Control (CMOU PSC) for foreign-flagged vessels entering the Cayman Islands ports;
4. To assist the MFSC with marine Casualty Investigation activities in relation to Cayman-flagged vessels;
5. To assist the MFSC with national maritime policy formulation, the provision of advice on maritime-related matters, and the development of Cayman's maritime-related legislation;
6. To support the MFSC in representing the Cayman Islands at international fora and to protect its maritime interests; and
7. To help facilitate the development of the Cayman Islands as an international maritime centre.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by MACI are provided to the following clients, both locally and internationally:

1. Vessel Owners/Operators and their Representatives;
2. Vessel Builders;
3. Yacht Designers and related Consultants;
4. Seafarers on Cayman Islands-flagged Vessels; and
5. Cayman Islands Government.

MACI is able to offer its services to its clients from sixteen countries: the Head Office in George Town, the European Regional Office in the United Kingdom, the Asian Regional Office in Singapore, representatives in Australia, Brazil, China, France, Greece, the Netherlands, Italy, Japan, New Zealand, Spain, Panama, the Philippines, and the United States of America.

RELATIONSHIP BETWEEN THE CAYMAN ISLANDS AND THE UNITED KINGDOM GOVERNMENTS

The Authority is wholly-owned by the Government of the Cayman Islands, but governed by a Board of Directors appointed by the Governor in Cabinet. MACI reports through the Ministry of Financial Services and Commerce. MACI is also answerable to the UK Secretary of State via the UK's Department of Transport for the effective implementation of relevant international maritime and related Conventions that have been ratified by the UK Government and, hence, extended to Cayman.

INTERNATIONAL REGULATORY ENVIRONMENT

One of the primary roles of MACI is to cooperate with overseas regulatory bodies to enable them to execute their regulatory functions. The main bodies include:

- The International Maritime Organization (IMO), which is the main international standard-prescribing body responsible for the safety of life at sea (SOLAS), maritime security and the protection of the marine environment; and
- The International Labour Organization (ILO) is the body that establishes international standards for employment and working conditions for seafarers.

There are other players whose activities significantly impact international shipping and therefore affect Cayman-flagged vessels, namely: the International Association of Classification Societies (CLASS), the United States Coast Guard (USCG), various signatories to Memoranda of Understanding (MOU) on Port State Control (PSC) and, increasingly, the European Union (EU).

HISTORY OF THE CISR AND MACI AT A GLANCE

1903	• The original Cayman Islands Shipping Registry (CISR) was first established in 1903 when George Town was formally recognized as a British Port of Registry. • First ship registered on January 14, 1903: El Paso. GRT 52.60, Length 18.6 feet.
1935	• Lady Slater came on the Register. She was built by Capt. Rayal B. Bodden, in 1934, was the largest motor vessel ever built in the Cayman Islands. GRT 273, Length 109 ft.
1991	• The CISR obtained British Registry Category 1 Status on 25 July 1991. The Category 1 Group of British Registries includes the UK, Bermuda, the Cayman

	Islands, Gibraltar, and the Isle of Man. All of these Registries can register vessels of any size and type, provided that they meet international standards.
1993	The Maritime Sector Consultative Committee (MSCC) (previously known as the Shipping Sector Consultative Committee or SSCC) was formed in 1993 and comprises local service providers.
1997	The Cayman Islands Shipowners' Advisory Council (CISAC) was formed and comprises major shipowners of Cayman-flagged vessels.
2000	In May, CISR received initial certification to operate a Quality Management System (QMS) which complied with the requirements of ISO 9002:1994.
2005	- The Maritime Authority of the Cayman Islands (MACI) is a statutory Corporation formed as a separate legal entity under the Maritime Authority of the Cayman Islands Law, 2005, which came into effect on 1 July 2005. It is governed by a Board of Directors appointed by the Governor of the Cayman Islands. - In August, Governor Bruce Dinwiddy appointed the first MACI Board. "White list" Paris Memorandum of Understanding (MOU). - In April, the CISR requested a voluntary suspension of the QMS in order to re-engineer the system to focus on the wider scope of becoming MACI.
2007	- The Cayman Islands Shipowners' Advisory Council – Yacht Committee (CISAC-YC) was established and consists of major yacht managers and owners of Cayman-registered vessels. - Two maritime scholarships were made available by the Ministry of Education. - The Cayman Islands was awarded the Qualship 21 Status by the United States Coast Guard (USCG). - Additional Ports of Registry were introduced, "The Creek" in Cayman Brac and "Bloody Bay" in Little Cayman.
2009	"White List" Tokyo Memorandum of Understanding (MOU)
2010	2nd MACI Board of Directors appointed.
2011	- In January, achieved International Organization for Standardization (ISO) 9001:2008 certification. - Successfully completed International Maritime Organisation (IMO) audit under the Voluntary IMO Member State Audit Scheme (VIMSAS).
2012	Launched the Laws and Administrative Procedures (LAP) Examination System. LAP is part of a broader state-of-the-art technology platform known as the "Cayman Islands Regulatory Intelligence System" (CIRIS).
2013	- MACI marks the 110th anniversary of the formal establishment of the Cayman Islands Shipping Registry (CISR). - The Cayman Islands were ranked in the top 13 countries by the International Chamber of Shipping in their annual report on Flag State Performance, which demonstrates that Cayman-registered vessels have an excellent safety and pollution record, allowing them to undergo significantly fewer Port State Control inspections. 1st Annual Cayman Islands Shipping Summit.
2014	- Attained Tokyo MOU Low Risk Ship status. - The development of the Passenger Yacht Code (PYC) in the Red Ensign Group Technical Forum. The PYC is a code of practice for yachts carrying 13 to 36 passengers, providing a yacht-specific alternative to the International Convention for the Safety of Life at Sea (SOLAS) Passenger Ship compliance. The code sets out

	technical, safety and operational standards appropriate to the size and operation of the yachts operated under this code, which is gaining popularity in the ultra-large super yacht industry.
2015	- Registered 140M Yacht “Ocean Victory” under the Cayman Flag in February 2015. “Ocean Victory” is one of the 10 largest passenger yachts in the world and the largest ever to be certified to the Passenger Yacht Code (PYC). - The International Chamber of Shipping (ICS) has, for the 4th year running, rated Cayman Registry as a top flag state. - Passenger Yacht Code (PYC) developed by Red Ensign Group, led by Cayman Flag, to carry up to 36 passengers.
2016	- Cayman is listed in the Top 6 performing Maritime Administrations in the Tokyo MOU Port State Control. - New Chapter 14 of Passenger Yacht Code (PYC). - The International Chamber of Shipping (ICS) has, for the 5th year running, rated Cayman Registry as a top flag state. - Hosted the first Cayman Maritime Week with a joint public sector/private sector partnership.
2017	- Cayman is listed as the top-performing Flag in the Paris MOU Port State Control - The International Chamber of Shipping (ICS) has, for the 6th year running, rated Cayman Registry as a top flag state. - Hosted the Red Ensign Group Annual Conference - Cayman reaffirmed Most Favoured Nation Status for Cayman ships entering Chinese ports - Introduced an optional Flag State Compliance (FSC) fixed fee and survey regime for large yachts
2018	- Cayman is listed as a top-performing Flag in the Paris MOU Port State Control - The International Chamber of Shipping (ICS) has, for the 7th year running, rated Cayman Registry as a top-performing flag. - Hosted the Annual General Meeting of the Caribbean Memorandum of Understanding (CMOU) on Port State Control (PSC). - Convened the Red Ensign Group Yacht Codes & Industry working group and produced a corrigenda prior to the REG Yacht Codes entry into force. - Completed and gazetted the Casualty Investigation Regulations. - Held the Inaugural Luncheon in Greece for the Greek Shipping Community. - Developed and signed service level agreements with 3 Naval Architect companies in South Florida to facilitate load line functions on behalf of MACI for vessels certified to the Cayman Yacht Code (Designated Area Caribbean).
2019	- Cayman is listed as a top-performing Flag in the Paris MOU Port State Control - The International Chamber of Shipping (ICS) has, for the 8th year running, rated Cayman Registry as a top-performing flag. - Successfully underwent the Mock IMO Instrument Implementation (III) Code audit by the UK MCA with an overall positive result.
2020	- Achieved 6.01m GT with 2,284 units on the Register and an average age of 12.9 years for Merchant Ships and Commercial Yachts over 30m, at December 31, 2020 - Achieved White List, Low Risk Status in all the major MoUs on Port State Control, including USCG Qualship 21 and ranked as a top performing Flag under the International Chamber of Shipping for the 9th consecutive year.

2021	• Achieved a total of 2,333 units on the Register. • Achieved White List, Low Risk Status in all the major MoUs on Port State Control, including USCG Qualship 21. Ranked as a top-performing Flag under the International Chamber of Shipping for the 10th consecutive year. • Increased the New Build Portfolio by 10% in 2021. • Assisted the UK in III Code preparations across the entire REG and completed the IMO Instrument Implementation Code audit as part of the UK OT's and CD's with only 2 findings.
2022	• Achieved a total of 2,377 units on the register. • Achieved White-List, Low Risk Status in all the major MoUs on Port State Control, including USCG Qualship 21. Ranked as a top-performing Flag under the International Chamber of Shipping for the 11th consecutive year. • Increased the New Build Portfolio 18% in 2022.
2023	• Celebrated the 120 Year Anniversary of the Cayman Islands Shipping Registry. • Hosted the 34th Red Ensign Group Conference. • Achieved a total of 2,434 units on the register. • Achieved White-List, Low Risk Status in all the major MoUs on Port State Control, including USCG Qualship 21. Ranked as a top-performing Flag under the International Chamber of Shipping for the 12th consecutive year. • Increased the New Build Portfolio 6% in 2023.
2024	• 2,534 units on the Register with a total of 4.49m GT • White-List, Low Risk Status in all the major MoUs on Port State Control, including USCG Qualship 21 • Ranked as a top-performing Flag under the International Chamber of Shipping for the 14th consecutive year. • Increased the Yacht New Build Portfolio 17% in 2024 • Completed the modernisation of the Cayman Islands Merchant Shipping Act. The Merchant Shipping Act 2024 received Royal Assent. • Completed MACI's Registration as an Overseas Entity with the UK Companies House.
2025	• Unprecedented 380 total additions to the register. • 2,656 units on the Register with a total of 4.31m GT. • White-List, Low Risk Status in all the major MoUs on Port State Control, including USCG Qualship 21 • Ranked as a top-performing Flag under the International Chamber of Shipping for the 15th consecutive year. • Maintained supervision of roughly 70% of the newbuild Global Order Book.

DIVISIONS AND FUNCTIONS OF THE AUTHORITY

COMMERCIAL SERVICES

The Commercial Services Division (CS) continued to work to enhance the Cayman Registry's product to maintain our leading position within the maritime industry. The Division acts as the primary interface between vessel representatives and the Registry.

REGISTRATION AND RECORDING

Registration and Recording responsibilities include setting policy as it relates to vessel ownership as well as vessel and mortgage registration. Also oversight of several types of vessel registration—including full, interim, under construction, and demise (bareboat) charter registrations. Furthermore, management of the formal registration and recordation of mortgages and priority notices in strict accordance with the Merchant Shipping Act 2024. To provide maximum flexibility for owners, registrations are supported across all three official ports:

- George Town
- The Creek
- Bloody Bay

For the 15th consecutive year, the Cayman Islands has been recognized by the International Chamber of Shipping as being top-of-class in the 2025 Annual Flag State Performance Table - a popular flag of choice for vessel registration. This is mainly due to Cayman being a Category 1 British Red Ensign Registry that registers only the highest-quality vessels that meet the strictest regulatory requirements in terms of design, construction, maintenance, safety, and pollution control.

The Cayman Islands has retained White-list, Low-Risk status on the Paris MOU—which covers the seas of European coastal states as well as the North Atlantic basin—and the Tokyo MOU—which covers the waterways of the Asia-Pacific region—for the 20th and 16th years respectively.

Under the US Coast Guard's Quality Shipping for the 21st Century (QUALSHIP 21) Program, which recognizes businesses and vessels that demonstrate the highest level of dedication to quality and safety ensuring the highest compliance with international standards and US law, the CISR also maintains its low-risk status. The CISR is one of the few Flag Administrations to be eligible for the coveted QUALSHIP 21 award for a record 15 consecutive years.

The Registry ended 2025 with 2,656 units, which includes 2,349 pleasure vessels, 118 merchant, 226 commercial vessels, and 81 local vessels. The Register totalled 4.31 million gross tons.

At the end of this period, there were 9 registered vessels under construction, and 253 new-build yachts at 72 shipyards. At the end of 2025, Cayman Registry maintained roughly 70% of global orders for new-build yachts over 30 metres.

CREW DOCUMENTATION & STATUTORY DOCUMENTATION

Crew Documentation responsibilities include issuing essential certification to seafarers serving on Cayman Islands-registered vessels. Key functions include the issuance of Recognition Endorsements, which formally validate the Certificates of Competency (CoC) held by Masters and Officers, and Seafarer Discharge Books, which serve as the official record of sea service for all crew members. These services ensure that all personnel meet the stringent regulatory requirements of the Cayman Islands Shipping Registry.

Statutory Documentation responsibilities include issuing the mandatory certification required for Cayman Islands-registered vessels to maintain legal compliance. This includes the issuance of Wreck Removal

Insurance Certificates (required for all vessels of 300 GT and above) in accordance with the Nairobi International Convention (2007), and Bunker Oil Pollution Insurance Certificates (required for all vessels of 1,000 GT and above) pursuant to the International Convention on Civil Liability for Bunker Oil Pollution Damage (2001).

CLIENT BILLING (ACCOUNTS RECEIVABLES)

Accounts Receivables manages the collection and recording of all revenue owed to the Authority for goods and services provided. It is responsible for securing income by verifying and posting receipts and resolving any billing discrepancies. Key functions include the timely issuance of invoices for Annual Tonnage fees, Annual Flag State Compliance fees, and Cabinet Billing, ensuring all transactions are documented with precision.

BUSINESS DEVELOPMENT

The Business Development Section is instrumental in advancing the organisation's global maritime influence and expertise. By identifying strategic opportunities and cultivating high-value partnerships, the section drives commercial growth and elevates brand awareness. It is tasked with entering new markets to secure a competitive advantage while ensuring all initiatives align with long-term corporate objectives. Its mandate encompasses the end-to-end execution of the Business Development Strategy, including the management of client relationships, international and local event execution, corporate communications, and marketing.

BUSINESS DEVELOPMENT STRATEGY & IMPLEMENTATION

Sustained growth and market expansion are critical to ensuring the continued success of the Cayman Islands Shipping Registry (CISR). The Business Development Section contributes to the development, refinement, and implementation of the Business Development Strategy through market research, identification of target markets, business opportunities, and potential clients. By leveraging data-driven insights, this function ensures a strategic and proactive approach to industry positioning.

EVENT COORDINATION & MANAGEMENT

Effective event planning and execution are essential to maintaining a strong business development presence. The Business Development Section is responsible for organising, coordinating, and delivering industry events, conferences, workshops, training sessions, and seminars focused on specialised maritime topics.

To strengthen its presence within the yachting industry, CISR actively exhibits at two of the world's largest in-water yacht shows: the Monaco Yacht Show and the Fort Lauderdale International Boat Show. Additionally, the Registry participates in a multitude of events, forums and exhibitions throughout the year. These events serve as key platforms for industry engagement, brand visibility, and networking with global stakeholders. Despite industry challenges, attending these various events continues to yield positive outcomes and reinforce CISR's reputation as a leading flag administration.

CLIENT RELATIONSHIPS

Client Relationships is dedicated to managing and analyzing stakeholder feedback, encompassing compliments, queries, and complaints. Systematically evaluating this data drives service enhancements and strengthens client loyalty through timely resolution and proactive communication. Client Relationships serves as a vital link between our clients and operational divisions, reducing risk and preventing recurring issues by ensuring feedback informs continuous quality assurance and future service improvements. We manage all feedback with a focus on quality assurance, providing timely resolutions to queries and complaints.

CORPORATE COMMUNICATIONS & MARKETING

Corporate Communications & Marketing is responsible for developing and executing strategic communication and marketing initiatives to enhance brand visibility, stakeholder engagement, and market positioning. This function oversees internal and external communications, including public relations, media relations, content creation, and digital marketing efforts. It ensures consistent brand messaging across all platforms, manages corporate events, and fosters relationships with industry partners and the public. Additionally, it supports business development by crafting compelling marketing campaigns, leveraging industry events for brand exposure, and insights to refine outreach strategies and maximize impact.

SAFETY & COMPLIANCE

SURVEY, AUDIT AND INSPECTION

TECHNICAL POLICY, YACHT CODES & REGULATORY INITIATIVES

MACI continued to support the Red Ensign Group-Technical Forum (REG-TF), which plays a key role in the development of technical policy for all British Ships. MACI, as Co-Chair, along with the United Kingdom's Maritime and Coastguard Agency, provides technical support whilst actively participating in the numerous REG-TF subgroups.

MACI continues to be at the forefront of technical innovation, including but not limited to Alternative Fuels for use in marine vehicles, which include both Methanol and Liquid Hydrogen. In the absence of a robust regulatory framework, MACI has engaged with industry partners to investigate and develop appropriate codes, standards and regulations for the use of Alternative Fuels.

MACI provided technical representation at several key events throughout the year, including the Technical Superyacht Forum (Amsterdam), Monaco Yacht Show and the Fort Lauderdale International Boat Show. In addition, MACI is actively supporting initiatives such as Crew Welfare and Mental Health and continues to support various organisations by providing educational training.

In 2025 MACI

- Issued 1 Shipping Notice
- Revised 5 Shipping Notices
- Issued 4 Guidance Notices
- Issued 3 Safety Flyers

SURVEYOR RESOURCES

During this period MACI engaged the services of additional Independent Contractor Surveyors in the UK, Turkey & the USA.

Daily teams' meetings continued with all European & Americas based survey teams, and included regular new build yacht meetings, ad hoc meetings and monthly Regional Director meetings. In addition, global newbuild and surveyor meetings were held in January 2025 with a combination of in-person and remote attendance.

SUPERYACHT NEW BUILD PORTFOLIO

The Cayman Islands continues to dominate the Superyacht new build market and oversees 60% of newbuilds exceeding 30 meters in the global order book, and this is reflected in MACI's positive financial position. However, there has been increased pressure from our competitors during the last 12 months, including members of the Red Ensign Group, through the reduction of their fees.

MACI was instrumental in the delivery of the world's first Superyacht utilizing Liquid Hydrogen for main propulsion and is currently involved in a series of technologically sophisticated projects which incorporate emerging technologies that utilize green solutions for main propulsion or supplementary power generation. MACI remains at the forefront of this technological innovation and is one of the leaders in the development of regulations for this technology.

TRAINING

In MACI's ongoing collaboration with its Recognised Organisations (RO), at the request of RINA one of its six approved (RO)'s MACI developed a Yacht New Build training course which was delivered in the USA in 2025. In addition, MACI is actively supporting initiatives such as Crew Welfare and Mental Health and continues to support the Crew Academy 'Yacht Owners Representative Programme (YORP)' by facilitating panel discussions and spearheading training seminars.

RECOGNISED ORGANISATION (RO) MONITORING

MACI continues to meet its IMO and REG obligations on monitoring activities delegated to ROs and provided an annual report to the REG Secretariat.

INTERNATIONAL MARITIME ORGANISATION INSTRUMENT IMPLEMENTATION (III) CODE

MACI were audited by the UK Maritime and Coastguard Agency against the IIIC as part of the UK's 4 yearly audit cycle in both the Head Office George Town and the European Regional Office in Southampton. MACI were complimented by the Auditors on their professionalism and quality of the flag, there were no findings recorded against the Authority.

INTERNAL AUDITS

In furtherance of MACI's Quality Assurance System and obligations in respect of the International Maritime Organisation Instrument Implementation Code (IIIC), the Safety and Compliance sections in the ERO and Americas were subject to internal Audits conducted by an independent third-party auditor with minimal findings.

PORT STATE CONTROL

With respect to domestic vessel trade, MACI continues to support the Cayman Islands Government, Ministry of Financial Services and Commerce (MFS&C) (with responsibility for Maritime) as a member of the Caribbean Memorandum of Understanding (CMOU) on Port State Control (PSC), by providing technical support and conducting inspections on foreign-flagged vessels visiting ports of the Cayman Islands. Meeting its target of 24 inspections on Foreign-Flagged merchant vessels during a 12-month period.

For vessels registered in the Cayman Islands and operating internationally, MACI continued to rank as one of the top-performing Flags as documented in the International Chamber of Shipping "Flag State Performance Table 2024/2025", whilst maintaining its White List & Low Risk Status in the Tokyo and Paris MoUs on Port State Control together with the prestigious United States Coast Guard (USCG) Qualship 21 program.

MACI published its 2025 Flag State Performance report, which can be found at <https://cishipping.com/our-organisation/summary-reports>

OPERATIONS

The Operations Division was established in 2025 and is responsible for providing structure and support services to meet the Authority's needs. This is achieved through managing and coordinating its support service systems and facilitating collaboration across its subsections of Administration, Finance & Accounting, and Information Technology.

ADMINISTRATION

At the Head Office, the Administration Section provides support to employees by coordinating essential services that ensure the effective functioning of both office-based and remote working environments. The section works in close collaboration with the Human Resources Section and serves as the face of the Authority in the Cayman Islands by delivering professional administrative services and courteous client support, ensuring that all visitors and callers receive a welcoming, positive experience.

FINANCE & ACCOUNTING AND FINANCIAL REPORTING

The Finance & Accounting and Reporting Section has responsibility for all financial matters relating to the Authority's annual budget, fee collection, accounts receivable, accounts payable and asset management. It is also responsible for the preparation of MACI's financial statements, 3-year projected financial position and the annual purchase and ownership agreements between Cabinet and the Authority. The section's objectives are essentially created by the financial requirements of the Authority, its stakeholders, and the resources available to MACI.

Through the Office of the Auditor General (OAG), MACI's financial statements have been audited by a non-governmental entity for the seventh consecutive year. The OAG appoints outsourced external auditors on a rotational basis every four years.

INFORMATION TECHNOLOGY (IT)

The Information Technology (IT) Section oversees governance, operations, and support for information and technology systems in alignment with the Authority's mission and strategic objectives. It safeguards the confidentiality, integrity, availability, and resilience of all technology assets, ensuring compliance with international regulations, cybersecurity standards, and MACI's policies.

HUMAN RESOURCES

The Human Resources Division is responsible for providing the structure and support needed to meet the Organisation's objectives by managing its most valuable resource—its people, including employees and independent contractors. Human Resources strategically oversees recruitment, coordinates employee benefits, and promotes training and professional development. In addition, the Division delivers professional, responsive support to employees throughout the duration of their employment.

PERSONNEL

PERSONNEL CHANGES

During this period, personnel changes at MACI were as follows:

Section	New Hires	Resignations	Redundancy	Retired	Converted to Independent Contractor
Safety & Compliance	1	0	0	0	2
Human Resources & Administration	1	0	0	0	0
Commercial Services	0	0	0	0	0
Total	2	0	0	0	2

TRAINING AND PROFESSIONAL DEVELOPMENT

Continuous learning and development are essential to ensuring employees have the skills, knowledge and capabilities required for their current roles and are well-prepared for future challenges. Accordingly, employees were provided with access to a range of internal and external training and development opportunities, both domestically and overseas. These initiatives are designed to build organizational capability, support service delivery, meet strategic objectives, and align with the Organisation's values, strategic plan and overall mission.

INTERNSHIP PROGRAMME

Internship opportunities were provided to two (2) individuals. One was assigned to Business Development and the other to Human Resources and Commercial Services.

MARITIME SCHOLARSHIP

Each year the Organisation collaborates with the Ministry of Education's Scholarship Secretariat to offer young Caymanians the opportunity to earn an undergraduate, post-graduate or professional qualification within Marine Engineering, Marine Surveying, Maritime Administration, Nautical Studies and Naval architecture. Consideration is also given to specialist areas that support the maritime industry, such as Legal, Human Resources, Accounting, and IT.

OFFICE OF THE CEO

MARITIME POLICY

Maritime Policy is responsible for the development of maritime policy within MACI and the development and updating of maritime legislation relevant to the discharge of the Authority's functions and responsibilities.

MERCHANT SHIPPING LAWS AND REGULATIONS (DEVELOPMENT AND IMPLEMENTATION)

During 2025, drafting has continued on a revised and updated Merchant Shipping (Marine Pollution) Act, which is expected to be finalized and begin the legislative process through Parliament in early 2026. In addition, work has commenced for secondary legislation made under the Merchant Shipping Act (MSA) 2004. This will continue in 2026, and a full legislative review of all existing legislation under both Acts will take place. In addition, the Merchant Shipping (Manning, Hours of Rest and STCW) Regulations, 2025 were passed, which fully update and revise the legislation implementing the IMO Standards of Training, Certification and Watchkeeping for Seafarers, as set out in the 1978 Convention.

Working with the Maritime Secretariat within MFS&C and the UK Department for Transport (DfT), draft regulations were produced to allow the extension of the Protocol of 2003 to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1992 to the Cayman Islands. The regulations were passed as the Merchant Shipping (Supplementary Fund) Regulations, 2025. In addition, as a result of discussions on the extension with the UK DfT, regulations were made to amend the MSA 2024 to bring it into line with the Merchant Shipping (Supplementary Fund) Regulations. As these regulations have now been passed, CIG awaits the extension of the Protocol by the UK. When extended, this will expand the available compensation following an oil spill from a tanker in the Islands by more than CI\$600 million.

MARITIME POLICY

In 2025, MACI provided active support to the Maritime Secretariat within MFS&C on maritime matters affecting CIG, in particular on the UK's IMO Proxy Audit of the Cayman Islands Maritime Administration in September 2025. MACI and OCEO were heavily involved in planning and participation in most aspects of the Audit and have been working on corrective action and follow-up in late 2025.

MACI also worked bilaterally with individual agencies, such as the Financial Reporting Authority, the Governor's Office, and the Bureau of Financial Investigations, on maritime matters in general.

MACI provided active support to the Maritime Secretariat within MFS&C on maritime matters affecting CIG.

The ongoing hostilities between Israel and Hamas in Palestine and the wider Middle East have continued to pose an increased risk to shipping in the Southern Red Sea and Gulf of Aden, along with more recently in the Caribbean off Venezuela. MACI worked with shipowners and the Maritime Security section of the UK Department for Transport on monitoring and mitigating the risks to Cayman Islands ships operating in these areas.

During 2025, MACI published a number of Shipping Notices and Guidance Notes to assist and support both ship owners and seafarers. With the entry into force of the Merchant Shipping Act 2024, Shipping Notices now have the force of law.

Topics covered by Shipping Notices and Guidance Notes in 2025 included –

- The carriage of additional guests on private yachts;
- Updated instructions to Recognized Organizations and their surveyors;
- Updated instructions relating to the STCW Conventions;
- Tenders and Auxiliary tenders of Large Commercial Yachts;
- Approving amendments to Ship Security Plans;
- Updated guidance on mandatory reporting of incidents on Cayman Islands Ships;
- Harassment and Sexual misconduct;
- The carriage of additional passengers on Commercial yachts;
- Pilot Transfer Arrangements; and
- Flag state performance in 2024.

CASUALTY INVESTIGATION

Accidents and incidents occurring on board Cayman Islands ships are investigated on behalf of the Minister, by specialist inspectors appointed under section 426 of the Merchant Shipping Act 2024.

In addition, Cayman Islands Guidance Note 04/2025 and regulation 5 of the Merchant Shipping (Marine Casualty Reporting and Investigation) Regulations, 2018, require certain accidents and incidents to be reported to the Maritime Authority of the Cayman Islands (MACI). These reports are recorded, logged, and followed up on as appropriate.

The majority of these reports are fairly minor in nature and do not require formal investigation. However, every report is recorded for statistical purposes and is required to be submitted to both the UK (as one of the REG Quality Objectives) and to the International Labour Organization (ILO) as part of our obligations under the Maritime Labour Convention, 2006 (MLC). Each month, a log of all incidents reported in that month was submitted to the Maritime Secretariat of MFS&C and CIG's independent overseer of marine casualties.

For the seventh year in succession, a consolidated summary report of all accidents and incidents reported to MACI has been compiled, published and made publicly available on www.cishipping.com.

The year 2025 saw a total of 251 accidents and other incidents that were reported to MACI, a decrease of 14 accidents and incidents reported to MACI when compared to 2024.

Where an incident reported may have implications for the welfare of seafarers involved, details were passed to the Shipping Master.

Survey & Certification were informed if a reported incident may have an impact on the statutory certification of the ship or yacht involved or if the report indicates a significant breach of merchant shipping law may have occurred.

Throughout 2025, MACI continued to manage the MOU with the UK Marine Accident Investigation on behalf of MFS&C. During 2025, it was not necessary to activate the MOU. This MOU expired during 2025 and has been revised for signature by the MFS&C. Moving forward, it is anticipated that the management of the MOU will pass to MFS&C.

SHIPPING MASTER

The Office of the Shipping Master is responsible for all aspects of crew welfare, in particular dealing with crew, disputes, complaints and investigations into deaths on Cayman Islands ships.

During 2025, the Shipping Master investigated 105 complaints from seafarers on Cayman Islands ships. This is a small decrease (from 116) since 2024. Just under a third of all reported complaints were for unpaid or late wages, which is similar to 2024 but lower than all previous years for which there is data. The second most common complaint was for termination-related issues, though this also dropped. A minority of complaints (though increasing generally) were for other welfare issues such as safety concerns, hours of rest or medical expenses and alleged bullying and harassment. On the latter, as a result of anecdotal evidence that there is a significant issue in the industry. MACI published a detailed Guidance Notice on Harassment and Sexual misconduct detailing what it can and cannot do and other places to approach for assistance should such issues occur.

In 2025, like last year, a significant number of complaints or queries about the terms of the contract were received. As the recently published Merchant Shipping Act requires a contract to be maintained on all vessels, this might be an ongoing factor in this increase. Virtually all of these complaints were from seafarers on yachts. The vast majority of disputes raised with the Shipping Master were resolved rapidly and amicably once the Shipping Master became involved. On occasion, and with express permission from the complainant, information was passed on for follow-up and possible enforcement action by Safety and Compliance. This year, follow-up action, including detention, has occurred as a result.

As with reports of accidents, every complaint is recorded for statistical purposes and is required to be submitted both to the UK as one of the REG quality objectives and to the International Labour Organisation (ILO) as part of our obligations under the Maritime Labour Convention, 2006 (MLC). The sixth consolidated summary report of all complaints and welfare issues reported to MACI has been compiled, published and made publicly available on www.cishipping.com.

In addition to the investigation of complaints by seafarers, during 2025, the Shipping Master also conducted four death inquiries (four seafarers) under section 430 of the Merchant Shipping Act into deaths occurring on or associated with Cayman Islands ships. Such inquiries are mainly administrative in nature and allow the death to be properly recorded and passed to the General Registry, and for the information of H M Coroner. These statistics are now required to be reported through the UK to the ILO as part of our obligations MLC, 2006.

GOVERNANCE

PRIMARY LEGISLATION

1. The Maritime Authority Act (2013 Revision)
2. The Merchant Shipping Act (2024 Revision)
3. The Merchant Shipping (Marine Pollution) Act, 2001

REGULATIONS MADE UNDER THE CURRENT MERCHANT SHIPPING LAW AND THE CURRENT MARINE POLLUTION LAW

1. The Merchant Shipping (Returns of Births and Deaths) Regulations, 2004.
2. The Merchant Shipping (Classes of Ships) Regulations, 2002.
3. The Merchant Shipping (Carriage of Packaged Irradiated Nuclear Fuel Etc) (INF Code) Regulations, 2003.
4. The Merchant Shipping (Classes of Ships) Regulations, 2002.
5. The Merchant Shipping (Prevention of Collisions and Use of Distress Signals) Regulations, 2003.
6. The Merchant Shipping (Counting and Registration of Persons on Board Passenger Ships) Regulations, 2002.
7. The Merchant Shipping (Entry into Dangerous Spaces) Regulations, 2004.
8. The Merchant Shipping (Guarding Of Machinery and Safety of Electrical Equipment) Regulations, 2004.
9. The Merchant Shipping (Load Line) Regulations, 2002.
10. The Merchant Shipping (Manning, Hours of Rest and STCW) Regulations, 2025
11. The Merchant Shipping (Marine Pollution) Regulations, 2004.
12. The Merchant Shipping (Means of Access) Regulations, 2004.

13. The Merchant Shipping (Carriage of Nautical Publications) Regulations, 2002.
14. The Merchant Shipping (Port State Control) Regulations, 2003.
15. The Merchant Shipping (Registration of Ships) Regulations, 2002.
16. The Merchant Shipping (Marine Pollution) (Reporting of Incidents Involving Harmful Substances) Regulations, 2004.
17. The Merchant Shipping (Safety of Navigation) Regulations, 2004.
18. The Merchant Shipping (Tonnage) Regulations, 2002.
19. The Merchant Shipping (Vessels in Commercial Use for Sport or Pleasure) Regulations, 2002.
20. The Merchant Shipping (Pleasure Yachts Carrying Passengers) Regulations 2011.
21. The Merchant Shipping (Wreck Removal Convention) Regulations, 2017
22. The Merchant Shipping (Maritime Labour Convention) (Crew Accommodation) Regulations, 2014
23. The Merchant Shipping (Maritime Labour Convention) (Food and Catering) Regulations, 2014
24. The Merchant Shipping (Maritime Labour Convention) (Health and Safety) Regulations, 2014
25. The Merchant Shipping (Maritime Labour Convention) (Medical Care) Regulations, 2014
26. The Merchant Shipping (Maritime Labour Convention) (Medical Certification) Regulations, 2014
27. The Merchant Shipping (Maritime Labour Convention) (Repatriation) Regulations, 2014
28. The Merchant Shipping (Maritime Labour Convention) (Seafarer Employment Agreement, Shipowners' Liabilities and Wages) Regulations, 2014
29. The Merchant Shipping (Maritime Labour Convention) (Survey and Certification) Regulations, 2014
30. The Merchant Shipping (Fees) Regulations, 2014
31. The Merchant Shipping (Maritime Security) Regulations 2007
32. The Merchant Shipping (Marine Pollution) (Prevention of air pollution from ships) Regulations, 2012
33. The Merchant Shipping (Marine Casualty Reporting and Investigation) Regulations, 2018
34. The Merchant Shipping (Supplementary Fund) Regulations, 2025
35. The Merchant Shipping (Amendment of Section 401) Regulations, 2025

REGULATIONS MADE UNDER EARLIER MERCHANT SHIPPING LAW AND MARINE POLLUTION LAW BUT RETAINED UNDER CURRENT LAWS

1. The Merchant Shipping (Control of Pollution by Noxious Liquid Substances in Bulk)(Cayman Islands) Regulations 1988.
2. The Merchant Shipping (BCH Code) (Cayman Islands) Regulations, 1988.
3. The Merchant Shipping (IBC Code) (Cayman Islands) Regulations, 1988.
4. The Merchant Shipping (Prevention of Pollution by Garbage) (Cayman Islands) Regulations, 1988.
5. The Merchant Shipping (Submersible Craft Construction, Equipment and Survey)(Cayman Islands) Regulations 1991.
6. The Merchant Shipping (Submersible Craft Operations) (Cayman Islands) Regulations, 1991.
7. The Merchant Shipping (Repatriation) (Cayman Islands) Regulations, 1989.
8. The Merchant Shipping (Crew Agreements, List of Crew and Discharge of Seamen) Regulations, 1992.

OTHER LAWS FOLLOWED BY MACI

1. The National Archive and Public Records Act (2015 Revision).
2. The Freedom of Information Act (2021 Revision).
3. The Cayman Islands Constitution (Amendment) Order (2020).

4. The Evidence Act (2021 Revision).
5. The Electronics Transactions Act (2003 Revision).
6. The Limitation Act (1996 Revision).
7. The Public Service Pensions Act (2021 Revision).
8. The National Pensions (Amendment) Act (2020).
9. The Public Management and Finance Act (2020 Revision).
10. Penal Code (Amendment) Law (2020).
11. Grand Court Act (2015 Revision).

LOCAL AND INTERNATIONAL STANDARDS FOLLOWED BY MACI

1. International Maritime Organisation.
2. International Labour Organisation.
3. Regional and International Instruments.
4. International Standard ISO 15489–2002, Records Management.
5. ANSI/ISO/ASQ Q9001:2008, Quality Management.
6. Cayman Islands National Archive's standards and guidance.

OUR PEOPLE

1. 36 employees (17 female and 19 male)
2. Age range 27 to 66
3. CEO (1), Global Directors (4), Regional Directors (1), Director (1), Deputy Director (2), Head (5), Operational Staff (22)
4. 63% Caymanian and 37% non-Caymanian
5. Salary Scale range CI\$44,400 to CI\$233,490

PERSONNEL CHANGES

During this period, personnel changes at MACI were as follows:

TYPE OF CHANGE	HEAD OFFICE, GT/SECTION	ERO, UK/SECTION
New Hires	1 – Human Resources	1 – Safety & Compliance
Resignations	1	2
Retired	0	0
Promotions	2 – Safety & Compliance	6 – Safety & Compliance 1 – Human Resources

MANAGEMENT DISCUSSION AND ANALYSIS

HIGHLIGHT OF ACHIEVEMENT

The key achievements of the Maritime Authority of the Cayman Islands for the 2025 year are as follows:

1. Achieved an unprecedented 380 total additions to the register.
2. Achieved a total of 2,656 units on the Register with a total of 4.31m GT.
3. Achieved White-List, Low Risk Status in all the major MoUs on Port State Control, including USCG Qualship 21.
4. Ranked as a top-performing Flag under the International Chamber of Shipping for the 15th consecutive year.
5. Maintained the Yacht New Build in 2025, with roughly 70% of all newbuilds in the Global Order Book supervised by the Cayman Islands Flag.
6. Completion of UKMCA III Code Compliance Mock Audit with no findings for Flag State.
7. Developed mutually beneficial partnerships to expand our services into new sectors, including but not limited to the five-star plus small passenger cruise ship market 2024-2026.
8. Provided training to the Yachting Sector on compliance with the REG Yacht Codes.
9. Supported the initiative on the development of a regulatory framework for Alternative Fuels, highly contributing to the first hydrogen fuel-powered motor yacht delivered in 2025.
10. Supported the initiative for capacity building within the REG 2024-2026.
11. Supported the Red Ensign Group with the provision of technical expertise for monitoring of RO's and conducting IIC Mock Audits 2024-2026.
12. Completed the modernisation of the Merchant Shipping (Manning, Hours of Rest and STCW) Regulations 2025.
13. Enhanced and introduced additional guidance on STCW certification for multi-engine yachts; harassment in the workplace; ISM-managed private yachts, additional guests;

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGED IN STATUS FROM 2024	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
War and Terrorism	None	Insurance policy to manage risk	Unquantifiable
Loss/absence of critical staff	Yes – Loss of Chief Advisor, Maritime Policy, Quality & Casualty Investigation	Succession planning and developing an organisational structure and environment which provides challenges, promotes advancement and recognizes achievements	Unquantifiable
Loss of important data	None	Back up vital and important documentation on disks and hard copy and place them in a secure environment	Unquantifiable

FINANCIAL PERFORMANCE AND ANALYSIS

MARITIME AUTHORITY OF THE CAYMAN ISLANDS FINANCIAL HIGHLIGHTS					
TOTAL REVENUES 2025	TOTAL REVENUES 2024	TOTAL EXPENDITURE 2025	TOTAL EXPENDITURE 2024	CASH POSITION 2025	CASH POSITION 2024
\$13,626,468	\$11,993,153	\$13,142,950	\$11,799,193	\$5,361,100	\$3,715,256

*Includes fixed deposits with maturity 12 months or less.

Notes:

The final actuarial valuation results show a post-retirement liability of \$3,669,000 existed on 31 December 2025 which represented accumulated Healthcare liability of \$4,632,000 and past pension service cost asset of \$963,000.

- The Statement of Financial Position included in the Financial Statements for the fiscal year ended 31 December 2025, shows that MACI's total assets were valued at \$19,629,488 and total liabilities at \$9,599,282, resulting in a surplus net worth of \$10,030,206, MACI's cash position including fixed deposit increased from \$14,375,256 at 31 December 2024 to \$16,021,100 at 31 December 2025, an increase of \$1,645,844.
- Net operating profit for 31 December 2025 as \$483,518 (2024: \$193,960).
- Net profit for 31 December 2025 as \$894,798 (2024: \$621,077).
- The total comprehensive income for 31 December 2025 was \$1,773,798 (2024: \$2,049,077).
- During the 2014/15 financial year MACI created a sinking fund. These funds are designated for carrying out casualty investigation on board Cayman registered vessels. The fund had a balance of \$652,538 at 31 December 2025 (2024: \$652,538), of which the full amount forms part of MACI's 2025 cash balance of \$16,021,100 (2024: \$14,375,256).

Audited Financial Statements for 1 January 2025 to 31 December 2025 form a part of this Annual Report (Annex 1).

INTERNAL AND EXTERNAL AUDIT UPDATES

External auditors completed the financial statements for the year ended 31 December 2025.

SCRUTINY BY PARLIAMENT AND PUBLIC

There was a total of 1 Freedom of Information request for 2025, which ended in Administrative Closure.

Request Description	Date Received	Closure Date	Outcome
Vessel History – Request responded to outside of FOI (as it was a service-based request)	27 May 2025	6 June 2025	Closed outside of FOI via Administrative Closure

CROSS GOVERNMENT COMMITTEMENTS

PORT STATE CONTROL

In fulfilment of its obligations to the Cayman Islands Government and the Ministry of Financial Services (MFSC), MACI continues to support the Cayman Islands' participation in the Caribbean Memorandum of Understanding (CMOU) on Port State Control (PSC). This support includes providing technical advice and conducting inspections of foreign-flagged vessels calling at Cayman Islands ports, in line with CMOU requirements, and meeting the annual target of 24 inspections of foreign-flagged merchant vessels within each 12-month reporting period.

In relation to Cayman Islands-registered vessels operating internationally, MACI continues to meet its responsibilities as the Flag Administration by upholding strong performance and compliance standards. The Cayman Islands remains ranked among the top-performing flags in the International Chamber of Shipping "Flag State Performance Table 2024/2025" and continues to maintain White List and Low-Risk status under the Tokyo and Paris MoUs on Port State Control, as well as recognition under the United States Coast Guard (USCG) Qualship 21 programme.

CASUALTY INVESTIGATION

MACI will continue to support MFSC in the conduct and coordination of marine casualty investigations involving Cayman Islands-flagged vessels.

POLICY ADVISING & INTERNATIONAL REPRESENTATION

MACI will provide technical guidance and advice to MFSC on maritime-related matters, including support for national maritime policy development and the drafting and advancement of maritime legislation. MACI will further support MFSC in representing the Cayman Islands at relevant international fora and in safeguarding and promoting the Cayman Islands' maritime interests.

FORWARD LOOKING

The key strategic goals and objectives for the Maritime Authority of the Cayman Islands for the 2026 financial year are as follows:

KEY PERFORMANCE INDICATORS

CLIENT SERVICE

Client Service

- Provide a Registration regime to protect vessel ownership and the priority ranking of any related mortgage, by:
 - completing documents that are accurate with an error rate less than 2.5%; and
 - ensuring that all documents and records are properly filed.
- Ensure that all client complaints and queries are acknowledged within 24 hours and adequately researched and responded to within 2 working days of the receipt of supporting information.

3. Provide a cost-effective vessel and company audit and vessel survey regime that promotes quality vessels; effective maritime security systems; protection of the marine environment; and social responsibility, and that:
 - a. completing documents for statutory certifications/documentation and crew documentation that are accurate with an error rate less than 2.5%; and
 - b. issues invoice within 7 working days of completion of survey and audits.
4. Provide immediate support (less than 2 hours) upon request in the case of PSC detention of a Cayman-Registered vessel.
5. Ensure attendance by a Cayman Surveyor on board every Cayman Registered vessel that has been detained, not more than 90 days after the date of its detention.
6. Provide response to ALL queries/documentation for direct client interface groups as listed, within 2 working days:
 - a. Client Services;
 - b. Shipping Master;
 - c. Technical;
 - d. Flag State Accidents and Incidents not under IMO Casualty Investigation Code.

Safety & Compliance

1. Maintain “Low Risk” status under **both** the Paris and Tokyo Memorandums of Understanding on Port State Control (PSC) system, as follows:
 - a. Paris MOU: Inspection to Detention ratio of <2.5%,
 - b. Tokyo MOU: Inspection to Detention ratio of <2.5%;
 - c. Maintain “Qualship 21” status under the United States Coast Guard ([USCG](#)) PSC system.
2. Ensure 100% of Certificates of Competence submitted in support of crew endorsement applications are checked for validity.
3. Maintain a top ranking (with no negative indicators) from the International Chamber of Shipping (ICS).
4. Investigate marine casualties by recording and assessing all casualties and other incidents reported to MACI.
5. Promulgate important security advice to clients within 1 working day of receipt.
6. Promulgate important safety advice to clients as required.

Commercial

1. Maintain a portfolio of new-build yachts over 30 metres equal to at least 50% of the estimated global new-build market.
2. Maintain a portfolio of existing yachts over 30 metres equal to at least 42% of the estimated global yachts in service that are classed with MACI’s Recognised Organisations.
3. Increase the net total of registered commercial (including coded yachts) units by 10 each year;
4. Maintain the per-unit average age of our commercial fleet (excluding domestic fleet and superyachts) at less than 15 years.
5. Maintain a minimum 270-day cash requirement as at 31 December of each fiscal year.
6. To pay an annual shareholders' dividend at the Cayman Islands Government (CIG) prescribed rate.
7. Complete the Annual Financial Audit of the Authority:
 - a. within legislative time requirements (Feb 28/29, Apr 30); and
 - b. without qualification.

MAJOR INITIATIVES FOR 2026

- Submit an agreed and finalized Merchant Shipping (Marine Pollution) Bill to Cabinet.
- Draft necessary legislation and seek extension to the Cayman Islands of MARPOL Annex IV and The International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004.
- Formulate and implement a financial sustainability plan for 2026-2028 with the help of external assistance.
- Undertake a Tri-Annual Salary and Benefits Review.
- Revise and implement MACI's Business Development Strategy.
- Increase the square footage of MACI Head office at Harbour Walk.
- Introduce an e-register and electronic COBR.
- Update and implement Employee/IC Compensation Review.
- Implement the automated PAPDR process.
- Continue to expand our services into new sectors, including but not limited to the five star plus small passenger cruise ship market 2026-2028.
- Introduce Small Ships Register.

BOARD OF DIRECTORS

The Board of the Maritime Authority of the Cayman Islands is appointed by the Governor and consists of individuals with expertise in the areas of law, financial management, national security, international shipping, corporate services and maritime affairs.

The Board has authority to delegate to any director, sub-committee or the Chief Executive Officer (CEO). Such delegation, however, does not preclude the Authority from exercising any power delegated. Thus far there are no sub-committees and the Board has chosen only to delegate the Authority's power to the CEO for engaging such officers and consultants as he or she considers necessary and on such terms and conditions as is considered appropriate within the salary scales approved by the Board.

In the absence of sub-committees, the CEO has established a Management Committee comprising the senior managers of the Authority that deals with matters that would otherwise rest with a Board-appointed sub-committee.

PROFILES OF THE DIRECTORS

Ms. Jennifer Stein – Chair (1 September 2025 – Current)

Jennifer Stein is Caymanian and was educated in Cayman, Canada and the UK. She has a BSc Hons in Medical Microbiology from Edinburgh University and a Postgraduate diploma in Law from BPP Law School in London.

Ms. Stein was a solicitor at Bristows in London and moved back to the Cayman Islands in 2009 where she worked in law and the financial services industry at Intertrust and Walkers for the past 13 years managing large teams and dealing with all aspects of corporate and legal services for Cayman investment structures. She left the financial services industry in July 2022 to pursue other interests and has joined the board of directors of Sprogs Garden Playschool handling the financial aspects of the company. Ms. Stein was appointed to the Board on 15 November 2022 and served in the capacity of Director until her appointment as Chairman on 1 September 2025.

Mr. Ian Wight – Deputy Chair (1 September 2025 – Current)

Ian Wight is a Chartered Accountant (UK) whose career spans over 50 years in that profession, having worked in London, Jersey (Channel Islands) and the Cayman Islands.

In 1980, he became the Managing Partner of Deloitte in the Cayman Islands and served in that position until retiring in 2012. He has experience in audit, consulting, and financial advisory services, where he specialised in complex, cross-border insolvency and restructuring engagements for over 30 years.

Mr. Wight was also active in Deloitte's regional structure, having been appointed as Deputy chairman of Deloitte's Offshore Working Group, Chairman of Deloitte Caribbean and Bermuda Cluster and member of the Americas Management Committee and Services Council.

Since his retirement, he has served as Chairman of Cayman Finance, as a member of the Commission to Standards in Public Life and was appointed to the Board of Directors of the Cayman Islands Monetary Authority. Mr. Wight was the previous Chair of the MACI Board (1 September 2022 – 31 August 2025) and currently serves on the Board as Deputy Chair (1 September 2025 - Current).

Ms. Caroline Barton – Deputy Chair (1 September 2022 - 31 August 2025)

Caroline Barton is a partner at Appleby in the Cayman Islands with the Corporate department and Group Head of Banking & Asset Finance, as well as Transport & Logistics.

Ms. Barton's practice areas include asset finance, corporate finance, structured finance, private equity and bond offerings. She is extensively involved in aircraft and vessel financing, subscription financing and CLOs. Ms. Barton also has vast experience in capital markets, shipping, corporate restructuring and mergers and acquisitions, especially working on the buyer side of transactions.

Ms. Barton has been recognised by Who's Who Legal with respect to Aircraft Finance, and is acknowledged as a 'Rising Star' in IFLR1000's 2020 capital markets law rankings.

In 2020, she was considered by Chambers Global to be an up-and-coming lawyer in a number of spaces, including structured finance, asset finance, debt capital markets and private equity.

She is a member of the Cayman Islands Law Society, the Law Society of England and Wales, the Cayman Islands Labour Tribunal and the Caymanian Bar Association, and a notary public registered in the Cayman Islands

Mr. Bruce Rosenblatt – Director (12 December 2023 – Current)

Bruce S. Rosenblatt, a third-generation naval architect whose family has been practicing ship design for 115 years, has spent his nearly 40-year marine industry career focused on all facets of ship design and ship design management. Mr. Rosenblatt holds a Naval Architecture and Marine Engineering degree from the University of Michigan (1983) and an Executive MBA from Pace University (1995).

The family firm, M. Rosenblatt & Son, Inc. (MR&S), was founded in 1947 jointly by his grandfather, Mandell (a prominent Yacht Designer) and father, Lester. Informally Bruce Rosenblatt began his apprenticeship in 1974 working summers at MR&S as a high school and college student. His more "formal" ship design/marine industry career began in 1983 at MR&S, where he worked in various engineering and management positions, from Naval Architect & Marine Engineer to President and COO of the 500+ person company. In 2000 MR&S was sold to AMSEC LLC where he worked as a Senior Vice President until 2008 when he founded the Naval Architecture & Marine Engineering firm, Bruce S. Rosenblatt & Associates, LLC (BSR); a smaller rebirth of the old MR&S. At BSR, Mr. Rosenblatt is President and CEO. They have offices on the east and west coasts of the United States and employ over fifty engineers and designers.

Mr. Rosenblatt holds senior positions on the boards of four different schools of naval architecture and marine engineering including Chairman of the Board of Webb Institute. He is a member of the Council of the American Bureau of Shipping, a member of the Board of the Shipbuilders Council of America, a past president of the U.S. based Society of Naval Architects & Marine Engineers and a past President of the U.K. based Royal Institution of Naval Architects, having been their first non-Brit president in their 160+ year history.

Mr. Rosenblatt is responsible for bringing to Cayman marine industry speakers, as well as two programs, subsequently funded by DART, the Sea Perch program and the Summer Engineering Academy.

Ms. Sherice Arman – Director (12 December 2024 – Current)

Sherice Arman has over 17 years of experience in the area of Corporate and Commercial law. She has a Bachelor of Arts degree in English (with Honours) and a Bachelor of Laws degree (with Honours) from the University of the West Indies and a Master of Laws degree specializing in Banking and Finance Law (with Merit) from the University College London (UCL).

Her practice areas include banking and asset finance, corporate finance, financial services regulation and capital markets. She has significant experience in mergers and acquisitions and corporate restructuring and is recognised as an expert in financial services regulation - advising on licensing and regulatory issues

relating to regulated financial institutions in the Cayman Islands including banks, insurance companies, fund administrators and trust companies.

Ms. Arman has emerged as a leader in the asset finance field and is often called upon by the Cayman Islands Shipping Registry and the Civil Aviation Authority of the Cayman Islands for collaboration and guidance.

She has been recognised in most of the major legal directories including Chambers and Partners, PLC Which Lawyer, IFLR1000 and Legal 500 who recognised her as a key advisor and a 'Leader in her Field' and more recently were quoted as saying that she is 'particularly terrific; she has particular expertise in yacht finance that is almost unique in the Western Hemisphere'.

Ms. Arman has been ranked by Chambers and Partners for a number of years, where she has been praised for her excellent client service and in-depth knowledge of banking and finance, especially asset finance. Most recently they commented that she continues to impress peers and clients with her strong banking and finance knowledge.

Mr. Bruce Smith – Director (1 January 2025 – 31 December 2025)

Mr. Smith has 38 years of continuous service with the Cayman Islands Government. On 1st November, 2023 he was appointed Director (Designate) of the Cayman Islands Customs and Border Control Service (CBC) and on 1st August, 2024, he officially assumed the position of Director. Prior to his appointment at CBC in February 2019 as Senior Deputy Director, he spent 21 years at the former HM Customs Department and 11 years with the former Department of Immigration. As Deputy Chief Immigration Officer from July, 2007 he headed the Portfolio of Border Control and on 1st December, 2014 was appointed Acting Chief Immigration Officer, a post he served faithfully in for 4 years. Currently and while working within the parameters of an agreed transition, his Portfolio includes: Intelligence, Investigations, and, Sister Islands.

He holds fast to empowering others that they too will develop and become confident and effective future leaders. He subscribes to leading by example and creating blue prints for other to follow. He is a firm believer in preserving his integrity, sharing knowledge, transparency, being accountable and the practice of good governance. He has received numerous service, supervisory and leadership awards including Civil Service recognition awards. Over the years he has served as a valuable resource on various Boards, Tribunals, Committees and Sub-Committees. He looks forward to spending his leisure time with his family.

Mr. Nigel Cleave – Director (1 September 2025 – Current)

Nigel Cleave is a Senior Maritime Industry Advisor, whose career spans 50 years in the maritime sector. Commencing his career as a navigating cadet officer with Cunard, he has held CEO positions within the global ship owning, ship management and maritime training sectors, including building a ship management business up from zero to a diverse managed fleet of 135 full technically-managed vessels.

A fellow of the Institute of Chartered Shipbrokers, he is senior advisor to the maritime, energy, fuel treatment technology, satcom, technical support services and private equity sectors.

Experienced NED and audit committee chairperson, he is a past member of the Cyprus Shipping Chamber, Marine Shipping Mutual Insurance hull club, various Classification Society Technical committees, InterManager & BIMCO Documentary committee.

Mr. Cleave also maintains a strong interest in aviation and start-ups and has been associated with the Cayman Islands Shipowners Advisory Council (CISAC) for over 20 years.

Mr. Kernilon Owens – Director (1 September 2025 – Current)

Kernilon Owens is an attorney-at-law and an infrastructure-focused electrical Chartered Engineer, registered in the U.K., with formal systems-level education and postgraduate engineering management training. He has 30+ years of experience in positions of responsibility.

He traces his lineage from Caymanian Seafarers whose ancestry includes the early settlers. After an engineering apprenticeship, in 1983, he was then awarded an engineering scholarship to attend Anglia Polytechnic University's inaugural HND degree in electronics and communications which was followed by graduate electrical engineering examinations. Subsequently, he completed the MSc Engineering Project Management degree at Lancaster University UK in 1994. He then read part-time, the LLB(Hons) degree at Huddersfield University in 2011, and completed the Professional Practice (Bar) Course at the Truman Bodden Law School in 2012. His career has been diverse, and he has represented the Cayman Islands in the sectors he has been employed within, and is now in private practice as a multidisciplinary consultant.

He gained his early experience in the telecommunications utility business, and held various technical, engineering project leadership, engineering/operational/commercial management, and senior management roles. In 2000, he commenced his Civil Service career at the CAA-CI in the regulatory role as Head of Telecommunications & Engineering, establishing the CAA's CNS section. There he gained experience in safety management systems and international relations, which segued to law studies and an attachment to the UK-CAA. At the end of four years, the CAA-CI was cited by external aviation safety auditors as having the best CNS section in the UK-OT's.

He was called to the Bar in 2015, and retired in 2022 as General Counsel from the Office of the Commissioner of Police, after senior roles in government Ministries, and previously as Head of Department at the former Office of Telecommunications (OfTel). At OfTel, he was government's Director and Chief Advisor for Telecommunications, and led the department's public safety telecommunications and broadcast radio infrastructure operations, and was a member of the National Hazard Management Council, chairing the Infrastructure Division's, Emergency Communications Committee.

Amongst his significant achievements has been his nomination as the ICAO-Deputy Task Force leader, for an international civil aviation VSAT infrastructure project planned and implemented for air-traffic control for 14 countries, spanning South Florida, the Bahamas, the Caribbean and Central America. He was also a key member of the project team for the planning, construction and management that implemented the world's first unique type of submarine fibre cable - The Cayman Jamaica Fibre System.

He is a Charter Member of the Cayman Amateur Radio Society and the Rotary Club of Cayman Sunset, and past Deputy Chair of the board of Cayman National Cultural Foundation. He is a Senior Member of the IEEE, a Member of the Institution of Engineering & Technology, is listed in Marquis' Who's Who in Science & Engineering and a recipient of the Cayman Islands' Quincentennial Award for Telecommunications Development.

Mr. A. Joel Walton, JP - MACI CEO & Ex-Officio Member

Since May 2004, Mr. Walton has been the Chief Executive Officer of the Maritime Authority of the Cayman Islands (MACI), which also owns and operates the Cayman Islands Shipping Registry. He obtained a Bachelor of Administration (Hons) degree with a specialisation in Finance from Brock University, Canada, in 1983 and an MBA with a concentration in Finance and Strategic Planning from the University of Windsor, Canada, in 1988.

Mr. Walton formerly served in the Cayman Islands Civil Service, which he joined in 1983. He held several posts, including that of Deputy Financial Secretary of the Cayman Islands, which he held for 11 years, until May 2004.

Mr. Walton has held appointments on a number of boards and committees in the Cayman Islands public and private sectors including: Chairman of the Cayman Islands Health Services Authority Board, Cayman

Company Sector Consultative Committee, Cayman Turtle Farm Board and Cayman Brac Economic Development Committee; and Deputy Chairman of the Cayman Islands Monetary Authority Board, Cayman Islands Public Service Pensions Board and Cayman Islands Stock Exchange Authority Board. Mr. Walton has also held other board appointments, including with the Caribbean Utilities Company Ltd., a Toronto Stock Exchange listed company, and with the Caribbean Development Bank.

He is currently Chairman of the MACI Executive Management Committee.

Ms. Shaunna-Lee Noble - MACI Board Secretary & Ex-Officio Member

Shaunna-Lee Noble has over 15 years of experience in Corporate Service, she is currently employed at Maples. She has Bachelor of Science degree in Finance from the University of New Orleans and Graduate Diploma in Law from BPP University. She is also a member of STEP and a Cayman Islands Notary Public.



**Maritime Authority of the
Cayman Islands
Financial Statements
For the year ended 31 December 2025**



**FINANCIAL STATEMENTS OF THE
MARITIME AUTHORITY OF THE CAYMAN ISLANDS**

For the year ended 31 December 2025

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Maritime Authority of the Cayman Islands in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)* and IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”).

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 Maritime Authority of the Cayman Islands.

We are responsible for the preparation of the Maritime Authority of the Cayman Islands financial statements and for the judgements made in them. We accept responsibility for their accuracy and integrity.

The financial statements fairly present the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity for the financial year ended 31 December 2025.

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

- completely and reliably reflect the financial transactions of the Maritime Authority of the Cayman Islands for the year ended 31 December 2025;
- fairly reflect the financial position as at 31 December 2025 and financial performance for the year ended 31 December 2025; and
- comply with the provisions of the *Public Management and Finance Act (2020 Revision)* and *IFRS Accounting Standards*.

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

Jennifer Stein
Chairperson
Maritime Authority of the Cayman Islands
30 April 2026

A. Joel Walton
CEO
Maritime Authority of the Cayman Islands
30 April 2026



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AUDITOR GENERAL'S REPORT

To the Board of Directors of the Maritime Authority of the Cayman Islands

Opinion

I have audited the financial statements of Maritime Authority of the Cayman Islands (the "Authority"), which comprise the statement of financial position as at 31 December 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 36.

In my opinion, except for the matter described in the 'Basis for Qualified Opinion', the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

For the year ended 31 December 2024, the Authority recorded sales of new build safety and surveyor fees of \$2,198,296. However, management made a debit entry of \$1,102,844 to defer amounts received in advance from customers for performance obligations satisfied over time in accordance with the Authority's accounting policy and IFRS Accounting standards. This management entry reduced the sales of new-build safety and surveyor fees reported in the statement of comprehensive income under sales of goods and services to \$1,095,452. We were unable to obtain sufficient appropriate audit evidence to determine which financial reporting period the \$1,102,844 debit entry relates to. Consequently, we were unable to determine whether any adjustment to revenue for the year ended 31 December 2024, or to retained earnings as at 1 January 2024, was necessary.

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 Authority 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 the audit evidence I have obtained is sufficient and appropriate to form the basis of my opinion. In rendering my audit opinion on the financial statements of the Authority, I have relied on the work carried out on my behalf by a public accounting firm that performed its work in accordance with International Standards on Auditing.

AUDITOR GENERAL'S REPORT (continued)

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

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

In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it 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 scepticism 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 that of one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Authority'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 Authority'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 Authority 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.

AUDITOR GENERAL'S REPORT (continued)

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.

A handwritten signature in blue ink, appearing to be 'P. O. Smith', with a stylized, flowing script.

Patrick O Smith, CPA, CFE
Auditor General

Cayman Islands

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Expressed in Cayman Islands Dollars)

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Assets			
Current assets			
Cash & cash equivalents	4	\$ 5,361,100	\$ 3,715,256
Fixed deposit	5	10,660,000	10,660,000
Trade receivables	6,15	800,123	696,099
Other receivables and prepayments	9	231,482	251,261
Total current assets		17,052,705	15,322,616
Non-current assets			
Property, plant & equipment	7	485,990	501,977
Right-of-use assets	19	1,127,793	867,191
Past service pension asset, net	12	963,000	703,000
Total non-current assets		2,576,783	2,072,168
Total assets		19,629,488	17,394,784
Equity and liabilities			
Current liabilities			
Accounts payable & accrued expenses	8	601,463	767,583
Unearned revenue	15	2,385,044	1,917,132
Lease liability	19	143,749	90,550
Employee entitlements	11	85,080	88,086
Casualty investigation fund	10	652,538	652,538
Total current liabilities		3,867,874	3,515,889
Non-current liabilities			
Lease liability	19	1,099,408	852,487
Post-retirement healthcare liability	13	4,632,000	4,770,000
Total non-current liabilities		5,731,408	5,622,487
Total liabilities		9,599,282	9,138,376
Equity			
Contributed capital	14	1,500,000	1,500,000
Retained earnings		3,016,206	2,121,408
Other comprehensive income		5,514,000	4,635,000
Total equity		10,030,206	8,256,408
Total equity and liabilities		\$ 19,629,488	\$ 17,394,784

Approved on behalf of the Board of Directors on **30 April 2026**



Chairperson, Jennifer Stein



Chief Executive Officer, A. Joel Walton

The accompanying notes form an integral part of these financial statements

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 December 2025

(Expressed in Cayman Islands Dollars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Revenue			
Sales of goods & services	15	\$ 10,594,628	\$ 9,040,347
Annual tonnage fees	15	2,106,975	2,069,667
Other operating revenue	15	602,361	571,010
Sales of goods & services - CIG	15	322,504	312,129
Total revenue		13,626,468	11,993,153
Expenses			
Personnel costs	16	5,461,040	5,136,333
Professional services	17	3,837,016	3,169,193
Other expenses	18,21	1,683,731	1,565,247
Client Development & Retention	20	851,868	792,314
Survey-related expense		556,835	488,348
Depreciation	7,19	322,940	269,492
Operating lease & utilities	19	271,267	246,745
Bad debt expense	22	158,253	131,521
Total operating expenses		13,142,950	11,799,193
Net operating profit		483,518	193,960
Finance income			
Interest income	5	411,280	427,117
Net profit		894,798	621,077
Other comprehensive income			
Items that will not be classified to profit or loss:			
Remeasurement of defined pension benefits	12	234,000	870,000
Remeasurement of post-retirement healthcare benefits	13	645,000	558,000
Total other comprehensive income		879,000	1,428,000
Total comprehensive income		\$ 1,773,798	\$ 2,049,077

The accompanying notes form an integral part of these financial statements

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CHANGES IN EQUITY
As at 31 December 2025
(Expressed in Cayman Islands Dollars)

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Other Comprehensive Income</u>	<u>Total</u>
Balance at 1 January 2024	\$ 1,500,000	\$ 1,500,331	\$ 3,207,000	\$ 6,207,331
Net operating income for the year	-	621,077	-	621,077
Other comprehensive income	-	-	1,428,000	1,428,000
Balance at 31 December 2024	<u>1,500,000</u>	<u>2,121,408</u>	<u>4,635,000</u>	<u>8,256,408</u>
Net operating income for the year	-	894,798	-	894,798
Other comprehensive income	-	-	879,000	879,000
Balance at 31 December 2025	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 3,016,206</u></u>	<u><u>\$ 5,514,000</u></u>	<u><u>\$ 10,030,206</u></u>

The accompanying notes form an integral part of these financial statements

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2025
(Expressed in Cayman Islands Dollars)

	31 December 2025	31 December 2024
Cash flows from operating activities		
Net operating profit	\$ 894,798	\$ 621,077
Adjustments for:		
Depreciation	322,940	269,492
Non-cash past service defined pension expense	(26,000)	39,000
Non-cash post-retirement healthcare expense	507,000	521,000
Interest income	(411,280)	(427,117)
Interest charge on lease liability	69,983	55,826
Net changes in non-cash working capital relating to operations		
(Increase) / decrease in trade receivables	(104,024)	359,154
Decrease / (increase) in other receivables and prepayments	15,063	(48,204)
(Increase) / decrease in accounts payable & accrued expenses	(166,120)	32,282
Increase in unearned revenue	467,912	1,162,426
Decrease in employee entitlements	(3,006)	(9,780)
Decrease in casualty investigation fund	-	(340)
Net cash flows from operating activities	1,567,266	2,574,816
Cash flows from investing activities		
Investment in fixed deposit account	-	(2,460,000)
Purchase of property, plant & equipment	(149,847)	(382,851)
Interest income received	415,996	440,053
Net cash used in investing activities	266,149	(2,402,798)
Cash flows used in financing activities		
Payment of dividend	-	(628,753)
Payment of lease liabilities	(187,571)	(133,069)
Net cash used in financing activities	(187,571)	(761,822)
Net increase in cash and cash equivalents	1,645,844	(589,804)
Cash and cash equivalents at beginning of year	3,715,256	4,305,060
Cash and cash equivalents at end of year	\$ 5,361,100	\$ 3,715,256

The accompanying notes form an integral part of these financial statements

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Expressed in Cayman Islands Dollars)

1. Organization and Objectives

Maritime Authority of the Cayman Islands ("MACI", the "Authority") is a statutory corporation formed as a separate legal entity under the Maritime Authority Act (2005) which came into effect on 1 July, 2005. The Authority is wholly-owned by the Cayman Islands Government ("CIG") and governed by a Board of Directors appointed by the Governor-in-Cabinet. MACI currently reports to the Cabinet of the Cayman Islands through the Ministry of Financial Services and Commerce; but is also responsible to the United Kingdom ("UK") Secretary of State via the UK's Department of Transport for the effective implementation of the relevant international maritime and related conventions that have been ratified by the UK Government and extended to the Cayman Islands.

The original Cayman Islands Shipping Registry ("CISR") maritime administration structure, which is the main forerunner to MACI, was first set-up in 1903 when George Town was established as a British Port of Registry. The CISR obtained British Registry Category 1 Status on 25 July 1991. The Category 1 Group of British Registries includes the UK, Bermuda, Cayman, Gibraltar, Isle of Man, and the British Virgin Islands. The CISR is now a division of MACI. However, there are a number of other critical responsibilities that have been added to the Authority. The Authority therefore combines into one body:

- i. The CISR's vessel and mortgage registration, advisory, marine survey and audit services;
- ii. The overall responsibility for implementing Cayman's maritime safety and security, marine pollution prevention and social responsibility obligations under international Conventions and Codes, and under the Cayman legislation for Cayman-flagged vessels;
- iii. The CIG delegated responsibility for the implementation of Cayman's obligations under the Caribbean Memorandum of Understanding on Port State Control for foreign-flagged vessels entering Cayman ports;
- iv. The CIG delegated responsibility for Marine Casualty Investigation activities in relation to Cayman-flagged vessels;
- v. The CIG delegated responsibility for national maritime policy formulation, the provision of advice on maritime-related matters, and the development of Cayman's maritime-related legislation;
- vi. The CIG delegated responsibility to represent the Cayman Islands at international forums and to protect its maritime interests; and
- vii. The CIG delegated responsibility to help facilitate the development of the Cayman Islands as an international maritime centre.

2. Basis of Preparation

The financial statements of MACI are prepared in accordance with IFRS® Accounting Standards using the accrual basis of accounting. These standards are issued by the International Accounting Standards Board ("IASB") and interpretations are issued by IFRS Interpretations Committee ("IFRIC"). The reporting currency is Cayman Islands Dollars ("KYD") and figures presented have not been rounded, unless otherwise stated.

The reporting period is for the year ended 31 December 2025. These financial statements provide comparative information for the year-on-year performance for MACI as at and for the year ended 31 December 2024.

3. Material Accounting Policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Going concern

The Authority's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Authority's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Expressed in Cayman Islands Dollars)

3. Material Accounting Policies (Continued)

b) Use of estimates and judgements

IFRS Accounting Standards requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods.

The key areas requiring the use of management estimates relate to the recoverability of trade receivables taking into account anticipated credit losses, the discount rate used in measuring lease liabilities on initial recognition, actual and projected service hours for external and internal surveyors in determining unearned revenue for new build safety and surveyor fees, and the measurement of the defined benefit pension and healthcare obligations. 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.

c) New and amended accounting pronouncements

There were no new accounting standards adopted in the current year that had a material effect on the financial statements of the Authority.

A number of new and revised standards and interpretations are effective for future reporting periods. None of these are expected to have a material effect on the financial statements of the Authority.

d) Financial instruments

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets in the Authority's financial statements comprise of cash and cash equivalents, a fixed deposit, trade receivables and other receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities in the Authority's financial statements comprise accounts payable, the casualty investigation fund and employee entitlements.

i) Classification

Financial assets are classified into one of three categories: amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Authority's financial assets are all classified as amortised cost.

Financial liabilities are classified as either at FVTPL or amortised cost. The Authority's financial liabilities are all classified as amortised cost.

ii) Measurement

At initial recognition, the Authority measures a financial asset at its fair value plus, in the case of financial assets not measured at FVTPL or FVOCI, transaction costs that are directly attributable to the acquisition of the financial asset. At initial recognition, the Authority measures a financial liability at its fair value less, in the case of financial liabilities not measured at FVTPL, transaction costs that are directly attributable to the financial liability. Transaction costs of financial instruments carried at FVTPL or FVOCI are expensed in the statement of comprehensive income.

Financial instruments classified at amortised cost are subsequently measured at amortised cost using the effective interest method.

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Expressed in Cayman Islands Dollars)

3. Material Accounting Policies (Continued)

d) Financial instruments (Continued)

iii) Impairment

In assessing impairment relating to financial assets, the Authority employs a simplified approach and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the lifetime expected credit losses, the Authority uses its historical loss rates, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Any impairment impact recognised during the year is recorded in the statement of comprehensive income.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. As at 31 December 2025 and 2024, there were no financial assets and financial liabilities which had offsetting arrangements.

v) De-recognition

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

e) Cash & cash equivalents

Cash and cash equivalents comprise cash, bank balances and short-term deposits, with original maturities of three months or less, held with reputable financial institutions in the Cayman Islands and United Kingdom.

f) Fixed deposit

Fixed deposits are typically short-term investments with fixed maturities greater than 3 months. They are considered to be highly liquid, subject to the terms of the deposit agreement. Fixed deposits are initially recognized at fair value and subsequently measured at amortized cost. The interest income on fixed deposits is recognized in the statement of comprehensive income on an accrual basis. Fixed deposits with a maturity of more than 12 months from the balance sheet date are classified as non-current assets, and those with a maturity of 12 months or less are classified as current assets.

g) Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to the statement of comprehensive income as they are consumed in operations or expire with the passage of time.

h) Property, plant & equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets.

Depreciation is based on the cost of an asset less its residual value. If a significant component has a useful life that is different from the remainder of the asset, that component is depreciated separately. Depreciation is charged to the statement of comprehensive income on a straight-line basis over the useful lives of each category of property, plant and equipment.

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(Expressed in Cayman Islands Dollars)

3. Material Accounting Policies (Continued)

h) Property, plant and equipment (Continued)

The estimated useful lives are as follows:

- | | |
|--------------------------|-------------|
| • Furniture and fixtures | 5 years |
| • Motor vehicles | 5 years |
| • Computer equipment | 3 – 8 years |
| • Leasehold improvements | 5 years |

The Authority assesses the carrying amounts of its property, plant and equipment for impairment whenever there is an indication that an asset may be impaired. If any such indication exists, the Authority compares the carrying amount of the asset to its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of comprehensive income.

i) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for leases of low value assets and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, including any contractual payments relating to extension options which are likely to be exercised by management. The discount rate used to determine the present value of the contractual payments is determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Authority's incremental borrowing rate on commencement of the lease is used. Generally, the Authority uses CIG's incremental borrowing rate as the discount rate. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

The lease liability is presented as a separate line in the statement of financial position. On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Authority if it is reasonably certain to assess that option
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Right-of-use assets are presented in a separate line item in the statement of financial position. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease.
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

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3. Material Accounting Policies (Continued)

i) Leases (Continued)

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, or if the Authority changes its assessment of whether it will exercise a purchase, extension or termination option.

Right-of-use assets are subsequently amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, if, this is judged to be shorter than the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

j) Accounts payable & accrued expenses

Accounts payable are amounts owed to creditors for goods or services that have been invoiced but not yet paid. Accounts payable are recorded on an accrual basis at the amount owing after allowing for credit notes and other adjustments.

Accrued expenses represent liabilities for goods or services that have been received during the reporting year but for which an invoice has not yet been received or recognised. Accrued expenses are recorded on an accrual basis based on estimates of the amount due at the end of the reporting year.

k) Revenue recognition

MACI has four main revenue streams as follows:

- Sales of goods and services
- Annual tonnage fees
- Other operating revenue
- Sales of goods & services - CIG

The nature of these revenue streams and sub-streams are detailed in Note 15.

Revenue stream	Nature of performance obligations	Satisfaction of performance obligations / recognition of revenue
Safety and surveyor fees (Sales of goods and services)	<u>Working vessels</u> Surveys of working vessels are conducted at the point at which the customer makes the request for a survey.	<u>Working vessels</u> Revenue is recognised at the point in time at which the survey is conducted, based on the Authority's published price list.
	<u>New vessels</u> Physical inspection of new vessels at the shipyard are conducted by a MACI consultant at various stages of construction, to ensure that it meets the requirements of international conventions agreed upon by members of the International Maritime Organization ("IMO"). Finalisation of a project occurs on issuance of a certificate or statement of compliance in accordance with the Red Ensign Group Yacht Code, Part A.	<u>New vessels</u> Revenue is satisfied over time based on the number of project hours incurred to date against total budgeted hours. The project duration may span multiple reporting periods.

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3. Material Accounting Policies (Continued)

k) Revenue recognition (Continued)

Revenue stream	Nature of performance obligations	Satisfaction of performance obligations / recognition of revenue
Technical compliance fees (Sales of goods and services)	The services are provided as requested by the Authority's clients.	Revenue is recognised at the point in time at which the services are provided, based on the Authority's published price list.
Vessel registration fees (Sales of goods and services)	Once the customer's application for vessel registration/deletion or mortgage registration is accepted by the Authority, the vessel/mortgage registration or deletion is processed by the Authority.	Revenue is recognised at the point at which the vessel registration/deletion or mortgage registration is processed, based on the Authority's published price list.
Annual tonnage fees	To ensure registered vessels remain on the Cayman Islands register and are allowed to carry the Cayman Islands flag on an annual basis.	Revenue is recognised over time on a straight-line basis for the 12-month period from the beginning of the year.
Other operating revenue	The services are provided as requested by the Authority's clients.	Revenue is recognised at the point in time at which the services are provided, based on the Authority's published price list.
Sales of goods and services - CIG	The outputs to be purchased by Cabinet and delivered by the Authority are specified in a purchase agreement.	Revenue is recognised at the point in time at which the services are provided, based on the price established in the purchase agreement.

Unearned revenue on the statement of financial position represents cash received from customers from revenue contracts prior to the satisfaction of the related performance obligation.

l) Expenses

Expenses are recognised when incurred on the accrual basis.

m) Employee entitlements

Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

n) Employee benefit plans

The Authority provides post-employment benefits through a defined benefit pension plan, a defined contribution pension plan, and defined benefit healthcare plans.

i. Defined benefit plans

The Authority's net obligation or asset in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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3. Material Accounting Policies (Continued)

n) Employee benefit plans (Continued)

i. Defined benefit plans (Continued)

The cost of the defined benefit plans earned by employees are actuarially determined using the projected unit credit method prorated on service and Management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees, and mortality rates. When the calculation results in a net benefit asset, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liabilities or assets, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The net interest expense on the net defined benefit liabilities or assets for the period is determined by applying the discount rates used to measure the defined benefit obligations or assets at the beginning of the annual period to the net defined benefit liabilities or assets, taking into account any changes in the net defined benefit liabilities during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in net profit or loss.

The Authority's net obligation or asset in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. To calculate the estimated amount for the pension obligation, the years of service and estimated salary upon retirement have been used.

The Authority's net obligation in respect of the healthcare plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. To calculate the estimated amount for the healthcare obligation health insurance premiums have been used.

The discount rates used to value the defined benefit obligations is based on a yield of high quality corporate bonds, in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations.

ii. Defined contribution plans

The Authority's obligations for contributions to defined contribution pension plans are recognised in the statement of comprehensive income in the periods during which services are rendered by employees.

o) Taxation

There are no taxes on income or capital gains in the Cayman Islands and the Authority has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from local taxes on all income, profits, gains and appreciations. In addition, management believes that the Authority is not subject to taxation by any other jurisdiction, including the UK. Accordingly, no provision for income taxes is included in these financial statements.

p) Foreign currency translation

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at the historical exchange rate (i.e. at the date of transaction).

q) Prior period reclassification

Certain prior period information has been reclassified to confirm with current year presentation.

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4. Cash & Cash Equivalents

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash denominated in:		
United States Dollar ("USD")	4,882,128	3,468,123
Cayman Islands Dollar ("KYD")	296,310	95,160
British Pound Sterling ("GBP")	168,675	151,220
Euro ("EUR")	13,987	753
Total cash & cash equivalents	\$ 5,361,100	\$ 3,715,256

5. Fixed Deposit

	<u>31 December 2025</u>	<u>31 December 2024</u>
Deposit denominated in:		
USD	10,660,000	10,660,000
Total fixed deposit	\$ 10,660,000	\$ 10,660,000

The certificate of deposit has a maturity date of 5 October 2026 and has an interest rate of 3.85% (2024: 3.90%). Interest income is earned from the fixed deposit investment. At 31 December 2025, interest of \$411,280 (2024: \$427,117) was earned from the fixed deposit investment.

6. Trade Receivables

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivables (Note 15, 22)	866,998	762,974
Total gross receivables	866,998	762,974
Provision for doubtful debts (Note 22)	(66,875)	(66,875)
Total trade receivables	\$ 800,123	\$ 696,099

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7. Property, Plant and Equipment

Description	Furniture and Fixtures	Computer Equipment	Motor Vehicles	Leasehold Improvements	Total PPE
Cost:					
At 1 January 2025	275,184	509,174	21,899	319,768	1,126,025
Additions	19,283	51,574	-	78,990	149,847
Disposal	-	(2,124)	-	-	(2,124)
At 31 December 2025	294,467	558,624	21,899	398,758	1,273,748
Accumulated Depreciation:					
At 1 January 2025	99,568	432,472	21,899	70,109	624,048
Depreciation	50,483	40,397	-	74,954	165,834
Disposal	-	(2,124)	-	-	(2,124)
At 31 December 2025	150,051	470,745	21,899	145,063	787,758
Net book value:					
At 31 December 2025	\$144,416	\$87,879	\$ -	\$253,695	\$485,990
Description	Furniture and Fixtures	Computer Equipment	Motor Vehicles	Leasehold Improvements	Total PPE
Cost:					
At 1 January 2024	170,708	472,614	21,899	77,953	743,174
Additions	104,476	36,560	-	241,815	382,851
At 31 December 2024	275,184	509,174	21,899	319,768	1,126,025
Accumulated Depreciation:					
At 1 January 2024	63,945	381,418	18,949	-	464,312
Depreciation	35,623	51,054	2,950	70,109	159,736
At 31 December 2024	99,568	432,472	21,899	70,109	624,048
Net book value:					
At 31 December 2024	\$175,616	\$76,702	\$ -	\$249,659	\$501,977

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8. Accounts Payable & Accrued Expenses

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade creditors	13,769	246,655
Accrued expenses	71,287	432,718
Other payables	516,407	88,210
Total accounts payable & accrued expenses	\$ 601,463	\$ 767,583

9. Other Receivables and Prepayments

	<u>31 December 2025</u>	<u>31 December 2024</u>
Recovery deposits	10,276	10,276
Other receivables	-	41,981
Interest receivable – Fixed deposit	98,934	103,650
Prepayments	122,272	95,354
Total other receivables and prepayments	\$ 231,482	\$ 251,261

10. Casualty Investigation Fund

The CIG through the Authority, is responsible, under international convention requirements and the Merchant Shipping Act (2016 Revision), for investigating marine casualties involving Cayman ships and foreign ships in Cayman waters. The purpose of such investigations is to establish the causes so that lessons may be learned in preventing any recurrence. MACI promulgates the results of an investigation within the wider shipping industry so that all may be aware of the lessons learned and any preventative actions recommended. Casualty investigations can also be viewed as another tool for measuring the standards to which Cayman ships are operating.

During the period from 1 July 2015 to 30 June 2016, MACI created a sinking fund designated for carrying out casualty investigations on board Cayman-registered vessels. The fund has a balance as at 31 December 2025 of \$652,538 (2024: \$652,538), of which the full amount forms part of MACI's cash balance of \$5,361,100 (2024: \$3,715,256). No amounts were expended from the fund during the year (2024: \$nil). Management will transfer the balance of this fund to the Cayman Islands Government upon a mutually agreed date. Meanwhile, the fund is available for disbursements should the need occur in the event of a casualty.

11. Employee Entitlements

	<u>31 December 2025</u>	<u>31 December 2024</u>
Leave entitlement		
Executive committee members	22,748	27,482
Management committee members	49,193	51,922
Administration	13,139	8,682
Total employee entitlements	\$ 85,080	\$ 88,086

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12. Past Service Pension Asset, Net

MACI provides defined contribution and defined benefit pension schemes to its employees depending on the employees start date of service. The pension obligation relates to the defined benefit scheme only.

Defined Benefit Scheme

Pension contributions are paid for eligible employees of MACI to the Public Service Pensions Fund (the "Fund"). The Fund is administered by the Public Service Pension Board (the "PSPB") and is operated as a multi-employer contributory fund. Prior to 1 January 2000 the scheme underlying the Fund was a defined benefit scheme.

The Public Service Pensions Act, 1999 re-organised existing public service pension provisions into separate defined benefit and defined contribution schemes with effect from 1 January 2000. Only employees who were enrolled in the former public service pension scheme at that date were permitted to join the revised defined benefit scheme. The cut-off date for admission to the defined benefit scheme was later extended to 31 December 1999.

With effect from 1 January 2005, the PSPB mandated a transfer of obligation for retiring participants, along with a matching notional transfer of assets, be made from the non-Central Government Employer to the Central Government. This decision was made to alleviate the administrative burden of allocating portions of each month's benefit payment to relevant members.

This past service funding liability, which is generally equivalent to the actuarially determined present value of the defined benefit obligations less the value of the assets available to meet such obligations, is calculated periodically by the plan actuaries and reported to the Authority.

The schemes are valued by independent actuaries and there have been no changes to the actuarial methods. No curtailment or settlement occurred during the year. The latest estimate was done as at 31 December 2025 which reflected the net pension asset of \$963,000 (2024: \$703,000). As of 31 December 2025, the number of active employees entitled to the above pension obligation was 6 (2024: 6). Out of the 6 active employees, 3 (2024: 3) are personnel in the Executive Management Team.

Defined Contribution Scheme

Cayman employees who are not eligible for the Public Service Pensions Fund are enrolled in an approved local defined contribution pension plan with Silver Thatch Pensions. During the year ended 31 December 2025, the Authority and its employees contributed 5% and 5% respectively. The total employees enrolled in the defined contribution scheme is 22 (2024: 22). UK based employees are entitled to join the Authority's designated pension scheme, but the Authority is not required by law to contribute to the scheme. The total amount recognised as employer contributions for the year ended 31 December 2025 was \$188,406 (2024: \$100,780) to the defined contribution pension plan. This amount is included in personnel costs in the statement of comprehensive income.

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12. Past Service Pension Asset, Net

<u>A. Defined Benefit (Asset)/Liability and Pension Expense Reconciliation</u>	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
	<u>\$000</u>	<u>\$000</u>
Amounts recognized in the statement of financial position:		
Defined benefit obligation	2,587	2,751
Fair value of plan assets	(3,550)	(3,454)
Net defined benefit asset at end of year	(963)	(703)
Roll forward of defined benefit obligation:	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
	<u>\$000</u>	<u>\$000</u>
Net (asset)/liability at the beginning of the year	(703)	128
Defined benefit cost included in profit or loss	46	162
Remeasurement included in other comprehensive income	(234)	(870)
Employer contributions	(72)	(123)
Net defined benefit asset at end of year	(963)	(703)
Components of defined benefit cost for the year:	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
	<u>\$000</u>	<u>\$000</u>
Current service cost	87	158
Interest expense	150	204
Interest income on plan assets	(191)	(200)
Defined benefit cost included in operating profit	46	162
Remeasurement Included in other comprehensive income ("OCI"):	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
	<u>\$000</u>	<u>\$000</u>
Financial assumptions change	63	(376)
Plan experience	65	(139)
Return on plan assets	(362)	(355)
Total remeasurement included in OCI	(234)	(870)

The distribution of the plan assets based on the share of the total fund allocated to the Authority was as follows:

	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
Global equity securities	67%	78%
Debt securities	24%	18%
Real estate	4%	-%
Infrastructure	4%	3%
Cash and receivables	1%	1%

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12. Past Service Pension Asset, Net (Continued)

	Year ended 31 December 2025	Year ended 31 December 2024
<u>B. Change in defined benefit obligation</u>	\$000	\$000
Liability at the beginning of the year	2,751	3,993
Defined benefit cost included in net operating profit	237	362
Benefit payments from plan assets	(191)	(270)
Transfer between other participating employers	(368)	(852)
Remeasurement included in other comprehensive income	128	(515)
Participant contributions	30	33
Liability at the end of the year	2,587	2,751
	Year ended 31 December 2025	Year ended 31 December 2024
<u>C. Defined benefit obligation by participant type</u>	\$000	\$000
a. Actives	2,560	2,725
b. Vested deferreds	27	26
c. Retirees	-	-
Total	2,587	2,751
	Year ended 31 December 2025	Year ended 31 December 2024
<u>D. Change in fair value</u>	\$000	\$000
Fair value plan assets at beginning of year	3,454	3,865
Interest income included in net operating profit	191	200
Return on plan assets included in other comprehensive income	362	355
<u>Cash flows</u>		
Benefit payments from plan assets	(191)	(270)
Transfer between other participating employers	(368)	(852)
Employer contributions	72	123
Participant contributions	30	33
Fair value plan assets at end of year	3,550	3,454
	Year ended 31 December 2025	Year ended 31 December 2024
<u>E. Sensitivity analysis on the defined benefit obligation:</u>	\$000	\$000
1. Discount rate		
a. Discount rate - 25 basis points	2,694	2,865
b. Discount rate + 25 basis points	2,486	2,644
2. Inflation rate		
a. Inflation rate - 25 basis points	2,531	2,645
b. Inflation rate + 25 basis points	2,645	2,864
3. Mortality		
a. Mortality - 10% of current rates	2,632	2,797
b. Mortality + 10% of current rates	2,545	2,709

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12. Past Service Pension Asset, Net (Continued)

F. Expected cash flow for the following year:

	Year ended 31 December 2025	Year ended 31 December 2024
	\$000	\$000
Expected employer contributions	54	83

G. Significant actuarial assumptions applicable to the defined benefit obligation:

	Year ended 31 December 2025	Year ended 31 December 2024
Weighted-average assumptions to determine benefit obligations		
1. Discount rate	5.65%	5.75%
2. Rate of salary increase	3% in 2026, 6.5% in 2027, 2.5% thereafter	5% in 2025, 4% in 2026, 3% thereafter
3. Rate of price inflation	3.1% in 2026, 2.4% in 2027, 2.2% thereafter	2.90% in 2025, 2.5% in 2026, 2.2% in 2027 and 2% thereafter
4. Rate of pension increases	3.1% in 2026, 2.4% in 2027, 2.2% thereafter	2.90% in 2025, 2.5% in 2026, 2.2% in 2027 and 2% thereafter
5. Post-retirement mortality table	100% RP-2014 generationally using Scale MP-2021	100% RP-2014 generationally using Scale MP-2021
6. Cost Method	Projected Unit Credit	Projected Unit Credit
7. Asset valuation method	Market Value	Market Value

Weighted-average assumptions to determine defined benefit cost

1. Effective rate for net interest cost	5.45%	5.10%
2. Effective discount rate for service cost	5.80%	5.10%
3. Effective rate for interest on service cost	5.65%	5.15%
4. Rate of salary increase	3% in 2026, 6.5% in 2027, 2.5% thereafter	4% in 2024 and 3.7% thereafter
5. Rate of price inflation	3.1% in 2026, 2.4% in 2027, 2.2% thereafter	2.50% in 2025, 2.4% in 2026, 2% thereafter
6. Rate of pension increases	3.1% in 2026, 2.4% in 2027, 2.2% thereafter	2.50% in 2025, 2.4% in 2026, 2% thereafter
7. Mortality assumption	100% RP-2014 generationally using Scale MP-2021	100% RP-2014 generationally using Scale MP-2021

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12. Past Service Pension Asset, Net (Continued)

G. Significant actuarial assumptions applicable to the defined benefit obligation: (Continued)

<i>Turnover Rates at sample ages:</i>			<i>Retirement Rates:</i>	
31 December 2025 and 2024			31 December 2025 and 2024	
Age	Males	Females	Age	Rate
20	7.50%	12.50%	Below 55	0%
25	5.00%	12.50%	55 - 59	8%
30	3.50%	7.50%	60-64	15%
35	2.50%	4.50%	65	100%
40	1.50%	2.50%		
45	0.50%	0.50%		
50	0.00%	0.00%		

There have been no changes in actuarial assumptions since the prior valuation other than the changes to the principal assumptions shown in the tables above.

13. Post Retirement Health Insurance Obligation

The Authority recognizes 100% of the employees' post-retirement healthcare benefits liability earned to date to qualified participants. To be eligible for post-retirement healthcare program, an employee must meet the following criteria:

- MACI's transition period – for participants who transferred from CIG to MACI on 1 July 2005, retirement age is 60 (2024: 60) with 10 years of continued service.
- For the remaining participants - retirement age is 65 (2024: 65) with 10-30 years of continuous service at time of retirement at MACI.

As of 31 December 2025, the number of active employees entitled to the above healthcare plan was 22 (2024: 25) plus 6 retired (2024: 4). The premiums for this health insurance coverage are paid for by the Authority for eligible retirees until the end of their lives. This coverage falls within the definition of a defined benefit and as such, represents a future liability.

The Authority is required to use the actuarial valuation method to determine the present value of its post- retirement healthcare obligations for former employees as well as future retirees and the related current service costs. The most recent actuarial valuation for IAS 19 reporting was conducted in April 2026 using data as at 31 December 2025.

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13. Post Retirement Health Insurance Obligation (Continued)

<u>A. Healthcare Expense and Reconciliation of Post-retirement Healthcare Liability</u>	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
	<u>\$000</u>	<u>\$000</u>
Amounts recognized in the statement of financial position:		
Post-retirement healthcare obligation	4,632	4,770
Fair value of plan assets	-	-
Net defined benefit liability at end of year	<u>4,632</u>	<u>4,770</u>
Roll forward of Post-retirement Healthcare Liability		
Liability at the beginning of the year	4,770	4,807
Defined benefit cost included in profit or loss	547	558
Effect of plan amendment	-	-
Remeasurement included in other comprehensive income	(645)	(558)
Benefit payments	(40)	(37)
Liability at end of year	<u>4,632</u>	<u>4,770</u>
Employer contributions to plan assets were in the form of direct benefit payments to retired members amounting to \$40,000 (2024: \$37,000).		
Components of defined benefit cost for the year		
Current service cost	283	313
Total net interest cost	264	245
Retirement age change	-	-
Defined benefit cost included in net operating profit	<u>547</u>	<u>558</u>
Remeasurement Included in OCI:		
Demographic assumptions change	(1,463)	-
Financial assumptions change	909	(495)
Plan experience	(91)	(63)
Total remeasurement included in OCI	<u>(645)</u>	<u>(558)</u>
<u>B. Defined benefit obligation by participant status</u>	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
	<u>\$000</u>	<u>\$000</u>
a. Actives	2,291	2,636
b. Vested deferreds	-	-
c. Retirees	2,341	2,134
Total	<u>4,632</u>	<u>4,770</u>

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13. Post Retirement Health Insurance Obligation (Continued)

	Year ended 31 December 2025	Year ended 31 December 2024
<u>C. Significant actuarial assumptions:</u>		
Weighted-average assumptions to determine benefit obligations		
1. Discount rate	5.85%	5.80%
2. Immediate trend rate	7.22%	5.15%
3. Ultimate trend rate	4.00%	4.00%
4. Year rate reaches ultimate trend rate	2048	2045
	RP-2014 projected using Scale MP-2021	RP-2014 projected using Scale MP-2021
5. Mortality assumption		
Weighted-average assumptions to determine defined benefit cost		
6. Effective discount rate	5.80%	5.15%
7. Effective rate for interest cost	5.60%	5.15%
8. Effective discount for service cost	5.85%	5.10%
9. Effective rate for interest on service cost	5.85%	5.15%
Healthcare costs		
10. Immediate trend rate	5.15%	5.19%
11. Ultimate trend rate	4.00%	4.00%
12. Year rate reaches ultimate trend rate	2045	2045
	RP-2014 projected using Scale MP-2021	RP-2014 projected using Scale MP-2021
13. Mortality table		
<u>D. Sensitivity analysis on defined benefit obligation:</u>	Year ended 31 December 2025 \$000	Year ended 31 December 2024 \$000
1. Discount rate		
a. Discount rate - 25 basis points	167	172
b. Discount rate + 25 basis points	(159)	(164)
2. Health care cost trend rates		
a. Health care cost trend rates - 100 basis points	(520)	(473)
b. Health care cost trend rates + 100 basis points	607	527
3. Mortality		
a. Mortality + 10% of current rates	(128)	(127)
<u>E. Expected cash flow for the following year:</u>	Year ended 31 December 2025 \$000	Year ended 31 December 2024 \$000
Expected employer contributions	109	109
Expected total benefit payments: Year 1	109	109
Expected total benefit payments: Year 2	149	127
Expected total benefit payments: Year 3	165	144
Expected total benefit payments: Year 4	181	169
Expected total benefit payments: Year 5	202	189
Expected total benefit payments: Next 5 years	1,498	1,443

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14. Contributed Capital

The Authority's contributed capital represents cumulative funds injected by the Cayman Islands Government. The authorised capital of MACI as at 31 December 2025 is \$1,500,000 (2024: \$1,500,000) and CIG is the sole subscriber. The Cabinet of the CIG has fulfilled its commitment of contributed capital to MACI of the required \$1,500,000, having contributed all capital injections to date.

The Authority is required to comply with the Public Authorities Act, (2020 Revision), (the "PAA").

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 and Economic Development ("the Ministry") after consultation with the Authority's Board. Based on past practice, the Authority 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: \$nil). Going forward, the Authority may be required to pay a capital charge in accordance with the PAA for future equity investments by the Government.

Section 39(2) of the PAA requires that any surplus cash exceeding three months' reserve should be paid to the Cayman Islands Government, unless directed otherwise by Cabinet, after consultation with the Authority's Board. In prior years, Cabinet has exempted public authorities from paying over surplus cash reserves and the Authority expects that a similar exemption will be made in respect of its surplus cash reserves as at 31 December 2025.

Under Section 39(3) of the PAA, the Authority is required to pay dividends in accordance with the formula established by the Ministry after written consultation with the Authority's Board, unless otherwise directed by Cabinet. The Authority has calculated and provided for a dividend of \$nil for the year ended 31 December 2025 (2024: \$nil). During the year ended 31 December 2024, the Authority paid \$628,753 to the Cayman Islands Government in respect of dividends accrued for the year ended 31 December 2023.

15. Revenue from Contracts with Customers

MACI has four main revenues streams as follows:

Revenue	Year ended 31 December 2025	Year ended 31 December 2024
Sales of goods and services	10,594,628	9,040,347
Annual tonnage fees	2,106,975	2,069,667
Other operating revenue	602,361	571,010
Sales of goods & services - CIG	322,504	312,129
Total revenue	\$ 13,626,468	\$ 11,993,153

A. Sales of goods and services

	Year ended 31 December 2025	Year ended 31 December 2024
Safety and surveyor fees	7,902,958	6,430,961
Technical compliance fees	1,189,405	1,221,009
Vessel registration fees	1,423,941	1,306,412
Safety and surveyor recoverable fees	78,324	81,965
Total sales of goods and services	\$ 10,594,628	\$ 9,040,347

i. Safety and surveyor fees

As a Category 1 British Registry, the Cayman Islands is authorised to certify all sizes and types of vessels. The survey and audit certification requirements for Cayman-registered ships are based on international conventions which are given effect through Cayman legislation.

Additionally, these survey and audit requirements are also guided by policies and procedures agreed among the members of the British Registers.

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15. Revenue from Contracts with Customers (Continued)

A. Sales of goods and services (Continued)

i. Safety and surveyor fees (Continued)

Included in safety and surveyor fees is revenue of \$2,394,681 (2024: \$1,095,452) for safety and surveyor fees for new build vessels. In years prior to 31 December 2024, the Authority had not recorded this revenue in accordance with the Authority's accounting policies or IFRS Accounting Standards. For the year ended 31 December 2024 the revenue was corrected to comply with the Authority's accounting policies and IFRS Accounting Standards. This resulted in a one-off reduction to revenue for the year ended 31 December 2024 of \$1,102,844 and a corresponding increase in unearned revenue at 31 December 2024.

ii. Safety and surveyor recoverable fees

Safety and survey recoverable fees and expenses are covered in Shipping Notice No. 01/2018 (effective 1 March 2018), section 5.1. Where a fee is determined by the amount of work involved, the amount to be charged shall be calculated by taking into account the amount of time spent, both in office and out of office, on the service, or other relevant activity, including, where applicable:

- Travelling time between the office and the location of or a localised base for a ship or shore establishment involved, subject to a maximum charge of sixteen hours for any one visit;
- The cost of return transport between the office and the location of the ship or shore establishment involved and any costs incidental thereto;
- The cost of local travel between a localised base and the ship or shore establishment involved;
- The cost of accommodation and subsistence for the persons undertaking the work; and
- Any additional costs incurred in relation to the work involved, including reasonable out of pocket expenses.

iii. Technical compliance fees

These services include the below:

- **Endorsements** - Crew members of Cayman-registered vessels may hold any nationality or residency. They must be holders of certificates of competency issued by one of the countries recognised by Cayman and for which, where appropriate, MACI issues endorsements attesting to the recognition of such certificates.
- **Seaman's Discharge Book ("SDB")** – This is a seafarer's official record of service and current employment status. A bona-fide seafarer on a Cayman Islands-registered vessel, including yachts, is eligible to be issued with a Cayman SDB.
- **Minimum Safe Manning** – Cayman issues a Minimum Safe Manning Document under provisions of Chapter V (Safety of Navigation) of Safety of Life at Sea, 1974 ("SOLAS") as amended to all ships to which Chapter 1 of SOLAS applies. This ensures that all vessels are sufficiently, efficiently and safely manned with properly trained and certified personnel.

iv. Vessel registration fees

MACI offers five types of vessel registration: full, interim, provisional, under construction and demise (bareboat) charter. MACI also offers several vessel ownership structures, ranging from individual ownership through to a choice of corporate ownership options.

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15. Revenue from Contracts with Customers (Continued)

B. Annual tonnage fees

Annual tonnage fees were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Flag state compliance fee	313,240	328,410
Tonnage fees - ships	329,409	371,917
Tonnage fees - yachts	1,449,976	1,354,416
Tonnage fees - local vessels	14,350	14,924
Total annual fees	\$ 2,106,975	\$ 2,069,667

The term 'tonnage' relates to the internal volume of the ship. As a measure of the cargo-carrying capacity, it relates directly to the earning capacity of the ship and accordingly port dues are charged according to the tonnage. Based on the same principle, the Authority collects an annual fee based on the tonnage of the ship.

C. Other operating revenue

Other operating revenue relates to revenue earned from various sources are summarised in the table below:

	Year ended 31 December 2025	Year ended 31 December 2024
Professional service fees	311,532	283,596
Vessel books and products	99,387	106,652
Loss on foreign exchange	(8,531)	(18,803)
Communication and courier fees	42,726	38,592
Other fees (including 1% late fee)	199,537	214,591
Revenue refunds and reversals	(43,702)	(68,773)
Gain on sale of asset	1,412	15,155
Total other operating revenue	\$ 602,361	\$ 571,010

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15. Revenue from Contracts with Customers (continued)

D. Sales of goods and services - Cayman Islands Government

MACI operates on a fee for service basis with the CIG. The annual purchase agreement sets out the service which the Authority agrees to deliver to CIG based on quantity, quality, location and cost of services. These fees form part of the overall Authority revenue stream which equates to 2.4% for the year ended 31 December 2025 (2024: 2.6%). The full amount of the purchase agreement is treated as income in the year which it is earned.

During this financial year, the annual purchase agreement was \$332,633 (2024: \$332,633) and the Authority provided services for a value of \$322,504 (2024: \$312,129).

	Year ended 31 December 2025	Year ended 31 December 2024
Policy advice to CIG	322,504	312,129
Total sales of goods and services to CIG	\$ 322,504	\$ 312,129

Contract balances

The following table provides information about receivables and unearned revenues from contracts with customers as of 31 December 2025 and 2024.

	Year ended 31 December 2025	Year ended 31 December 2024
Gross trade receivables (Note 6)	\$ 866,998	\$ 762,974
Unearned revenues	\$ 2,385,044	\$ 1,917,132

At 31 December 2025 the balance of unearned revenue was \$2,385,044 (2024: 1,917,132), of which \$1,624,633 (2024: \$1,234,383) is expected to be earned within the next 12 months and \$760,411 (2024: \$682,749) is estimated to be earned over the next 2-3 years for unearned revenue in relation to new build vessel safety and surveyor fees.

16. Personnel Costs

	Year ended 31 December 2025	Year ended 31 December 2024
Salaries and wages	3,237,822	3,223,347
Defined benefit post-retirement healthcare cost (Note 13)	547,000	558,000
Healthcare insurance expense	362,176	300,620
Other personnel costs	430,060	361,315
Other pension expenses	410,376	161,219
Employee performance reward programme	430,612	362,568
Defined benefit pension cost (Note 12)	46,000	162,000
Movement in annual leave provision	(3,006)	7,264
Total personnel cost	\$ 5,461,040	\$ 5,136,333

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17. Professional Services

	Year ended 31 December 2025	Year ended 31 December 2024
Professional fees - surveys	2,158,489	1,728,978
Professional fees - consultants	1,554,965	1,345,926
Other professional costs	123,562	94,289
Total professional services	\$ 3,837,016	\$ 3,169,193

18. Other Expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Maintenance	639,415	614,633
General and administration services	717,558	719,109
Bank fees	164,839	157,624
Insurance	91,934	18,055
Finance charges	69,985	55,826
Total other expense	\$ 1,683,731	\$ 1,565,247

19. Lease Obligations and Utilities

During the year ended 31 December 2023, the Authority entered into a five-year lease for its Grand Cayman office. The lease included a five-year extension option, which was not included in the initial recognition of the lease liability and right-of-use asset as it was not reasonably certain at inception that the extension option would be exercised. During the year ended 31 December 2024, management determined that it was reasonably certain that the lease term would be extended for a further five years. The reassessment of the lease term triggered a remeasurement of the lease liability and right-of-use asset in order to include the extended lease term. On 1 March 2025, the Authority entered into a new office lease for additional contiguous space to the Harbour Walk office premises.

During the year ended 31 December 2022, the Authority entered into a ten-year lease agreement for its Southampton office, in the United Kingdom. On 1 March 2024, the Authority entered into a new office lease for the Southampton office in addition to the existing lease.

Set out below is the carrying amount of the right-of-use assets and the movements during the years ended 31 December 2025 and 2024:

	Year ended 31 December 2025	Year ended 31 December 2024
Beginning balance	867,191	501,392
Additions in the year	417,708	84,212
Lease remeasurement	-	391,343
Depreciation	(157,106)	(109,756)
Closing balance	\$ 1,127,793	\$ 867,191

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19. Lease Obligations and Utilities (Continued)

Set out below are the carrying amounts of the lease liabilities and the movements during the years ended 31 December 2025 and 2024:

	Year ended 31 December 2025	Year ended 31 December 2024
Beginning balance	943,037	544,725
Additions in the year	417,708	84,212
Lease remeasurement	-	391,343
Interest expense	69,983	55,826
Lease payments	(187,571)	(133,069)
Ending balance	1,243,157	943,037
Less: current portion	(143,749)	(90,550)
Non-current portion	\$ 1,099,408	\$ 852,487

The maturity analysis (contractual undiscounted cash flows) of the lease liabilities is disclosed below. Undiscounted cash flow for the Southampton office are payable in GBP and are translated into KYD at the year-end spot rate of 1.08 at 31 December 2025 (2024: 1.02).

	Year ended 31 December 2025	Year ended 31 December 2024
Within one year	139,208	137,182
One to five years	890,521	735,238
More than five years	213,428	70,617
Total	\$ 1,243,157	\$ 943,037

The total amount expensed directly to the statement of comprehensive income from the leases that are not recognised in accordance with the exemptions of IFRS 16 is summarised below:

	Year ended 31 December 2025	Year ended 31 December 2024
Lease of sites or buildings	198,964	148,211
Utilities and communication costs	71,213	97,320
Lease of equipment (I&T)	1,090	1,214
Total operating lease and utilities	\$ 271,267	\$ 246,745

20. Client Development & Retention

In order to maintain and promote the flags services amongst our competitors, MACI participates in various business development industry events, including exhibits at major shipping shows/conferences and participates in various forums. In the global maritime industry, to maintain good client relations, various follow up and site meetings are required. All official travel and entertainment are fully paid from MACI's revenues. MACI does partner with key sponsors to co-share exhibits where possible.

	Year ended 31 December 2025	Year ended 31 December 2024
Business development	\$ 495,043	\$ 437,730
Official travel	317,774	273,332
Entertainment	39,051	81,252
Total client development & retention	\$ 851,868	\$ 792,314

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21. Related Party Transactions

A. Individuals with significant influence

The Board of Directors ("Board") of MACI is appointed by the Governor and Cabinet and consists of the Chief Executive Officer ("CEO"), Secretary to the Board as ex-officio members, and as at 31 December 2025, Seven (2024: Seven) directors. The fees of \$44,873 (2024: \$38,949) included in other expenses in the statement of comprehensive income relates to payments made to the Directors and Secretary to the Board.

	Year ended 31 December 2025	Year ended 31 December 2024
Directors' fees	10,114	14,688
Directors' travel, accommodation & meals	34,759	24,261
Total directors' expenses	\$ 44,873	\$ 38,949

For the purpose of IAS 24 disclosure, the following are significant related party transactions:

- i. An employee of MACI is a close family member to a Director of MACI's Board. This employee has been employed by MACI for a number of years, whereas the Director's appointment was more recent. The employee earns an approved MACI annual salary and has no decision-making authority.

Apart from the disclosed information, there are no other significant related party transactions.

For the purpose of IAS 24 disclosure, the CEO is included in the number and cost of the Executive Management Team. The total number of personnel in the Executive Management Team for the year ended 31 December 2025 was 5 (2024: 4) and salaries and other short-term benefits expensed were \$997,551 (2024: \$817,461) and 3 (2024: 3) of the executives participated in the long-term benefits obligation.

B. Entities with common control

The following Government department/entities provided services to MACI during 2025 and 2024 with amounts being expensed:

	Year ended 31 December 2025	Year ended 31 December 2024
i. Treasury Department	\$ -	\$ 633,322
ii. University College of the Cayman Islands	1,235	1,025
iii. Cayman Islands Government London office	119,615	142,041
iv. Computer Services Department (post-election July 2017 onwards)	-	69,415
v. Ministry of Employment and Border Control (formerly Immigration Department)	-	25,800
vi. Counselling Services Department	960	400
vii. Cayman Islands Government	55,857	-
viii. Ministry of Finance and Economic Development	54,003	5,892
ix. Public Service Pensions Board (post-election July 2017 onwards)	154,514	227,333
x. Office of the Auditor General	16,550	11,625
xi. Cayman Islands Civil Service Association	350	420

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21. Related Party Transactions (Continued)

B. Entities with common control (Continued)

	Year ended 31 December 2025	Year ended 31 December 2024
xii. Postal Service	250	-
xiii. National Gallery of the Cayman Islands	-	5,000
xiv. Cayman Islands Government Portfolio of Legal Affairs Administration	639	-
xv. National Trust for the Cayman Islands	3,000	-
xvi. Amounts due from Cayman Islands Government	18,559	-
xvii. Cayman Islands Government Investment IISD	70,193	-
xviii. Portfolio of Civil Service	4,153	-
xix. Cayman Islands Health Services Authority	625	-
xx. Rosina & Partners S.r.l.	46,291	-
xxi. Ministry of Financial Services, Commerce and Environment	34,015	22,759

Under the Policy for the Payment of Annual Dividends by Statutory Authorities and Government Companies, the Authority is required to assess whether a dividend is payable to the Ministry of Finance & Economic Development on an annual basis. For the year ended 31 December 2025, management have concluded that a dividend is payable in the amount of \$nil (2024: \$ nil).

22. Financial Instruments

MACI's operating activities expose it to various types of financial risks that are associated with the financial instruments and markets in which it invests. These financial risks include credit and counterparty risk, liquidity risk, fair value and market risk (including currency risk and interest rate risk). The Authority's overall risk management program focuses on minimising potential adverse effects on the Authority's operations resulting from these financial risks. The exposure to, and management of these risks are summarized below.

A. Credit and counterparty risk

Credit and counterparty risk is that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially expose MACI to credit risk consist primarily of cash and cash equivalents, fixed deposit, and trade receivables.

Trade receivables and contract assets

MACI's trade receivables do not contain any financing components. In accordance with IFRS 9, MACI calculates impairment allowances based on default rates.

MACI's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

MACI does not require collateral in respect of trade receivables. MACI does not have trade receivable and contract assets for which no loss allowance is recognized because of collateral.

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22. Financial Instruments (Continued)

A. Credit and counterparty risk (Continued)

Trade receivables and contract assets (Continued)

MACI limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including their geographic location, industry, trading history with the Authority and existence of previous financial difficulties.

The Authority's policy is to provide for an allowance for credit losses based on expected credit losses on both the total trade receivables balance as well as specifically identified outstanding trade receivables based on the age and assessed collectability of receivables.

Expected credit loss assessment

MACI uses an allowance matrix to measure the ECLs of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024.

Age of accounts receivable	% Loss	<u>31 December 2025</u>	% Loss	<u>31 December 2024</u>
Current	2%	440,082	4%	473,316
31-60 days past due	5%	175,433	11%	148,190
61-90 days past due	14%	100,582	27%	70,653
Over 91 days past due	27%	150,901	50%	70,815
Total		<u>\$ 866,998</u>		<u>\$ 762,974</u>

Loss rates are based on actual credit loss experience over the past year. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and MACI's view of economic conditions over the expected lives of the receivables.

The movement in the allowance for credit losses in respect of trade receivables and contract assets during the year was as follows:

<u>Movement in allowance for credit losses</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at beginning of year	66,875	66,875
Amounts written off as uncollectible	(158,253)	(131,521)
Movement in allowance for credit losses	158,253	131,521
Balance at end of year	<u>\$ 66,875</u>	<u>\$ 66,875</u>

The reduction in the amount of trade receivables and the corresponding reduction in the impairment loss allowance during the year ended 31 December 2025 was due to the write-off of \$158,253 (2024: \$131,521) in bad debts. The bad debt expense for the year ended 31 December 2025 was \$158,253 (2024: \$131,521).

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22. Financial Instruments (Continued)

A. Credit and counterparty risk (Continued)

Cash and cash equivalents and fixed deposit

MACI mitigates its exposure to credit risk by placing cash with major international institutions.

MACI considers that its cash and cash equivalents and fixed deposit have low credit risk based on the external credit ratings of its counterparties and therefore management has not recorded an allowance for expected credit losses on these financial assets.

B. Liquidity risk

Liquidity risk is the risk that MACI will encounter difficulty in meeting obligations associated with financial liabilities.

MACI's primary financial liabilities are accounts payable, past service pension liabilities, post-retirement healthcare liabilities and casualty investigation liabilities. MACI monitors current assets and liabilities to ensure that it has sufficient liquid assets to be able to meet its future expected cash outflows.

C. Fair Value

The carrying amount of financial assets and financial liabilities held by MACI approximated their fair value as at 31 December 2025 and 2024 due to the short term maturities of these assets and liabilities. The fair value of these assets and liabilities are not materially different from the carrying amounts.

D. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for MACI comprises two types of risk: currency risk and interest rate risk. The Authority is not exposed to any other market risks.

i. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. MACI receives revenue in Euro, GBP, USD and KYD. Expenses are also paid in GBP, USD and KYD. The exchange rate between KYD and USD is fixed. However, since the exchange rates are variable between KYD, the Euro, and GBP, the Authority is exposed to foreign currency risk. The impact of any fluctuation of foreign currencies would not have a material effect on MACI's net income and comprehensive income. As such, no currency risk sensitivity analysis has been prepared.

ii. Interest rate risk

The Authority is exposed to interest rate risk primarily on its fixed deposit and its defined benefit retirement obligations. A change in interest rates will effect the amount of interest income the Authority earns on its fixed deposit. Management does not consider this to present a significant risk in the short term as it is held on fixed rate of interest over a 12-month term.

Changes in interest rates will impact on the defined benefit retirement obligations effecting the fair value of defined benefit pension scheme assets and interest income, as well as the interest expense charged in the year on the defined benefit retirement obligations. The impact of changes in interest rates on the defined benefit retirement obligations is presented in Note 12 and Note 13 to the financial statements.

The nature of the Authority's exposures to interest rate risk and its objectives, policies and processes for managing interest rate risk have not changed significantly from the prior year.

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23. Subsequent Events

Management has evaluated subsequent events through 30 April 2026, the date the financial statements were available to be issued and have determined that no other subsequent events have occurred that would require recognition or additional disclosures in these financial statements, except for below.

On 30 April 2026, the Board of Directors approved setting aside an amount equal to the post-retirement healthcare liability as a ring-fenced reserve within equity. The reserve remains subject to the final approval of the Financial Secretary and, if approved, will first be reflected in the year ended 31 December 2026.

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