Ministry of Social Development & Innovation
Cayman Islands Government

MINISTRY OF SOCIAL DEVELOPMENT & INNOVATION

ANNUAL REPORT

Change & Growth

2025

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MESSAGE FROM THE MINISTER

THE HON. ISAAC RANKINE
Minister for Social Development and Innovation

It is with great pride that I present the 2025 Annual Report of the Ministry of Social Development & Innovation. Following the 2025 General Election, I was honoured to continue serving the people of the Cayman Islands and to assume responsibility for Social Development & Innovation alongside Youth, Sports, Culture & Heritage. These are distinct Ministries with separate mandates, yet they share common ground in protecting our people, strengthening families and building a resilient nation.

Our government's focus has been clear: improve lives while strengthening the systems that support them. Throughout 2025, I prioritised direct engagement with our departments, units and Councils, listening to frontline teams and community partners to ensure our work reflects the real needs of our people.

From the Ageing Forum and Support Our Seniors initiative, to Child Safeguarding Week and youth mental health advocacy, we reinforced our commitment to protecting children, supporting families and honouring older persons with dignity.

At the same time, we continued advancing innovation across Government. Strengthening digital services, enhancing cyber security resilience and progressing the Cayman Islands Identification Acts are critical steps toward more efficient, secure and transparent public services. Strong systems enable better social outcomes, and innovation remains central to national development and economic stability.

It has been a privilege to work alongside Chief Officer Nellie Pouchie and the Ministry's leadership team, including Deputy Chief Officer Trevor Gibbs in Social Development and Deputy Chief Officer Charles Brown in Innovation. Together, their leadership and collaboration continue to strengthen coordination across departments, ensuring that both our social development services and innovation initiatives are delivered effectively and with a clear focus on improving outcomes for the people of the Cayman Islands.

Our commitment remains steadfast: no one must be left behind. Through compassionate leadership and responsible innovation, we will continue building a stronger, more inclusive Cayman Islands.

MESSAGE FROM THE CHIEF OFFICER

NELLIE POUCHIE
Chief Officer

It is an honour to present my first Annual Report as Chief Officer for the Ministry of Social Development & Innovation.

I joined the Ministry in May 2025 during a period of transition and renewed focus. With changes across Government following the General Election, the Ministry evolved in both structure and scope. Through this period, our priority was stability, continuity and clarity of purpose. Working closely with our Deputy Chief Officers for Social Development and Innovation, along with our Heads of Department and dedicated staff, we ensured that our mandate remained firmly aligned with Government's broader strategic outcomes.

Financial discipline has been central to our approach. In a climate where resources are tight and public expectations remain high, we have worked deliberately within our approved budgets, prioritising essential services, strengthening internal governance and identifying opportunities for smarter, more efficient delivery.

Innovation, in this context, is not only about technology. It is about doing more with what we have, improving coordination, and eliminating duplication while maintaining high standards of care and service.

Across Social Development, our teams continued to protect and support the most vulnerable in our community. Through strengthened safeguarding practices, engagement with our Councils, and closer collaboration across agencies, we reinforced an integrated model of service delivery that places people first. The work of the Department of Children & Family Services (DCFS) and the Department of Financial Assistance (DFA), the Gender Affairs Unit and our statutory bodies reflects a shared commitment to dignity, equity and accountability.

On the Innovation side, the continued work of the Computer Services Department (CSD), the Department of eGovernment, and the Cyber Security Office reflects the Ministry's commitment to secure and future ready public administration. Through advancements in digital services, strengthened cybersecurity resilience, and the ongoing modernisation of identity and government platforms, these teams are improving operational efficiency, protecting sensitive information, and building greater public trust in Government systems.

Throughout this year of change, leadership has required calm, steady direction and clear communication. I am proud of the professionalism and resilience shown by our teams. Together, we have navigated transition, strengthened internal alignment, and remained focused on our Vision and Mission: improving lives while modernising the systems that serve our people.

I thank the Honourable Minister for his guidance and confidence, and I commend our Deputy Chief Officers, senior managers and staff for their dedication. As we move forward, we remain committed to responsible stewardship of public funds, collaborative leadership and measurable outcomes that deliver real impact for the Cayman Islands.

"With steady hands and shared purpose, we will continue to build a Ministry that is responsive, accountable and prepared for the future."

THE MINISTRY TEAM

2025 was a year of transition for the Ministry team, shaped in part by post-Election changes and broader shifts across Government. We bid farewell to Chief Officer Tamara Ebanks and welcomed Chief Officer Nellie Pouchie in May 2025. We also said goodbye to several valued colleagues whose contributions helped strengthen the Ministry's foundation, including Gretel Rawcliffe, CHRO; Tomoya Glasgow, HR; Anita Law, Comms. & Public Relations Manager; Policy Advisors Shennique Seales and Cory Hunter; Kirkland Marsh, Personal Assistant to the Chief Officer; Leah Watson, Policy Assistant; and Brianna Hurlston and Kacie Ramos from the Accounts team. We further acknowledged the departure of CHRO Michelle Amos, who resigned at the end of 2025

As Government realigned portfolios and responsibilities during the year, the Housing Repairs Unit, including T. Ernesto Carter and Christine Solly, transitioned to the Ministry of Planning, Agriculture, Housing, and Infrastructure (PLAHI).

While change can be challenging, these movements reflected evolving operational priorities and the continued effort to ensure functions sit within the most appropriate structures.

At the same time, we were pleased to welcome several new team members who bring fresh energy and expertise to the Ministry. Kimberly Carter and Kimberly Arch joined our Human Resources function in 2025. Leni Tatum was appointed as Personal Assistant to the Chief Officer and Minister, strengthening executive coordination. Danielle Hemming joined the Policy team and serves as Secretary to the Council for Older Persons, while Gina Lawrence joined as Policy Officer and Secretary to the National Council for Persons with Disabilities. We also welcomed Simone Hutchinson, Accountant, and formally integrated the Gender Affairs Unit under the leadership of Karlene Bramwell.

MSDI Team with
National Council for Persons with Disabilities (NCPD)

MSDI Team
Christmas Dinner
December 2025

MSDI Team
Jingle Bell Run Sponsors and participants
for Cayman Islands Crisis Centre

Human Capital Highlights

A Government-wide hiring freeze during 2025 inevitably slowed recruitment in some areas. Nevertheless, by year end we were actively progressing recruitment for key roles, including Office Manager, FOI Manager, PR & Comms. Specialist. Throughout these transitions, our staff demonstrated resilience and professionalism, ensuring continuity of service and maintaining focus on the Ministry's mandate to improve lives and strengthen public systems.

Celebrating Achievements

We are proud to celebrate the professional growth of our team members including Mrs. Danielle Hemming, who successfully earned her Master's Degree of Science in International Business Management , illustrating her dedication to continuous learning and excellence in public service.

Minister and Parliamentary Secretary

The Hon. Isaac Rankine, Minister of Social Development & Innovation
Hon. Heather Bodden MP, Parliamentary Secretary for Social Development + Innovation

Ministry Staff

Nellie Pouchie
Chief Officer

Charles Brown
Deputy Chief Officer

Trevor Gibbs
Deputy Chief Officer

Vinton Chinsee
Chief Financial Officer

Michelle Amos
Chief Human Resources Officer

Kimberly Arch
Human Resources

Karlene Bramwell
Gender Affairs Unit

Destini Bush
Accounts Officer II

Kimberly Carter
Human Resources

Melissa Goddard
Senior Policy Advisor

Ashlyn Goubault-Ebanks
Senior Policy Advisor

Danielle Hemming
Policy Advisor

Simone Hutchinson
Accountant

Sharrel Jackson
Policy Advisor

Deondra Kelly
Deputy Chief Financial Officer

Gina Lawrence
Policy Advisor

Mehr Petkovsek
Senior Policy Advisor

Victoria Ramos
Financial Administrator

Leni Tatum
Personal Assistant

Giselle Webb
Senior Policy Advisor

Hollie Whitelocke
Strategic Communications & PR Manager

Ministry Departments & Directors - Innovation

Department of eGovernment (eGOV)
Implements, improves and promotes Government's online digital infrastructural platforms and data sharing solutions to enhance people's lives and enable business in a digital society.
Director: Ian Tibbetts

Computer Services Department
Provides strategic solutions and acts as an internal business partner to service the whole of core Government and select Statutory Authorities/Government Companies, to achieve their digital and technological objectives and deliver a world class exprience.
Director: Darvy Whittaker

Cyber Security Unit
Protects, defends and strengthens the Cayman Islands Government's cyber security capability, its online services and digital assets. Maintains and promotes trust and confidence in the jurisdiction globally, and increases awareness and understanding of cybersecurity in the community.
Director: Pamela Greene

Ministry Departments & Directors: Social Development

Department of Children and Family Services (DCFS)
DCFS delivers best practice social work services to promote and protect the rights and welfare of children, families and older persons.
Director: Paulinda Mendoza-Williams

Department of Financial Assistance (DFA)
The DFA provides financial assistance to people who find themselves unable to fund their basic needs, such as shelter, food, and clothing.
Director: Tamara Hurlston

Sunrise Adult Training Centre (Moved to MoE May 2025)
SATC provides training, support and services for the empowerment, employment & independence of adults with disabilities.
Director: Kimberly Voaden

Council of Older Persons
The Council of Older Persons ('the Council') is established under section 3 of the Older Persons Act, 2017 and is an advisory body comprising of older persons, professionals and experts from the public and private sectors.
Secretary: Danielle Hemming

National Council for Persons with Disabilities (NCPD)
The National Council for Persons with Disabilities (NCPD) serves as an advisory and advocacy body dedicated to promoting, protecting, and upholding the rights and dignity of persons with disabilities across the Cayman Islands.
Secretary: Gina Lawrence

*Both Above Councils Moved to Ministry post election - May 2025

Boards and Authorities

The Children and Youth Services (CAYS) Foundation

Adoption Board

Housing Repairs Assistance Oversight Committee (Moved to PLAHI)

Film Exhibition Control Board

Financial Assistance Appeals Tribunal

Child Safeguarding Board (Moved to Ministry post election - May 2025)

Financial Assistance Appeals Tribunal

INNOVATION

The Innovation Division continued to advance the Cayman Islands Government's digital transformation agenda through the work of the Department of eGovernment, the Computer Services Department (CSD), and the Cyber Security Unit. A major milestone was the successful launch of the Government's new digital platform, GOV.KY 3.0, which modernised the Government's web infrastructure and transitioned dozens of government websites to a more secure and user-friendly platform. Progress also continued on the Digital Identity Programme (eID), with preparations underway to Launch in 2026, supporting more efficient identity verification and digital services across government.

The Computer Services Department strengthened the government's core technology infrastructure and delivered practical digital solutions, including the completion of 22 major technology upgrades and new solutions supporting the Government's digital infrastructure.

At the same time, the Cyber Security Unit continued to enhance national cyber resilience through threat monitoring, security awareness training for thousands of civil servants, and coordinated cyber threat intelligence sharing across the public sector. The team also successfully mitigated phishing threats targeting government systems and expanded partnerships through the National Cyber Security Association.

Innovation efforts were further strengthened through public-private collaboration and industry engagement, including the continued success of BSides Cayman Islands, which brought together cybersecurity professionals, students, and industry leaders to promote cyber awareness, local talent development, and knowledge sharing across the region.

The Government established a Digital Taskforce bringing together public and private sector leaders, while CSD advanced artificial intelligence initiatives and policy development for the public service.

These achievements reflect the Innovation Division's commitment to operational excellence, future readiness, and collaboration, positioning the Cayman Islands as a leader in the digital age.

CYBER SECURITY OFFICE

Cyber Security Office
Cayman Islands Government

#CYBERSAFE

The Cyber Security Office continued to strengthen the Cayman Islands Government's cyber resilience through proactive monitoring, public education, and collaboration across government and industry. As highlighted in the Ministry's First 100 Days update, the office maintained a strong focus on building local capacity, with approximately 80% Caymanian staff, demonstrating the Government's commitment to developing a sustainable pipeline of local cyber talent and expertise. Throughout the year, the Cyber Security Unit maintained continuous monitoring of Government networks and systems, investigating over 1,400 security events in 2025, conducting 32 cyber security audits and assessments, and issuing more than 460 early notification advisories to help government entities identify and mitigate vulnerabilities before they could be exploited.

The Office also continued to lead cyber awareness and education initiatives across the public service and the wider community. By the end of the year, more than 3,800 civil servants had completed mandatory cyber awareness training, while multiple cyber safety campaigns and workshops helped strengthen the culture of cyber security across the public sector.

1400

Security Events Investigated

3800

Civil Servants Completed Mandatory Cyber Awareness Training

Collaboration remained a central priority. The Cayman Islands National Cyber Security Association (CI-NCSA) continued to convene public and private sector stakeholders to share intelligence, strengthen partnerships, and coordinate responses to emerging threats on a volunteer business. In addition, the Ministry proudly supported the BSides Cayman Islands cybersecurity conference in September, providing sponsorship and helping bring together regional cyber professionals, students, and industry leaders to promote knowledge sharing, innovation, and career pathways for young Caymanians interested in cybersecurity.

Together, these initiatives reflect the Ministry's commitment to safeguarding government systems, protecting critical national infrastructure, and strengthening the Cayman Islands' reputation as a secure and trusted digital jurisdiction.

The Cyber Security Office also strengthened national resilience through cross-government collaboration on business continuity planning, cybersecurity advisory support for major infrastructure projects, and proactive vulnerability monitoring across government systems. These efforts reinforce the Ministry's focus on prevention, preparedness, and protecting critical digital services.

As Director Pamela Greene noted, "Cyber security is no longer simply a technical issue; it is fundamental to protecting our national resilience, public trust, and the digital future of the Cayman Islands."

80%

Cyber Security Work Led by Caymanian Staff

32

Cyber Security Audits & Assessments

COMPUTER SERVICES DEPARTMENT

Department of Computer Services
Cayman Islands Government

In 2025, the Computer Services Department (CSD) made significant progress in advancing the Cayman Islands Government's digital transformation agenda. Guided by the strategic roadmaps established at the beginning of the year, CSD strengthened its people, processes, and technology foundations while delivering impactful digital services to ministries and departments.

Through focused investments in enterprise platforms, cybersecurity, service management, and application development, the department successfully modernized critical infrastructure and expanded digital service delivery. These initiatives improved operational efficiency, strengthened security, and enhanced collaboration across government, enabling ministries to work smarter and deliver better outcomes for the public.

Key Highlights and Achievements

Digital Service Delivery

- 8 new enterprise and departmental applications delivered into production.
- 12 major system enhancements implemented to improve existing government services.
- 2 new digital service offerings launched, including Oracle Analytics capabilities and new mobile applications.
- Over 20 application improvements and feature upgrades deployed across ministries.

COMPUTER SERVICES DEPARTMENT

Department of Computer Services
Cayman Islands Government

Enterprise Technology Modernization

- Completion of 22 major technology upgrades and new solutions supporting the Government's digital infrastructure.
- Enterprise Microsoft licensing implemented across government, expanding secure productivity tools and collaboration services.
- New IT Service Management platform (ServiceNow) implemented to improve service delivery and operational transparency.
- Single Sign-On (SSO) and Multi-Factor Authentication (MFA) introduced to strengthen government-wide cybersecurity.
- Core infrastructure modernization, including network refresh, storage upgrades, Windows 11 deployment, and Citrix platform upgrades.

Innovation and Emerging Technology

- Deployment of Oracle Analytics to strengthen data-driven decision making across ministries.
- Establishment of early AI and Natural Language Model (NLM) foundations to support automation and intelligent service delivery.
- Enhanced government mobile applications deployed to public app stores, expanding citizen access to digital services.

Infrastructure and Resilience

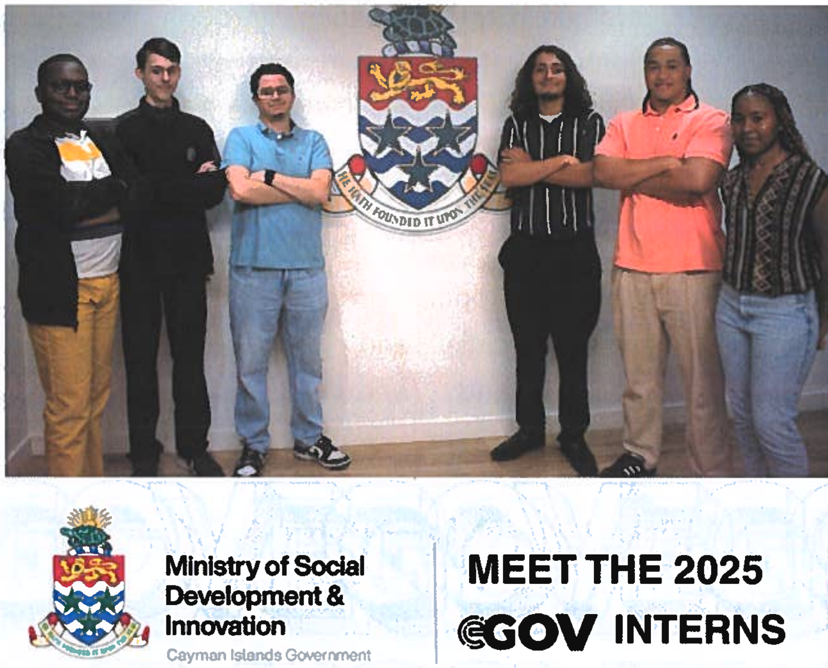
- Completion of critical network and firewall upgrades improving government security posture.
- Satellite connectivity (Starlink) introduced Cayman Islands first internet via Satellite to strengthen network resilience and connectivity options.
- Enterprise Privileged Access Management (PAM) implementation to enhance cybersecurity governance.
- UPS infrastructure upgrades supporting improved reliability of government systems.

The Computer Services Department (CSD) strengthened technology governance, operational maturity, and internal capability in 2025 to support the Cayman Islands Government's digital transformation. Key achievements included over 45 Architecture Review Board engagements, the establishment of an IT Portfolio Steering Committee and Project Management Office, and the documentation of 70% of IT service procedures. CSD also invested in its people by filling all director-level leadership roles, modernizing job descriptions, and providing staff training in cyber security, enterprise architecture, and modern development platforms.

STATS RECAP

8 New Applications Delivered
12 System Enhancements
2 New Digital Service Offerings
22 Major Technology Upgrades
45+ Architecture Governance Reviews
70% IT Service Processes Formalized
20+ Application Enhancements Across Government

DEPARTMENT OF EGOVERNMENT



549,732

Number of online transactions for online services developed, enhanced or promoted by eGov

77%

Customer issues on online services supported by eGov (business hours) responded to within 2 buisness hours

In 2025, the Department of eGovernment (eGov):

- Readied the Cayman Islands Identification Card for public rollout.
- Established a model office and commenced issuance of the Cayman Islands
- Identification Card.
- Migrated CIG's primary online presence to a new platform.
- Transitioned a major system to the cloud for enhanced reliability and operational efficiency.
- Developed/sourced and implemented new online services for other CIG entities.
- Developed reusable components for online services.
- Contributed to the development of the next generation of Caymanians in the IT field.

Following the commencement of the Cayman Islands Identification Card and Identification Register Acts on 28 February 2025, eGov supported the transition of the Cayman Islands Identification Card and Identification Register implementation from project delivery into operations. During the year, the Department also progressed key digital initiatives across Government, including the migration of the platform used to offer online services to Platform as a Service (PaaS), GOV.KY 3.0 re-platforming, enhancements to health regulatory services, expansion of customer care solutions, and continued support for public-facing digital platforms. These achievements reflect eGov's continued focus on improving online services and strengthening the digital systems that support government operations.

Key Highlights of 2025:

Cayman Islands Identification Card and Identification Register Key Implementation: Following the commencement of the Cayman Islands Identification Card and Identification Register Acts on 28 February 2025, the Department began issuing Cayman Islands Identification Cards to defined groups in accordance with the issuance policy under the legal framework established by the Acts and Regulations. Work during the year focused on operationalisation of the Office of the Registrar through training, handover sessions, supporting handover documentation, system and process optimisation, and work focused on enhancing operational readiness.

Department of Health Regulatory Services (DHRS) Integrated Online Service Platform and Process Improvement:

eGov continued to support the Department of Health Regulatory Services through the delivery and enhancement of digital solutions. The Health Insurance Commission Policy Termination solution was went live to insurers on 14 November 2025 and is now being used for the online submission of monthly policy terminations. The Health Practice Commission Practitioner Renewal, Online Payment, and Workflow solutions went live to practitioners on 23 October 2025 and are being used to support online practitioner renewals.

Public Education and Campaign Readiness:

eGov continued work to support public education and communications for digital services, including public education and marketing service activities, the eServices public education campaign, and the digital identity public education campaign. By year end, the eID communications campaign and website were ready for launch, pending approval.

Summer Internship Programme:

In 2025, eGov hosted 10 summer interns who gained hands-on experience across digital government initiatives. Interns supported the development of GOV.KY 3.0 sites on the new online services platform and the development of online forms for the

CIG Customer Care - DVDL Implementation:
eGov continued the expansion of CIG Customer Care solutions through the onboarding of the Department of Vehicle and Drivers' Licensing (DVDL) to Zendesk. Mitel (telephony) integration was successfully completed on 26 September 2025, enabling DVDL to enhance their customer support processes including managing calls and emails through Zendesk and improving customer interaction.

Deputy Governor's Pedometer Challenge:
eGov assisted the Wellness Committee with sourcing a solution to support the Deputy Governor's Pedometer Challenge in 2026.

GOV.KY 3.0 Technical Implementation Project:
The GOV.KY parent site went live on 27 October 2025, featuring custom developed components and customisations. This was followed by the successful go-live of 43 additional GOV.KY microsites on 1 December 2025, completing the transition of government websites to a new platform.

Department of Environmental Health (DEH) Portal:
Development of the DEH Portal to allow online payment of garbage collection fees was completed during the reporting period and is awaiting provision of a security server to go live.

Missing Persons Notification Form:
eGov worked collaboratively with RCIPS and Hazard Management Cayman Islands (HMCI) to development and implement the Missing Persons Notification Form for the RCIPS Casualty Bureau, contributing to wider efforts to improve digital service delivery.

Looking Ahead:

eGov remains focused on strengthening digital government capability and expanding secure, efficient, and accessible online services across Government. Building on the progress made in 2025, the Department will continue to support the operational maturity and wider rollout of the Cayman Islands Identification Card and Identification Register, enhance digital platforms and customer care capabilities, and advance the delivery of online services across departments.

The successful migration of core infrastructure, delivery of major GOV.KY milestones, and continued investment in service modernisation position eGov to continue improving how government services are delivered to residents and businesses in the Cayman Islands.

SOCIAL DEVELOPMENT

The Social Development Division plays a vital role in supporting individuals, strengthening families, and building resilient communities across the Cayman Islands. Through its departments, councils, and partners, the Division delivers critical social services, financial assistance, community programmes, and policy development that protect the wellbeing and dignity of children, older persons, persons with disabilities, and families in need.

In 2025, the Division continued to strengthen service delivery through the work of the Department of Financial Assistance (DFA), the Department of Children and Family Services (DCFS), and the Sunrise Adult Training Centre (SATC), until it was moved to the Ministry of Education and Training in May 2025. The Division also supported the work of two important advisory bodies: the Council for Older Persons and the National Council for Persons with Disabilities (NCPD). These teams worked collaboratively with non-profit organisations, community partners, and other government entities to deliver programmes and supports that reached thousands of residents across the Islands.

The Division also continued to advance policies and legislative reforms that strengthen protections for priority populations. Several important pieces of legislation progressed, including the Adoption Act, Children Act, Maintenane Act, and Older Persons Act which were passed in Parliament and represent key steps in modernising Cayman's social protection framework. Adoption and Children Regs work developed in 2025. Additionally the Ministry received approval to issue drafting instructions to amend the Disabilities (Solomon Webster) Act, 2016.

SOCIAL DEVELOPMENT CONT.

The Ministry of Social Development & Innovation supported several key public communications initiatives highlighting Government's commitment to social wellbeing, inclusion, and protection for vulnerable groups. This included the announcement of CI$600,000 in Cabinet-approved funding for the expansion of The Pines Retirement Home, enabling the development of the Silver Thatch Residence, which will provide 12 independent living apartments for older persons and support ageing with dignity through expanded long-term care options.

The Ministry also supported the national communications for International Day of Persons with Disabilities, which saw one of the largest turnouts to date from civil servants, community partners, and members of the public. The initiative reinforced Government's commitment to accessibility, inclusion, and participation for persons with disabilities while raising awareness of ongoing efforts to strengthen disability policy and legislation.

In addition, MSDI supported awareness efforts for the 16 Days of Activism Against Gender-Based Violence, including a collaborative digital campaign focused on online safety and community protection that generated strong public engagement.

MSDI also marked an important milestone by becoming the first Cayman Islands Government ministry to complete the Sunflower Training Programme, a globally recognised initiative that strengthens awareness and support for individuals with hidden disabilities across public services.

Throughout the year, frontline teams delivered extensive safeguarding, case management, and community outreach services. DCFS provided thousands of interventions to support children, families, and older persons, including safeguarding investigations, community education sessions, and social development programmes designed to strengthen families and protect vulnerable individuals. Residential services continued to provide safe accommodation and care for children, older persons, and adults with disabilities who require additional support.

Together with the Council of Older Persons and the National Council for Persons with Disabilities, the Division continued to advocate for policies and programmes that promote inclusion, accessibility, and dignity for all residents. Through these combined efforts, the Social Development Division remains committed to improving quality of life and ensuring that Cayman's social support systems remain responsive to the evolving needs of the community.

Legislative Progress

Passage of several important social protection laws, including:

- Adoption Bill
- Children (Amendment) Bill
- Maintenance (Amendment) Bill
- Older Persons (Amendment) Bill

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Department of
Children & Family Services
Cayman Islands Government

In 2025, the Department of Children & Family Services (DCFS) continued to stand at the frontline of protection, prevention, and empowerment across the Cayman Islands. The year began with a powerful observance of Social Work Month, highlighted by the impactful video series "Compassion & Action."

187
Number of reports

1268
Number of safeguarding investigations for children

The series explored critical social issues including housing instability, youth vaping, child protection, safeguarding, and the vital work of Community Development Officers. Through authentic storytelling and professional insight, DCFS reinforced the message that social work is both heart-led and action-driven — protecting the most vulnerable while strengthening families and communities.

20,852
Number of intervention services

137
Number of community presentations, workshops & information sessions conducted

In May, DCFS led the nationwide celebration of Child Month, delivering over 10 events across Grand Cayman and Cayman Brac. With the support of Child Month Ambassadors, the Department hosted educational and engagement activities designed to amplify children's voices, promote their rights, and celebrate their potential. The momentum continued in June with a meaningful observance of World Elder Abuse Awareness Day, where DCFS convened stakeholders to examine the "Legal and Ethical Responsibilities of Caregivers," reinforcing the importance of dignity, protection, and accountability for older persons.

Over the summer, the Department's Multi-Agency Safeguarding Hub (MASH) collaborated with the Ministry of Health and Royal Cayman Islands Police Service (RCIPS) on the Summer C's Youth Mental Health Support Initiative. This cross-government partnership strengthened outreach to young people, providing coordinated safeguarding, mental health resources, and preventative support during a vulnerable period for youth. The initiative reflected DCFS's commitment to proactive, multi-agency collaboration to ensure that no child falls through the cracks.

As the year progressed, DCFS played a key role in the national Ageing Forum and helped deliver Older Persons Month in October, coordinating and supporting 15 events including a Gala, Karaoke gatherings, and a Seniors Talent Show; with activities extending to Cayman Brac. In November, DCFS hosted its first Child Safeguarding Week and Symposium under the theme "Every Child Safe, Every Voice Heard" (November 17–21). The week included school visits, public awareness campaigns aligned with global observances, and a culminating symposium that brought together government leaders, frontline practitioners, and regional experts. Together, they strengthened national dialogue and coordinated action around child protection, reinforcing DCFS's leadership in safeguarding the most vulnerable.

Across every initiative in 2025, the Department advanced its broader mandate: protecting children, supporting adults and families, and upholding the dignity, safety, and wellbeing of older persons throughout the Cayman Islands.

232

Number of social development events and programmes hosted

47

Number of older persons and adults in residential care

DEPARTMENT OF FINANCIAL ASSISTANCE

Department of Financial Assistance
Cayman Islands Government

In 2025, the Department of Financial Assistance implemented key reforms under the Financial Assistance (Amendment) Regulations, 2025 (SL 6 of 2025), strengthening the adequacy and responsiveness of financial support programmes. The Schedule to the Regulations was updated to increase the maximum monthly allowance for persons in special categories under regulations 4(3) and 7(2) from $1,250 to $1,500, as reflected in the substituted provision stating "No more than $1,500.00 per month".

Amendments to regulation 13 also introduced greater flexibility for addressing ongoing hardship. The Director may now issue an additional payment of up to $300, or up to $550 for households in special categories, where continued need is demonstrated. The Regulations specify that the Director may issue "an additional payment... of no more than three hundred dollars" and, for special categories, "no more than five hundred and fifty dollars". In alignment with these enhancements, the Government also increased the Seafarers Ex-Gratia payment to $1,500 per month, ensuring parity with the revised special-category assistance rate and reinforcing national recognition of Caymanian seafarers. These measures reflect the Government's continued commitment to strengthening social protection and ensuring that financial assistance remains fair, adequate, and responsive to the needs of vulnerable households.

Client Services and Performance

In 2025, the Department of Financial Assistance (DFA) provided financial assistance to 2,237 households. In addition, 904 persons received the Seafarers and Veterans Ex-Gratia Benefit. These programmes ensured that vulnerable Caymanians received essential support, while also providing ex-gratia benefits to retired seafarers and veterans, or their surviving spouses, in recognition of their contributions to the Cayman Islands. The DFA's commitment to community engagement and operational efficiency is reflected in a 95% positive client satisfaction rating, based on 3,744 responses collected through HappyOrNot terminals. The online portal for the submission of applications also continued to demonstrate strong performance during the reporting period, providing a convenient and efficient service channel for clients. A total of 364 applications were submitted through the platform, reflecting sustained client engagement with digital services.

Regulatory Compliance

The Compliance Division strengthened the oversight and accountability of the department through increased monitoring, detailed investigations, and enhanced collaboration with external agencies. A total of 1,782 financial verification requests were submitted to local financial institutions to support eligibility assessments. The Unit received 76 reconsideration requests, with only six resulting in amended recommendations, reflecting both the quality of initial assessments and the Department's commitment to fairness. One case was heard by the Appeals Tribunal, which upheld the Department's original decision. Compliance activities throughout the year confirmed 35 cases of household non compliance with policy or legislation, supporting corrective action. The team also completed 108 document requisition requests, enabling clients to access essential personal records for administrative needs.

Grand Opening and Digital Advancements

Client service delivery was further strengthened through the implementation of Zendesk, a system that facilitates the organized management and tracking of emails and client communications. This enhancement supports improved response times and ensures that client inquiries are addressed in a timely and systematic manner.Further enhancements to service delivery are planned, including the implementation of a queue management system integrated with Zendesk. This initiative is intended to streamline client flow and improve overall customer processing times.

The Grand Cayman Office also underwent significant renovations aimed at improving both client service and operational efficiency. The upgrades included the development of a larger, more welcoming, and discreet client service area, the establishment of a dedicated space for the call centre team to manage telephone inquiries, and the creation of a separate workspace for the Compliance Team. A large grand opening ceremony was held in 2025 with attendance from Hon. Minister Rankine and MSDI Team.

Partnerships and Collaborations

As the DFA continues to expand its partnerships and collaborations to strengthen transparency across the community, our team proudly volunteered with Meals on Wheels in 2025 to deliver meals to elderly residents. In addition, new partnership meetings were held with Poinciana Rehabilitation Center, HM Prison Service, and various Constituency Offices across the Cayman Islands. We will continue to build meaningful partnerships that enhance community engagement, support vulnerable populations, and reinforce our commitment to serving the people of the Cayman Islands.

Terence Blake
Chief Officers Choice Award
September 2025

Yulissa Smith
Chief Officers Choice Award
June 2025

DFA Participation
DG 5K

DFA Visit
Pines Christmas Gift Delivery

Lighthouse School Valentine's Event
George Town CODAC

Human Capital Highlights

The DFA demonstrated a strong commitment to cultivating a capable and resilient workforce. The department maintained a 100% Caymanian staff complement and successfully implemented the my-Vista HR platform to streamline internal processes. Comprehensive training and development initiatives strengthened operational continuity and enhanced staff competencies. Employee highlights included a 100% response rate to the annual engagement survey, several internal promotions, and four team members receiving the prestigious Chief Officer's Choice Award.

Looking Ahead

As we look to the year ahead, the Department of Financial Assistance remains focused on strengthening the systems and services that support Caymanian families. With the legislative enhancements introduced in 2025 and the continued modernisation of our programmes, we are entering a new phase of growth, innovation, and service excellence. Our priority is to elevate the client experience, expand digital access, and reinforce the quality and consistency of our decision making. We will continue investing in our staff, refining our policies, and using data to guide improvements that make our services more responsive and more effective.

The Department's vision is to build a financial assistance system that is modern, people centred, and resilient. As we move forward, we remain committed to serving our community with integrity, compassion, and a clear belief in the potential of every Caymanian household.

COUNCIL OF OLDER PERSONS

Council of Older Persons
Cayman Islands Government

The year 2025 marked a significant period of transition and strengthened alignment for the Council of Older Persons. A key milestone was the transition from the Cabinet Office to the Ministry of Social Development & Innovation (MSDI), positioning the Council more closely within the Government's social development framework. This shift enhanced opportunities for greater policy integration, collaboration, and impact in addressing the needs of older persons across the Cayman Islands.

Throughout the year, the Council deepened its engagement with key government departments, particularly the Department of Children and Family Services (DCFS), fostering more coordinated approaches to elder care, safeguarding, and community-based support. Advocacy remained central to the Council's work, with continued focus on critical issues such as healthcare access and affordability, transportation, safety, and the need for improved home-based and long-term care services.
A major highlight of 2025 was the planning and delivery of the second Ageing in the Cayman Islands Forum, which expanded its reach through live broadcast on Compass TV and CIG TV. The Forum brought together older persons, caregivers, policymakers, and service providers, creating an inclusive platform for national dialogue, public education, and stakeholder engagement on ageing-related priorities.

The Council concluded the year with a strong focus on reflection and documentation, compiling comprehensive reports capturing its work and impact over its term 2017-2025 with Secretary Danielle Hemming.

In 2025 the Ministry initiated the process of appointing new Council Members following the completion of the current Council's tenure. The Ministry recognises and expresses its sincere gratitude to the outgoing Council, including **Chairperson Ms. Lucille Seymour, and Deputy Chairperson Ms. Sarah Alice Mae Coe** for their dedicated service and contributions as the first Board of the Council of Older Persons.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

National Council for Persons with Disabilities
Cayman Islands Government

The year 2025 marked a period of transition and strengthened alignment for the National Council for Persons with Disabilities. A key milestone was the Council's transition from the Cabinet Office to the Ministry of Social Development & Innovation (MSDI), positioning the Council more directly within the Government's social development framework. This transition has supported greater integration of disability-related priorities into national policies, programmes, and services, reinforcing the Ministry's commitment to inclusion and improving the lives of persons with disabilities.

Throughout the year, the Council worked closely with social development teams across MSDI, strengthening coordination on initiatives related to accessibility, inclusion, safeguarding, and support services. This closer collaboration enabled more consistent engagement with stakeholders, including government departments, community organisations, and advocacy groups, ensuring that the voices and needs of persons with disabilities continued to inform policy and programme development.

The Council also maintained an active presence within the community, participating in and representing the interests of persons with disabilities at key national events. This included engagement at the Mental Health Conference and the Cayman Islands Healthcare Conference, where the Council contributed to important discussions on health equity, access to services, and inclusive care. These platforms provided valuable opportunities to raise awareness, share perspectives, and strengthen partnerships across sectors.

Advocacy remained central to the Council's work in 2025, with continued focus on promoting accessibility, advancing inclusive policies, and supporting public education on disability awareness. The year concluded on a high note with a record-breaking turnout for the International Day of Persons with Disabilities, reflecting growing national engagement, awareness, and community support for inclusion. This milestone underscored the progress being made and the continued commitment to building a more inclusive Cayman Islands for all.

SUNRISE ADULT TRAINING CENTRE

Sunrise Adult Training Centre
Cayman Islands Government

In 2025, the Sunrise Adult Training Centre (SATC) continued to provide meaningful opportunities for adults with disabilities to develop life skills, independence, and community engagement. Through a structured programme focused on vocational training, daily living skills, and social development, participants were supported in building confidence and preparing for greater participation in the workforce and wider community.

SATC strengthened partnerships with local businesses and community organisations to expand training opportunities and increase awareness about the abilities and contributions of persons with disabilities. These collaborations helped create inclusive environments where participants could gain hands-on experience, develop practical skills, and showcase their talents.

A key milestone in 2025 was the launch of the Hidden Disabilities Sunflower Programme, led by the SATC in partnership with the Sunrise Caring Association. The programme introduced the internationally recognised Sunflower symbol and lanyard in the Cayman Islands, helping to raise awareness of non-visible disabilities and encouraging businesses and the public to provide greater understanding and support to those who may need it.

The Centre also played an important role in supporting the success of International Day of Persons with Disabilities (IDPWD) activities in partnership with the National Council for Persons with Disabilities (NCPD), helping to advance awareness, inclusion, and celebration of the contributions of persons with disabilities across the Cayman Islands. Additionally, the Minsitry worked with SATC to develop a draft strategic plan which they were able tot ake with them to the MoET.

In May 2025, responsibility for the Sunrise Adult Training Centre was transferred to the Ministry of Education & Training, reflecting Government's ongoing efforts to align education, training, and lifelong learning opportunities for persons with disabilities.

CICBD

Leadership Appointments + Recap

In early 2025, the Ministry of Social Development & Innovation announced new leadership appointments at the Cayman Islands Centre for Business Development (CICBD). Ms. Thais Ducent was appointed Director and Ms. Antoleen Williams as Deputy Director, both Caymanian professionals with strong experience in business development and entrepreneurship support. Their appointments strengthened CICBD's leadership and reaffirmed Government's commitment to empowering Caymanian entrepreneurs and growing the local small business sector.

During the first half of 2025, the Cayman Islands Centre for Business Development (CICBD) continued supporting the growth and resilience of Caymanian entrepreneurs through business advisory services, training, and outreach initiatives. Key efforts included preparations for the Business Growth Incubator Programme, providing structured training, mentorship, and one-year advisory support to small and micro businesses seeking to scale and strengthen their operations.

CICBD also expanded engagement with the community through business support initiatives and outreach activities, including visits to Cayman Brac to strengthen partnerships and ensure entrepreneurs across the Sister Islands could access advisory services and resources.

In May 2025, the Cayman Islands Centre for Business Development transitioned from the Ministry of Social Development & Innovation to the Ministry of Financial Services & Commerce, continuing its mission to strengthen Cayman's small business ecosystem and promote sustainable economic growth.

SUPPORT FOR NON-PROFIT ORGANISATIONS

The Ministry of Social Development & Innovation supports eight non-profit organisations (NPO's) which fulfill specific mandates within the community. Seven serve older persons, persons with disabilities, children, and victims of domestic violence. One, Cayman Finance, serves to support our mandate for investment and innovation. The NPO's are: Cayman Islands Crisis Centre, The Children and Youth Services (CAYS) Foundation, Meals on Wheels (MOW) Grand Cayman, National Children's Voluntary Organization (NCVO), Pines Retirement Home (PRH), Rehoboth Ministries and Hope for Today (HFT) Foundation. In line with Government's Strategic Policy Statement, support for these organisations advances the Government's commitment to achieving the following outcomes:

CAYS
Children and Youth Services Foundation

The CAYS Foundation made significant progress in 2025 in enhancing care for young people in residential settings. The CAYS Foundation proceeded with renovations for the Boys Cottage at Frances Bodden Children's Home, transforming it into a trauma-informed, eight-bedroom facility.

Young people thrived in structured educational, vocational, and recreational programmes, including music, art, work experience, and sports. The Family Support Programme provided parenting education and aftercare support, assisting families in creating stable home environments.

Key Highlights for 2025:

- Boys Extension Renovation: Renovations of an eight-bedroom, trauma-informed facility.
- Youth Programmes: Offered educational, vocational, and recreational activities.
- Family Support: Provided parenting education and aftercare support.
- Community Support: Created a basic needs pantry to help struggling families.
- Funding Support approved in Parliament for 2026-2027 budget to improve workforce and infrastructural needs further.

While challenges remained in meeting the complex needs of youth in care, the Foundation deepened trauma-informed training, enhanced crisis response strategies, and collaborated with education and mental health partners. Moving forward, the Foundation remains committed to upgrading facilities and refining its approach to ensure every young person has the support and environment needed to heal and succeed.

Cayman Finance

Cayman Finance, the industry association representing the Cayman Islands' financial services sector, played a central role in highlighting and promoting the continued strength and global relevance of the jurisdiction in 2025. The organisation commissioned and shared key economic research demonstrating that financial services remain the backbone of the Cayman economy. According to a 2025 report by Capital Economics, the sector generated approximately CI$2.5 billion in gross value added, accounting for around 44% of domestic economic activity.

When indirect and induced impacts are included, the industry supports approximately 62% of the total economy, reinforcing its position as the single most important economic pillar in the Cayman Islands.

In addition to economic output, Cayman Finance has conducted a preliminary investigation into tech growth and concluded that grounded in its reputation for excellence in services and governance, the Cayman Islands is well positioned to extend its leadership into innovation.

By leveraging strengths in governance, structuring, service provision, and impact, Cayman can enable and pioneer innovation models that enhance jurisdictional competitiveness while delivering broad public benefit.

This initial review suggests that the Cayman Islands can further position itself as a "pilot island" for frontier technologies, Reinforce Cayman's role as a leader in good governance with impact model structuring, enhance jurisdictional competitiveness, by deepening Cayman's branding of a trusted, attractive, and differentiated jurisdiction for investment, talent, and collaboration.

Crisis CENTRE CAYMAN ISLANDS

The Cayman Islands Crisis Centre (CICC) provides a 26-bed emergency shelter and a 24-hour Crisis Line, offering confidential case management, counselling, and support services for women and children victims of domestic and/or sexual violence. The Centre also offers an Aftercare programme to help clients rebuild their lives after leaving the shelter.

Key Highlights for 2025:

- Crisis Line Contacts: 348 female and 61 male callers, with one from the Sister Islands.
- Shelter Services: 28 new clients accommodated, with 17 transitioning to Aftercare.
- Walk-in Services: 65 walk-in sessions.
- Children Served: 29 children received services.
- Teen and Young Adult Services: 75 individual sessions and 44 group sessions.

The CICC continues to raise awareness through 132 presentations on domestic violence and child abuse prevention and 70 presentations about its programmes. Additionally, the Centre participated in 13 radio interviews.

Hope For Today Foundation

The Hope For Today Foundation is committed to providing individuals in the Cayman Islands seeking recovery with a safe, structured, and affordable residential facility through its 12-step programme. The Foundation focuses on facilitating resources for the habilitation and rehabilitation of those struggling with chemical dependency, supporting both physical and emotional healing.

Through its Transitional Living Programme, Hope For Today offers secure, substance-free environments, helping residents reintegrate into society while embracing fulfilling lives. The Foundation's holistic approach combines safe living spaces, educational support, and life skills development aimed at fostering independence and economic stability. This commitment has earned the respect and recognition of the community, ensuring each individual has the opportunity for transformation.

Key Highlights for 2025:

- Residential Care: *10 residents served on avg throughout the year, benefiting from a structured recovery environment.
- Support Groups: Hope For Today delivered 53 Alcoholics Anonymous (AA) groups and 26 Narcotics Anonymous (NA) groups in 2025.

Hope For Today remains a vital resource, offering a safe and empowering environment that supports long-term recovery and reintegration into society.

CAYMAN ISLANDS
MEALS ON WHEELS

Meals on Wheels (MOW) continues to play a vital role in alleviating food insecurity among older persons and individuals with permanent disabilities in Grand Cayman. Supported by over 275 volunteers, seven cooks, and a staff of three, MOW delivered 77,011 meals in 2025 meet the growing demand for meal support.

In 2025, MOW had a waitlist of 60 individuals awaiting meal assistance. In December, the organisation extended support to 10 new individuals, ensuring more people received essential meals during the holiday season.

Key Highlights for 2025:

- Meals Delivered: 77,011 meals served.
- Volunteer Support: 275 volunteers and 7 cooks support MOW's efforts.
- Waitlist: 60 individuals are currently on the waitlist.
- Christmas Outreach: MOW provided Christmas gifts and grocery bags, and to over 300 older persons.

Meals on Wheels continues to support vulnerable residents, ensuring access to nutritious meals and assistance.

NCVO
HELPING CHILDREN
Cayman Islands

The National Children's Voluntary Organization (NCVO) provides foster care

The National Children's Voluntary Organization (NCVO) provides foster care when it is determined that a child requires care and protection. The NCVO foster home serves up to 10 children every month in 2025. Children are provided with clinical therapy, tutoring, extracurricular/after-school activities, and home visits (supervised or unsupervised when appropriate) every month.

In 2025, two children left NCVO, and two new children were taken in, maintaining the facility's capacity. NCVO also held a Christmas celebration with residents and their Families, fostering a sense of community and support. All residents were able to spend Christmas Day with their families.

Throughout the year, children participated in various community and school activities, had supervised and primarily unsupervised home visits, and attended therapy and tutoring sessions.

In addition to these activities, NCVO staff continue to complete trainings to support the needs of the training, including training on CPR, AED, First Aid training and Foundation to attachment training.

The Pines Retirement Home (PRH) continued its mission of providing essential services to the older members of the community throughout 2025. Originally established for independent living, PRH has expanded its services to include nursing care to meet the growing demand for high-level care.

In 2025, PRH staff remained committed to providing personalised, compassionate support, enhancing residents' quality of life and fostering a strong sense of community. Moving forward, PRH continues to focus on improving its services and facilities to meet the evolving needs of the ageing population.

Key Highlights for 2025:

- Residential Nursing Care: 13 residents required nursing care, receiving the necessary support.
- Extended Residential Nursing Care: 24 residents required extended nursing care, reflecting the need for long-term care.

PRH remains dedicated to providing high-quality care and adapting to the changing needs of the community.

Rehoboth Ministries runs an after-school care programme during school days throughout the academic year, as well as full-day care (camps) during school holidays. In 2025, Rehoboth Ministries provided essential support, offering a safe environment for academic and recreational activities.

Key Highlights for 2025:

- After-School Programme: Rehoboth Ministries supported students from an average eof five schools, offering homework assistance and snacks. On average, 22 students attended each month during the academic year.
- Full-Day Camps: The organisation ran 4 days of full-day camps during school breaks, providing enriching experiences.
- Staffing and Recruitment: in June 2025 the programme also saw the retirement of the Director, who was with the programme since the early 90's. As of December 2025, the organisation employed 3 teachers in the after-school programme, alongside 17 volunteers throughout the year.

Rehoboth Ministries remains committed to providing high-quality care and academic support, ensuring every child has the opportunity to grow.

CONTACT US

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FINANCIAL STATEMENTS

GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF SOCIAL DEVELOPMENT AND INNOVATION

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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Ministry of Social Development and Innovation
Cayman Islands Government
Government Administration Building
Grand Cayman, Cayman Islands, BWI
TEL: 949-7900 FAX: 949-7544

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Social Development and Innovation in accordance with the provisions of the *Public Management and Finance Act (2020 Revision).*

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

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

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

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Social Development and Innovation for the financial year ended 31 December 2025.

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

(a) Completely and reliably reflect the financial transactions of the Ministry of Social Development and Innovation for year ended 31 December 2025;
(b) Fairly reflect the financial position as at 31 December 2025 and performance for the year ended 31 December 2025;
(c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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

Nellie Pouchie
Chief Officer

April 30, 2026

Deondra Kelly
Acting Chief Financial Officer

April 30, 2026

Office of the Auditor General
CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of Ministry of Social Development and Innovation

Opinion

I have audited the financial statements of the Ministry of Social Development and Innovation (the "Ministry"), which comprise the statement of financial position as at 31 December 2025, and the statement of financial performance, statement of changes in net worth and cash flows statement 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 8 to 33.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Ministry'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 Ministry or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry'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 Ministry'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 Ministry to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the *Public Management and Finance Act (2026 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Patrick O. Smith, CPA, CFE
Auditor General

30 April 2026
Cayman Islands

MINISTRY OF SOCIAL DEVELOPMENT AND INNOVATION
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
Expressed in Cayman Islands Dollars

Actual 2024 $'000		Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Final Budget vs Actual $'000
	Current Assets					
19,051	Cash and cash equivalents	2	22,352	6,056	6,056	(16,296)
9,618	Trade receivables	3	9,019	13	13	(9,006)
1,805	Other receivables	3	7,042	75	75	(6,967)
281	Inventory	4	247	-	-	(247)
3,541	Prepayments	5	5,003	81	81	(4,922)
34,296	**Total Current Assets**		43,663	6,225	6,225	(37,438)
	Non-Current Assets					
46	Other receivables		16	-	-	(16)
-	Right of Use assets - properties	23	2,785	-	-	(2,785)
3,584	Intangible assets	7	3,354	9,449	9,449	6,095
10,287	Property, plant and equipment	6	9,907	11,752	11,752	1,845
13,917	**Total Non-Current Assets**		16,062	21,201	21,201	5,139
48,213	**Total Assets**		59,725	27,426	27,426	(32,299)
	Current Liabilities					
153	Trade payables	8	141	369	369	228
2,416	Other payables and accruals	8	1,543	341	341	(1,202)
-	Lease Liability	8, 23	752	-	-	(752)
145	Unearned revenue	10	32	134	134	102
477	Employee entitlements	9	683	74	74	(609)
17,870	Surplus payable	27	21,119	228	228	(20,891)
21,061	**Total Current Liabilities**		24,270	1,146	1,146	(23,124)
	Non-Current Liabilities					
-	Lease Liabilities	8, 23	2,147	-	-	(2,147)
-	**Total Non-Current Liabilities**		2,147	-	-	(2,147)
21,061	**Total Liabilities**		26,417	1,146	1,146	(25,271)
27,152	**Net Assets**		33,308	26,280	26,280	(7,028)
	NET WORTH					
27,152	Contributed capital		33,308	30,537	30,537	(2,771)
-	Accumulated surpluses		-	(4,257)	(4,257)	(4,257)
27,152	**Total Net Worth**		33,308	26,280	26,280	(7,028)

The Notes to the Financial Statements on pages 10 to 33 form part of these financial statements.

MINISTRY OF SOCIAL DEVELOPMENT AND INNOVATION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2025
Expressed in Cayman Islands Dollars

Actual 2024 $'000		Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Final Budget vs Actual $'000
	Revenue					
49,586	Sale of goods and services	11	50,021	53,284	50,084	63
192	Donations	11	79	30	30	(49)
65	Other revenue		58	-	-	(58)
49,843	**Total Revenue**		**50,158**	**53,314**	**50,114**	**(44)**
	Expenses					
31,094	Personnel costs	12	32,333	37,071	39,275	6,942
10,165	Supplies and consumables	13	10,514	12,938	14,009	3,495
1,350	Depreciation	6	1,946	1,938	3,487	1,541
610	Amortisation of Intangible Assets	7	867	1,140	1,645	778
-	Depreciation charge of right of use asset	-	986	-	-	(986)
40	Revaluation legal liability provisions	15	8	-	-	(8)
7	Other gains	16	(5)	-	-	5
-	Finance charge on lease		181	-	-	(181)
43,266	**Total Expenses**		**46,830**	**53,087**	**58,416**	**11,586**
6,577	**Surplus for the period**		**3,328**	**227**	**(8,302)**	**(11,630)**

The Notes to the Financial Statements on pages 10 to 33 form part of these financial statements.

MINISTRY OF SOCIAL DEVELOPMENT AND INNOVATION
STATEMENT OF CHANGES IN NET WORTH FOR THE YEAR ENDED 31 DECEMBER 2025
Expressed in Cayman Islands Dollars

	Contributed Capital	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget 2025	Variance (Final vs. Actual)
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 31 December 2023 brought forward	25,363	-	25,363	15,054	15,054	(10,309)
Accounting Errors	-	(135)	(135)	-	-	135
Adjusted balance 31 December 2023	**25,363**	**(135)**	**25,228**	**15,054**	**15,054**	**(10,174)**
Changes in net worth for 2024						
Equity Investment from Cabinet	1,790	-	1,790	7,253	7,253	5,463
Surplus payable to Cabinet	-	(6,442)	(6,442)	(60)	(60)	6,382
Net revenue / expenses recognised directly in net worth	1,790	(6,442)	(4,652)	7,193	7,193	11,845
Surplus/(deficit)for the period 2024	-	6,577	6,577	60	60	(6,517)
Total recognised revenues and expenses for the period	1,790	135	1,925	7,253	7,253	5,328
Balance at 31 December 2024 carried forward	**27,153**	-	**27,153**	**22,307**	**22,307**	**(4,846)**
Balance at 31 December 2024 brought forward	27,153	-	27,153	22,307	22,307	(4,846)
Prior Year Adjustments						
Accounting Errors	-	(78)	(78)	-	-	78
Balance 31 December 2024	**27,153**	**(78)**	**27,075**	**22,307**	**22,307**	**(4,768)**
Changes in net worth for 2025						
Equity Investment from Cabinet	6,404	-	6,404	3,973	3,973	(2,431)
Capital withdrawals by Cabinet	(250)	-	(250)	-	-	250
Surplus payable to Cabinet	-	(3,249)	(3,249)	(228)	8,302	3,021
Net revenue / expenses recognised directly in net worth	6,154	(3,249)	2,905	3,745	12,275	840
Surplus/(deficit)for the period 2025	-	3,328	3,328	228	(8,302)	(11,630)
Total recognised revenues and expenses for the period	6,154	79	6,233	3,973	3,973	(10,790)
Balance at 31 December 2025 carried forward	**33,307**	**1**	**33,308**	**26,280**	**26,280**	**(15,558)**

The Notes to the Financial Statements on pages 10 to 33 form part of these financial statements.

MINISTRY OF SOCIAL DEVELOPMENT AND INNOVATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
Expressed in Cayman Islands Dollars

Actual 2024 $'000	Description	Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Final Budget vs Actual $'000
	CASH FLOWS FROM OPERATING ACTIVITIES					
	Receipts					
48,647	Outputs to Cabinet		51,203	53,024	53,024	1,821
187	Outputs to other government agencies		(589)	202	202	791
(99)	Sale of goods and services - third party		(58)	30	30	88
125	Donations / Grants		79	(30)	(30)	(109)
83	Other receipts		88	57	57	(31)
	Payments					
(31,052)	Personnel costs		(32,231)	(37,071)	(37,071)	(4,840)
(12,386)	Supplies and consumables		(13,588)	(12,938)	(12,938)	650
-	Interest paid		(181)	-	-	181
7	Other payments		(87)	-	-	87
5,512	**Net cash flows from operating activities**	18	**4,636**	**3,274**	**3,274**	**(1,362)**
	CASH FLOWS USED IN INVESTING ACTIVITIES					
(2,796)	Purchase of property, plant and equipment		(2,949)	(3,972)	(3,973)	(1,024)
(2,796)	**Net cash flows used in investing activities**		**(2,949)**	**(3,972)**	**(3,973)**	**(1,024)**
	CASH FLOWS FROM FINANCING ACTIVITIES					
5,858	Equity Investment from Org 40		1,788	3,973	3,973	2,185
-	Ministry Reorganisation		(174)	-	-	174
5,858	**Net cash flows from financing activities**		**1,614**	**3,943**	**3,943**	**2,329**
8,575	**Net increase/(decrease) in cash and equivalent**		3,301	3,245	3,245	(56)
10,476	Cash and cash equivalents at beginning of period		19,051	2,810	2,810	(16,241)
19,051	**Cash and cash equivalents at end of period**		**22,352**	**6,055**	**6,055**	**(16,297)**

The Notes to the Financial Statements on pages 10 to 33 form part of these financial statements.

The Ministry of Social Development and Innovation (the "Ministry") is responsible for providing policy advice, administrative and governance support and the delivery of a range of programmes and services to the public, to enable the Minister to achieve the strategic goals for these areas of ministerial responsibility: Investment, Innovation and Social Development.

Outside of the core administrative arm of the Ministry, the Departments/Units within the Ministry's remit include:

- The Cayman Islands Centre for Business Development (For the period January to June 2025)
- The eGovernment Unit
- The Computer Services Department
- The Cybersecurity Unit
- The Sunrise Adult Training Centre (SATC) (For the period January to June 2025)
- The Department of Children and Family Services (DCFS)
- The Department of Financial Assistance (DFA)

Scope of Activities

The main goals of the Ministry are to elevate the Cayman Islands and advance the economic, social and political interests of the Government, people and businesses, for a prosperous and sustainable future.

In pursuit of these goals the Ministry seeks to assist and uplift the less fortunate in our society, by creating meaningful, measurable, efficient and effective reform to Government's social policies and programmes, while ensuring that the fruits of innovation and investment raise and improve the lives of all members of our society.

Description of Departments and Units

- **The Cayman Islands Centre for Business Development –** Provides business advisory, business development and technical assistance services to entrepreneurs and business owners in order to support local micro, small and medium sized businesses. This department was transferred to another ministry as at July 1, 2025, after the Elections.
- **The eGovernment Department** - Implements, improves and promotes Government's digital infrastructure platforms and digital service solutions to enhance people's lives and enable business in a digital society.
- **Computer Services Department –** Provides strategic solutions and acts as an internal business partner to serve the whole of core Government and select Statutory Authorities/Government Companies, to achieve their digital and technological objectives and deliver a world class experience.
- **The Cybersecurity Unit –** Protects, defends and strengthens the Cayman Islands Government's cyber security capability, its online services and digital assets and increases awareness and understanding of cybersecurity in the community.

- **The Sunrise Adult Training Centre** – Empowers and advocates for adults with disabilities, through therapeutic and recreational programmes, and vocational training including support for adults to access employment opportunities in the community as well as wider community inclusion; facilitates employment opportunities to maximize client independence and improve quality of life. This department was transferred to another ministry as at July 1, 2025, after the Elections.

- **The Department of Children and Family Services** –Protects and promotes the rights and welfare of children, families and older persons through the use of social work intervention, public education, advocacy and community-based programmes that serve to safeguard children, older persons and families, strengthen family bonds and build healthy communities.
- **The Department of Financial Assistance, formerly the Needs Assessment Unit** – Improves quality of life by providing financial assistance to Caymanians on a temporary or long-term basis, including assessments and case management.

Customers and Location of Activities

The Ministry's customers are the Cabinet, the Minister for Investment, Innovation and Social Development, all its departments and units, and other Government ministries. Externally, services are provided to the business community, adults with disabilities, families and the general public.

Note 1: Significant Accounting Policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting.

New and revised accounting standards issued that are effective for the financial year beginning 1 January 2025.

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

IPSAS 43, Leases was issued in January 2022 and was applied for financial statements covering periods beginning on or after 1 January 2025. Inter alia, IPSAS 43 requires lessees to measure and account for the right-of-use asset and the lease liability; exemptions apply to short-term leases what will continue to be accounted for in the same manner that operating leases are accounted for under IPSAS 13. Interest on lease is specified based on a rate established by the Treasury as the cost of capital.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations was issued in May 2022 is applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 provides guidance on how to account for non-current assets when they are made available for sale on commercial terms; no such guidance existed prior to IPSAS 44. IPSAS 44 did not have a significant impact on the Ministry's financial statements.

IPSAS 45, Property, Plant and Equipment was issued in May 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 45 replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured. IPSAS 45 does not have an impact on the Ministry.

IPSAS 46 Measurement and update of chapter 7 of the conceptual framework was issued in May 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. It provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets. IPSAS 46 did not have a significant impact on the Ministry's financial statements and will be further assessed at the next government wide revaluation.

Note 1: Significant Accounting Policies (continued)

New and revised accounting standards issued, that are not yet effective for the financial year beginning 1 January 2025 and not early adopted

IPSAS 47, Revenue was issued in May 2023 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. IPSAS 47 shall apply to the financial statements from January 1, 2026. This IPSAS replaces IPSAS 9, Revenue from exchange transactions (Taxes and Transfers) and IPSAS 23 Revenue from non-exchange transactions. IPSAS 47 will not have a significant impact on the Ministry's financial statements.

IPSAS 48, Transfer Expenses was issued in May 2023 and provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. IPSAS 47 shall apply to the financial statements from January 1, 2026. IPSAS 48 will not have a significant impact on the Ministry's financial statements.

IPSAS 49, Retirement Benefit Plans Expenses was issued in May 2023 and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members. IPSAS 49 shall apply to the financial statements from January 1, 2026. It is anticipated that IPSAS 49 will not have a significant impact on the Ministry's financial statements.

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

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Note 1: Significant Accounting Policies

(a) Basis of preparation

Corresponding information
The financial statements include corresponding information for all statements presented. When presentation or classification of items in the financial statements is amended or accounting policies are changed, corresponding figures are restated to ensure consistency with the current year unless it is impracticable to do so. The figures presented are not directly comparable to the prior year because as at July 1, 2025 the Cayman Islands Centre for Business Development was transferred to the Ministry of Financial Services and Commerce and the Sunrise Adult Training Centre was transferred to the Ministry of Education and Training.

(b) Budget amounts
The original budget amounts for the period ended 31 December 2025 reflect those approved in budgets presented in the budget statement for the financial years ended 31 December 2025 and 31 December 2026, which was approved by the Parliament. Any changes to the original budget are reflected in the final budget. Significant variances between actual and budgeted figures are explained in the notes to the financial statements. As required by the Public Management Finance Act (2020 Revision), budgets are presented on the same basis as the annual financial statements. The presentation of the current year financial statements includes a comparison of actual amounts with amounts in the original and final budget.

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period that they are made and in any future periods that are affected by those revisions. There have been no changes in accounting estimates as defined by IPSAS 3.

(d) Revenue
Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue). Revenue earned but not yet received at year end is recognised as a receivable. Donations are recognised as earned revenues unless conditions are specified by the donor. Where there are specified conditions, the revenues remain unearned until such conditions are met.

The Ministry derives its revenue through the provision of services to Cabinet, to other agencies in government or from the general public. Revenue is recognised at fair value of services provided.

(e) Expenses
Expenses are recognised in the accounting period in which they are incurred. Non-coercive Interagency costs are not recognised in the expenses of the accounts. Expenses incurred but not yet paid at year end are recognised as payables.

Note 1: Significant Accounting Policies (continued)

(f) Operating leases
All leases are treated based on right-of-use model as opposed to the risks and rewards incidental to ownership model in accordance with IPSAS 43. The right-of-use model replaces the risks and rewards incidental to ownership model in IPSAS 13, *Leases*.

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

(h) Prepayments
The portion of recognised expenditure paid in advance of receiving goods or services has been recognised as a prepayment and is classified as prepayments in these financial statements.

(i) Property, plant and equipment
Property, plant and equipment, is stated at historical cost less accumulated depreciation except for land and buildings which are stated at revalued amount. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the statement of financial performance in the year in which the asset is acquired.

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

Asset Type	***Estimated Useful life***
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	Over the unexpired period of lease or the estimated useful life of the improvement, whichever is shorter.
• Computer Equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Telecommunications	5 - 50 years
• Other equipment	5 – 20 years

Note 1: Significant Accounting Policies (continued)

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

Assets under construction
Assets under construction or development are carried at cost, less any recognised impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment or intangible assets when completed and ready for intended use. Depreciation of these assets (on the same basis as the asset category) commences when the assets are ready for their intended use.

(j) Intangible assets
Acquired computer software licenses lasting over a year as well as developed software are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

The carrying value of an intangible asset with a finite life is amortized on a straight-line basis over its useful life. Amortization begins when the asset is available for use and ceases at the date that the asset is no longer recognised as an asset. Amortization charge for each period is recognized in the statement of financial performance.

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

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

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

Note 1: Significant Accounting Policies (continued)

(I) Financial instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the statement of financial position. Financial assets and liabilities are recognised in the Ministry's Statement of Financial Position when the Ministry is a party to the contractual provisions of the instrument.

When there is objective evidence that a financial asset or group of financial assets is impaired, the losses are recognised as an expense in the statement of financial performance.

Classification
A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, and trade and other receivables.

(I) Financial instruments (continued)

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of trade and other payables, accrued expenses and employee entitlements.

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

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

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. The Ministry assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.
Cash and cash equivalents, trade receivables and payables are recorded at amortized cost using the effective interest method less any impairment.

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

Note 1: Significant Accounting Policies (continued)

(m) Provisions, Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or cannot be reliably measured. Contingent assets are disclosed if it is probable that the benefits will be realised. Provisions are recognised when it becomes probable that an outflow of cash or other economic resources will be required to settle a liability of uncertain timing and amount. If an outflow is not probable, the item is treated as a contingent liability.

(n) Foreign currency

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

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

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

(o) Revenue from non-exchange transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodations in the central government building, computer repairs and software maintenance by the Computer Services Department, maintenance and project management by the Public Works Department and vehicle maintenance from the Department of Vehicles, Equipment and Supplies, exemption of duties and charges from Customs and human resource management from the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as services in kind as defined under IPSAS 23 – Revenue from Non-Exchange Transactions. When fair values of such services can be readily estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in kind. Where services in kind offered are directly related to the construction of fixed assets, such service in kind is recognised in the cost of the asset.

(p) Inventories

Inventories include assets held for sale in the ordinary course of business (finished goods), assets in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production (raw materials). Inventories are stated at the lower of cost and net realisable value. Inventory is valued on a weighted average cost basis.

q) Unearned revenues

Unearned revenue is money received by the government for a service or product that has yet to be provided or delivered. It is recorded on the balance sheet as a liability and recognized as revenue on the income statement when the product or service is delivered. Most of the Ministry's unearned revenues are derived from donations with special conditions for purpose.

Note 1: Significant Accounting Policies (continued)

r) Donations

The departments in the Ministry from time to time receive donations in support of activities. Where there are special conditions relating to repayment, they are recorded as unearned revenues on the balance until the specific condition is met and then they are recorded as income on the statement of financial performance. Where no conditions exist, they are recorded at once as revenues on the statement of financial performance.

Note 2: Cash and cash equivalents

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

Actual 2024	Description	Foreign Currency December 31, 2025 $'000	Exchange Rate	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
-	Cash in transit (IRIS Remittance Account)	-	1.0000	-	-	-	-
18,379	CI$ Operational Current Account held at Royal Bank of Canada	22,292	1.0000	22,292	7,066	7,066	(15,226)
671	US$ Operational Current Account held at Royal Bank of Canada	72	0.8375	60	-	-	(60)
-	Payroll Current Account held at Royal Bank of Canada	-	1.0000	-	(1,111)	(1,111)	(1,111)
-	Bank Accounts held at other financial institutions	-	1.0000	-	100	100	100
19,050	Total			22,352	6,055	6,055	(16,297)

Note 3: Trade receivables and other receivables

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

The Ministry performed an individual/specific ECL assessment on any related-party debtors with qualitative or quantitative factors indicating doubts about collectability. Given the low risk of default on the remaining Related Party Receivables held by the Ministry, the impact of expected credit losses on these receivables is estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating and absence of historical losses on amounts due.

Actual 2024 $'000	Description	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
96	Sale of goods and services	107	-	-	(107)
9,544	Outputs to Cabinet	8,953	13	13	(8,940)
(22)	Less: provision for doubtful debts	(41)	-	-	41
9,618	**Total trade receivables**	**9,019**	**13**	**13**	**(9,006)**

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

Actual 2024 $'000	Receivables	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
11,362	**Current**	7,510	-	-	(7,510)
9	Past due 1-30 days	9	13	13	4
1	Past due 31-60 days	10	-	-	(10)
13	Past due 61-90 days	6	-	-	(6)
14	Past due 90 and above	25	-	-	(25)
	Non-Current				
34	Past due 1 year and above	27	-	-	(27)
11,433	**Total**	**7,587**	**13**	**13**	**(7,574)**

As at 31 December 2025 expected credit losses resulting from specific ECL for provisioning amounted to 41k (2024: 22k)

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

Note 3: Trade receivables and other receivables (continued)

The movement in the allowance for credit losses is as follows:

	2025	2024
Allowance for credit losses as at 1 January calculated under IPSAS 29	22	103
IPSAS 41 expected credit loss adjustment - through opening accumulated surplus/deficit	-	-
Opening allowance for credit losses as at 1 January	19	103
Revision in loss allowance made during the year	-	(32)
Receivables written off during the year	-	(49)
Balance at 31 December	**41**	**22**

Actual 2024 $'000	Other Receivables	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
7	Advances (salary, Official Travel, etc)	62	-	-	(62)
1,798	Other	6,980	75	75	(6,905)
1,805	**Total other receivables**	7,042	75	75	(6,967)

The Other Receivables in 2025 relates to amounts owing to the Ministry from Cabinet for Equity Injections. It also includes $0.5m in advanced to the Children and Youth Services to refurbish Phoenix House.
Subsequent to the year end $6.9m has been received from the Government.

Note 4: Inventory

Inventory held primarily consists of smart cards and card readers for use by the National ID programme.

Actual 2024 $'000	Description	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
281	Inventory held for use in the provision of goods and services	247	-	-	(247)
281	**TOTAL INVENTORIES**	247	-	-	(247)

Note 5: Prepayments

Prepayments primarily relates to software maintenance and licences prepaid and amortised over the period of its respective contractual agreement.

Actual 2024 $'000	Description	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
3,541	Accrued Prepayments	5,003	81	81	(4,922)
3,541	**Total Prepayments**	5,003	81	81	(4,922)

Note 6: Property, plant and equipment

COST or OPENING VALUATION	Land $'000	Plant & Equipment $'000	Buildings & Leasehold $'000	Furniture & Office Equipment $'000	Computers Hardware $'000	Motor Vehicles $'000	Assets under construction/ development $'000	Total $'000	Original Budget $'000	Final Budget $'000	Budget Variance $'000
Balance as at 1 January 2024	2,234	114	5,102	203	5,802	1,005	2,361	16,821	19,624	19,623	2,803
Additions	-	43	266	27	2,159	156	(197)	2,454	3,778	3,778	1,324
Disposals	-	-	-	-	(77)	(61)	-	(138)	-	-	138
Transfers	-	-	-	-	(1)	-	-	(1)	-	-	1
Balance as at 31 December 2024	2,234	157	5,368	230	7,883	1,100	2,164	19,136	23,402	23,401	4,266
Balance as at 1 January 2025	2,234	157	5,368	230	7,883	1,100	2,164	19,136	23,402	23,401	4,266
Additions	-	235	787	20	1,598	22	(902)	1,760	478	478	(1,282)
Disposals	-	-	-	-	(31)	(17)	-	(48)	-	-	48
Ministry Reorganisation	-	(5)	(29)	(49)	(143)	(242)	-	(468)	-	-	468
Balance as at 31 December 2025	2,234	387	6,126	201	9,307	863	1,262	20,380	23,880	23,879	3,500

ACCUMULATED DEPRECIATION	Land $'000	Plant & Equipment $'000	Buildings & Leasehold $'000	Furniture & Office Equipment $'000	Computers Hardware $'000	Motor Vehicles $'000	Assets under construction/ development $'000	Total $'000	Original Budget $'000	Final Budget $'000	Budget Variance $'000
Balance as at 1 January 2024	-	75	1,722	116	5,065	618	-	7,596	8,155	8,155	559
Transfers	-	-	-	-	(2)	-	-	(2)	-	-	2
Impairment change 2024	-	-	44	-	-	-	-	44	-	-	(44)
Depreciation Expense 2024	-	13	431	25	767	113	-	1,349	2,036	2,036	687
Disposals	-	-	-	-	(77)	(61)	-	(138)	-	-	138
Balance as at 31 December 2024	-	88	2,197	141	5,753	670	-	8,849	10,191	10,191	1,342
Balance as at 1 January 2025	-	88	2,197	141	5,753	670	-	8,849	10,191	10,191	1,342
Disposals	-	-	-	-	(32)	(18)	-	(50)	-	-	50
Ministry Reorganisation	-	-	(29)	(30)	(127)	(86)	-	(272)	-	-	272
Depreciation Expense 2025	-	37	475	25	1,325	84	-	1,946	1,938	2,712	(8)
Balance as at 31 December 2025	-	125	2,643	136	6,919	650	-	10,473	12,129	12,903	1,656
Net Book value 31 December 2024	2,234	69	3,171	89	2,130	430	2,164	10,287	13,211	13,210	2,924
Net Book value 31 December 2025	2,234	262	3,483	65	2,388	213	1,262	9,907	11,751	10,976	1,844

Assets under construction includes projects such as the expansion and refreshing of equipment for information technology infrastructure projects as well as office fitout for the Computer Services Department.

Note 7: Intangible Assets

COST or OPENING VALUATION	Computer Software $'000	Assets under construction/ development $'000	Total $'000	Original Budget $'000	Final Budget $'000	Current vs Original $'000
Balance as at 1 January 2024	7,227	2,279	9,506	10,509	10,509	1,003
Additions	746	(191)	555	3,475	3,475	2,920
Balance as at 31 December 2024	**7,973**	**2,088**	**10,061**	**13,984**	**13,984**	**3,923**
Balance as at 1 January 2025	**7,973**	**2,088**	**10,061**	**13,984**	**13,984**	**3,923**
Additions	1,799	(1,162)	637	3,495	3,495	2,858
Balance as at 31 December 2025	**9,772**	**926**	**10,698**	**17,479**	**17,479**	**6,781**

3	Computer Software $'000	Assets under construction/ development $'000	Total $'000	Original Budget $'000	Budget Variance $'000	Current vs Original $'000
Balance as at 1 January 2024	5,867	-	5,867	5,774	5,774	(93)
Depreciation Expense 2024	610	-	610	1,115	1,115	505
Balance as at 31 December 2024	**6,477**	-	**6,477**	**6,889**	**6,889**	**412**
Balance as at 1 January 2025	**6,477**	-	**6,477**	**6,889**	**6,889**	**412**
Amortisation Expense 2025	867	-	867	1,140	1,140	273
Balance as at 31 December 2025	**7,344**	-	**7,344**	**8,029**	**8,029**	**685**
Net Book value 31 December 2024	**1,496**	**2,088**	**3,584**	**7,095**	**7,095**	**3,511**
Net Book value 31 December 2025	**2,428**	**926**	**3,354**	**9,450**	**9,450**	**6,096**

Assets under construction includes projects such as the development of the Department for Financial Assistance system as well as the electronic management system upgrade.

Note 8: Trade payables, other payables and accruals

Actual 2024 $'000	Description	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
148	Creditors	136	369	369	233
5	Creditors other government agencies	5	-	-	(5)
153	**Total Trade Payables**	**141**	**369**	**369**	**228**

Other Payables and Accruals

Actual 2024 $'000	Description	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
213	Payroll Deductions	211	-	-	(211)
-	Operating Lease	752	-	-	(752)
2,128	Accrued Expenses	1,262	326	326	(936)
46	Accrued Expenses Ministries/Portfolios	45	-	-	(45)
6	Accrued Expenses other government agencies	2	-	-	(2)
23	Inter-entity due to government entities	23	-	-	(23)
-	Other payables	-	15	15	15
2,416	**Total Other Payables and accruals**	**2,295**	**341**	**341**	**(1,954)**

Note 9: Employee entitlements

Actual 2024 $'000	Description	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
	Current employee entitlements are represented by:				
402	Annual Leave	436	57	57	(379)
75	Accrued salaries	247	17	17	(230)
477	**Total current portion**	**683**	**74**	**74**	**(609)**

Note 10: Unearned Revenues

Actual 2024 $'000	Description	Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
	Current Portion					
144	Other unearned revenue		32	134	134	102
144	**Total current portion**		**32**	**134**	**134**	**102**

The unearned revenues represent primarily donations from third parties for specific purposes in the Department for Children and Family Services.

Note 11: Sale of Goods and Services

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

Actual 2024 $'000	Revenue type	Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
49,400	Outputs to Cabinet		49,845	53,024	49,824	3,179
186	Outputs to other government agencies		176	202	202	26
-	General sales		-	57	57	57
49,586	**Total sales of goods and services**		**50,021**	**53,283**	**50,083**	**3,262**

Actual 2024 $'000	Source	Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Variance $'000
192	Donations		79	30	30	(49)
192	**Total Donations**		**79**	**30**	**30**	**(49)**

Donations include gifts and contributions from various private individuals and organisations. These donations primarily support the Department for Children and Family Services and the Sunrise Adult Training Centre.

Note 12: Personnel costs

Actual 2024 $'000	Description	Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
24,069	Salaries, wages and allowances		24,851	27,351	27,614	2,500
5,740	Health care		6,024	8,085	9,717	2,061
1,230	Pension		1,310	1,498	1,715	188
7	Leave		68	8	8	(60)
48	Other personnel related costs		80	129	220	49
31,094	**Total Personnel Costs**		**32,333**	**37,071**	**39,274**	**4,738**

Note 13: Supplies and consumables

Actual 2024 $'000	Description	Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
583	Supplies and Materials		545	1,217	1,803	672
6,430	Purchase of services		8,007	7,859	7,812	(148)
1,430	Lease of Property and Equipment		353	1,841	2,099	1,488
641	Utilities		602	670	687	68
-	General Insurance		14	100	202	86
95	Interdepartmental expenses		93	101	102	8
308	Travel and Subsistence		197	261	237	64
280	Recruitment and Training		266	647	999	381
(81)	Provision for Doubtful Debts		18	-	81	(18)
9	Programme Services		6	-	(9)	(6)
470	Other		412	242	(4)	(170)
10,165	**Total Supplies & consumables**		**10,513**	**12,938**	**14,009**	**2,425**

Other includes items not captured in the other subject lines such as programme support services, community sponsorship and subscriptions.

Note 14: Finance costs (Bank overdraft)

During the year the Ministry had no finance cost on the overdraft balance charged to the accounts. Interest on lease is specified by the Ministry of Finance and Economic Development. The rate of 5.39% has been established.

Note 15: Litigation costs

Litigation costs represent anticipated provisions for current ongoing matters being handled by the Solicitor General on the Ministry's behalf. Provisions were made for all known risks in 2025.

Note 16: Gain and Losses

Actual 2024 $'000	Description	Note	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
-	Loss on Derecognition of Assets		-	-	-	-
7	Net loss on foreign exchange Transactions		(5)	-	-	5
7	**Total gain/ (losses)**		**(5)**	**-**	**-**	**5**

Loss on derecognition of assets in the prior year is as a result of the derecognition of network infrastructure decommissioned to the Brit Cay Building.

Note 17: Revenue from non-exchange transactions

During the period ended 31 December 2025, the Ministry received services in-kind. The fair value of these services cannot be determined and therefore no other income has been recognized in these financial statements.

Note 18: Reconciliation of net cash flows from operating activities to surplus

Actual 2024 $'000	Description	Actual 2025 $'000	Original Budget 2025 $'000	Final Budget 2025 $'000	Budget Orig vs Actual $'000
6,578	Surplus/(deficit) from ordinary activities	3,327	228	228	(3,099)
	Non-cash movements				
1,350	Depreciation expense	1,946	3,078	3,078	1,132
610	Amortisation of Intangible Assets	867	-	-	(867)
-	Depreciation of Rights of use assets	986	-	-	(986)
(81)	Provision for Doubtful Debt	18	-	-	(18)
7	Exchange (Gain)/Loss	(5)	-	-	5
-	Donation of physical assets	8	-	-	(8)
	Changes in current assets and liabilities:				
(851)	(Increase)/decrease in trade receivables	1,301	-	-	(1,301)
40	(Increase)/decrease in other current assets	(840)	-	-	840
(2,221)	Increase/(decrease) in trade payables	(3,073)	-	-	3,073
42	Increase/(decrease) in provisions relating to employee costs	102	-	-	(102)
40	Increase/(decrease in provisions for legal & other liabilities	-	(30)	(30)	(30)
5,514	Net cash flows from operating activities	**4,637**	**3,276**	**3,276**	**(1,361)**

NOTE 19: Commitments

Actual 2024 $'000	Type	One year or less $'000	Two to five Years $'000	Over five Years $'000	Total $'000
	Capital Commitments				
1,023	Property, plant and equipment	3,250	-	-	3,250
419	Other fixed assets	1,443	-	-	1,443
1,442	**Total Capital Commitments**	**4,693**	-	-	**4,693**
	Operating Commitments				
-	Non-cancellable accommodation leases	-	-	-	-
-	**Total Operating Commitments**	-	-	-	-
1,442	**Total Commitments**	**4,693**	-	-	**4,693**

NOTE 20: Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly-owned entity of the Government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial period ended 31 December 2025 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Ministry.

Actual 2024 $'000	Number of persons	Description	Actual 2025 $'000	Original Budget 2025 $'000	Budget Orig vs Actual $'000	Number of persons
1,958	14	Salaries & other short-term employee benefits	1,897	-	(1,897)	14
1,958		Total	**1,897**	-	**(1,897)**	

There were no loans granted to key management personnel and or their close relatives.

NOTE 21: Events occurring after the reporting date

There are no major events subsequent to December 31, 2025 that will affect the representations in these statements.

NOTE 22: Segment Reporting

The Ministry's segment report is prepared on the basis of two distinctive segments, the Innovation segment and the Social Development segment. The Innovation Segment is the technology arm of the government and includes those departments supporting the technologies for the other departments including cyber security, government online strategies and technical support for the government. The Social Development segment supports and protects the most vulnerable in society.

Innovation $'000	Social Development $'000	Actual 2024 $'000	Statement of Financial Position	Note	Innovation $'000	Social Development $'000	Actual 2025 $'000
			Current Assets				
-	19,051	19,051	Cash and cash equivalents	2	-	22,352	22,352
57	9,561	9,618	Trade receivables	3	34	8,985	9,019
-	1,805	1,805	Other receivables	3	73	6,969	7,042
279	2	281	Inventories	4	246	1	247
3,520	21	3,541	Prepayments	5	4,996	7	5,003
3,856	30,440	34,296	**Total Current Assets**		5,349	38,314	43,663
			Non-Current Assets				
-	46	46	Other receivables		2	15	17
2,538	1,044	3,582	Intangible Assets	7	2,251	1,103	3,354
4,446	5,843	10,289	Property, plant and equipment	6	4,265	5,642	9,907
		-	Right of Use Assets	-	256	2,529	2,785
6,984	6,933	13,917	**Total Non-Current Assets**		6,774	9,289	16,063
10,840	37,373	48,213	**Total Assets**		12,123	47,603	59,726
			Current Liabilities				
53	100	153	Trade payables	8	4	137	141
956	1,460	2,416	Other payables and accruals	8	538	1,006	1,544
-	-	-	Lease Liability	-	233	519	752
-	145	145	Unearned revenue	10	-	32	32
199	278	477	Employee entitlements	9	220	463	683
-	17,870	17,870	Surplus Payable	26	-	21,119	21,119
1,208	19,853	21,061	**Total Current Liabilities**		995	23,276	24,271
			Non-Current Liabilities				
-	-	-	Lease Liability	-	292	1,855	2,147
-	-	-	**Total Non-Current Liabilities**		**292**	**1,855**	**2,147**
1,208	19,853	21,061	**Total Liabilities**		1,287	25,131	26,418
9,632	17,520	27,152	**Net Assets**		10,836	22,472	33,308
			NET WORTH				
9,632	17,520	27,152	Contributed capital		10,836	22,472	33,308
9,632	17,520	27,152	**Total Net Worth**		10,836	22,472	33,308

NOTE 22: Segment Reporting (continued)

Innovation $'000	Social Development $'000	2024 Actual $'000	Statement of Financial Performance	Note	Innovation $'000	Social Development $'000	2025 Actual $'000
			Revenue				
21,496	28,091	49,587	Sale of goods and services	11	24,170	25,850	50,020
-	192	192	Donations	11	-	79	79
31	33	64	Other revenue		27	30	57
21,527	28,316	49,843	**Total Revenue**		24,197	25,959	50,156
			Expenses				
9,694	21,399	31,093	Personnel costs	12	11,491	20,840	32,331
6,280	3,884	10,164	Supplies and consumables	13	7,788	2,725	10,513
818	539	1,357	Depreciation	6	1,396	550	1,946
577	27	604	Amortisation of Intangible Assets	7	761	106	867
-	-	-	Depreciation Charge on Rights of use assets	-	303	684	987
-	40	40	Revaluation legal liability provisions	15	-	8	8
9	(1)	8	Other (Gains)/Losses	16	-	(5)	(5)
-	-	-	Finance Charge for Leases		30	151	181
17,378	25,888	43,266	**Total Expenses**		21,769	25,059	46,828
4,149	2,428	6,577	**Surplus for the period**		2,428	900	3,328

NOTE 23: Lease obligations

	One year or less $'000	Two to five Years $'000	Over five Years $'000	Total $'000	Carrying Amount $'000
Financial risk management					
At as 31 December 2025					
Contractual maturities of financial liabilities					
Lease liabilities	752	2,147	-	2,899	2,899
Total Lease Commitments	**752**	**2,147**	**-**	**2,899**	**2,899**

Right of use asset	31 December 2025 KYD '000
Balance at start of the year	4,445
Additions in the year	-
Lease terminations in the year	(889)
	3,557
Depreciation expense	(772)
Balance at end of the year	**2,785**

Lease liability	31 December 2025 KYD '000
Balance at start of the year	4,524
Additions in the year	-
Lease terminations in the year	(698)
Interest expense	181
	4,007
Repayments in the year	(1,109)
Balance at end of the year	**2,899**

NOTE 24: Financial instrument risks

The Ministry is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, accounts receivable, debtor-Cabinet and creditors and other payables. The Ministry seeks to minimise exposure from financial instruments and does not enter into speculative financial instrument transactions. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit risk
Credit risk is the risk that the counterparty to a transaction with the Ministry will fail to discharge its obligations, causing the Ministry to incur a financial loss. In the normal course of business, the Ministry is exposed to credit risk from cash & cash equivalents, short-term deposits and trade and other receivables. Financial assets that potentially subject the Ministry to credit risk consist of Cash and Cash Equivalents, trade receivables, and other receivables.

For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position. Royal Bank of Canada (RBC) is the Ministry's main bank with a S&P Global Ratings of AA-.
The average credit period on sales is 30 days. The Ministry manages its Credit risk by limiting the counter parties it transacts business with to counterparties it believes to be capable of performing their contractual obligations. Generally, the Ministry does not require collateral. Ongoing credit risk is managed through review of ageing analysis, together with credit limits per customer.

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

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

All the Ministry's financial liabilities (creditors and payables) will normally be settled in less than six months from the date of these financial statements.

Note 25: Financial instruments – fair values

Credit Risk

Expected credit losses (ECL)
ECLs are calculated on a lifetime basis for Trade Receivables. Please see trade receivables note 4 for more information on credit risk disclosures for ECL on Trade Receivables.

Concentrations of credit risk
The Ministry does not have any significant credit risk exposure. The credit risk on cash and cash equivalents and short-term investments is limited. The Ministry's main bank is Royal Bank of the Canada (RBC) which has a S&P Global Ratings of AA-.
As of 31 December 2025, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

NOTE 26: Explanation of variances to budget

Statement of financial position

Due to the post-election changes, comparison of the actual results will be against the final adjusted budgets instead of the original budgets. The cash and cash equivalents are $16.3m above the budget year and $3.3m above the prior year. The primary reason is timing related to the various components such as receivables and liabilities. The Ministry has not yet paid over the surplus amounts to the Ministry of Finance totaling $17.9m for the previous years.

The trade receivables outstanding is $9.0m above budget and $0.6m above the prior year as the Cabinet billing of $9.4m for the last few months of the fiscal year was paid in 2026.

Other receivables is $7m above budget and $5.2m below the prior year, due mainly to outstanding equity injection from Cabinet and an advance to Children and Youth Services to refurbish Phoenix house on the Ministry's behalf totalling $0.5m.

Inventory of $247k relates to inventory for the National ID programme. Due to delays in launch, many of the card readers and cards are still undistributed.

Prepayments represent software licenses held for government by CSD, Cyber Unit and EGov. Most of the software modules are now moved to the software as a service model versus an on-premises model. This requires different acquisition and accounting treatments as these items are now treated as prepayments rather than an intangible asset. This explains the significant variation in intangibles against budget of $6.1m.

Property plant and equipment is below budget by $1.8m due to delays in IT infrastructure refreshing as well as transfer of existing PPE with the Sunrise Adult Training Centre.

Trade payables and other payables and accruals is in aggregate $1m over the 2025 final budget but $0.9m above the prior period. This is in effect timing differences as the Ministry has been given more services and goods on more favourable credit terms. Employee entitlements is $0.6m above 2025 final budget as the leave entitlements are outstanding to the employees. As previously stated, the Ministry has not yet paid over the surplus amounts to the Ministry of Finance totaling $17.9m for the previous years.

NOTE 26: Explanation of variances to budget (continued)

Statement of financial performance

Revenues
The Ministry primarily earns revenues to cover expenses by Cabinet appropriations. The total revenues were $0.1m below the final budget.

Expenses
Personnel costs were in aggregate $4.7m below budget for the 2025 fiscal year. This is primarily because of several vacancies across the Ministry, especially in the Innovation division. The final budgets do not include the last six months of those departments transferred for neither actual nor budget. Supplies and Consumables were below actual by $1.5m as projects such as the National ID roll out was delayed and there was delay in procuring some new software licenses.
The total slippage in supplies and materials was $0.6m while purchase of services was above budget by $0.1m due mainly to changes in the licencing models for software in the technology sector.
Depreciation in property, plant and equipment was $1m below budget as there were delays in acquiring some assets in the year. Amortisation of intangibles was below budget by $0.2m as there are delays in the implementation of new software as well as major changes to software-as-a-service.

Statement of Changes in net worth

The transfer of the Sunrise Adult Training Centre to the Ministry of Education and Training, as well as the transfer of the Cayman Islands Centre for Business Development to the Ministry of Financial Services and Commerce resulted in a reduction of $0.25m in net worth. Equity investment for the Ministry of $6.4m resulted in a net reduction of $3m versus budget over two years, as a result of $5.5m in savings from 2024.

NOTE 27: Surplus repayment

Pursuant to Section 39 (3) (f) of the *Public Management and Finance Act (2020 Revision)* any net surplus is transferred to surplus repayable. The Ministry therefore recorded $3.3m for 2025 as a surplus payable to Cabinet in the 2025 fiscal period. The total surplus amounts due to the Ministry of Finance is $21m.

NOTE 28: Budget Period

The Government operates a budget period of appropriation covering two financial years. Under section 9(5) of the Public Management Finance Act (2020 Revision), an appropriation lapses at the end of the 2025 period, meaning the end of the two-year budget cycle. Unspent budget for the 2024 budget year can be transferred to the 2025 budget year for use.

At the end of 2024, $7.8m of unused expense budget was brought forward to supplement the 2025 original operating budget and $5.5m of unused capital budget will be brought forward to supplement the 2025 equity injection budget for capital projects.

Final Budget

The final budget includes a reduction in personnel by supplementary appropriations totalling $500k. In addition, $2.65m was transferred to other Ministries to facilitate the transfer of the Cayman Islands Centre for Business Development and the Sunrise Adult Training Centre. The summary composition of the final budget is shown below.

Revenue	Original Budget 2025 ($000)	Budget Brought Forward From 2024 ($000)	Supp. Approp. 2025 ($000)	Transferred departments 2025 ($000)	Final Budget 2025 ($000)
Sale of goods and services	53,284	-	(500)	(2,700)	50,084
Donations	30	-			30
Total Revenue	**53,314**	**-**	**(500)**	**(2,700)**	**50,114**
Expenses					
Personnel costs	37,071	4,577	(500)	(1,873)	39,275
Supplies and consumables	12,938	1,988	-	(917)	14,009
Depreciation	1,938	685	-	90	2,713
Amortisation of Intangible Assets	1,140	505	-		1,645
Total Expenses	**53,087**	**7,755**	**(500)**	**(2,700)**	**57,642**

The supplementary appropriation was approved under section 11(5) of the Public Management and Finance Act (2020 Revision) (PMFA).

A supplementary appropriation bill for the appropriation under section 11(5) was not introduced in Parliament by 31 March 2026 as required by S 11(6) of the PMFA.