

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2015 AND 2014**

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Council and Members of the National Trust for the Cayman Islands**

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the National Trust for the Cayman Islands (the "Trust"), which comprise the statement of financial position as at June 30, 2015, and the statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

The financial statements for the year ended June 30, 2014 were audited by other auditors whose opinion dated August 22, 2014 was qualified in relation to revenues.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Qualified Opinion***

The system of internal controls of the Trust, in common with many other organizations of similar size and purpose, is dependent upon the close involvement of the Trust's management. The Trust derives a substantial portion of its revenue from sources which cannot be fully controlled until they are entered into the accounting records and are therefore not susceptible to independent audit verification. Accordingly, it was not practicable to extend our auditing procedures of such revenue beyond the amounts recorded.

***Qualified Opinion***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as at June 30, 2015, and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

Without further qualifying our opinion, we draw attention to notes 1 and 12 to the financial statements. The Trust is economically dependent on the Cayman Islands Government and fulfils a vital role in assisting them in meeting its international and domestic obligations under various treaties and conventions designed to conserve the environment.

This report, including the opinion, has been prepared for and only for the Trust's Council and Members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



George Town  
Grand Cayman  
September 14, 2015

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2015**

*(Expressed in Cayman Islands dollars)*

	Note	Unrestricted 2015 CI\$	Temporarily Restricted 2015 CI\$	Permanently Restricted 2015 CI\$	Total 2015 CI\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	360,210	584,428	-	944,638
Accounts receivable		3,630	-	-	3,630
Inventory		21,868	-	-	21,868
Prepaid expenses		65,219	-	-	65,219
		<u>450,927</u>	<u>584,428</u>	<u>-</u>	<u>1,035,355</u>
<b>Non-current assets</b>					
Fixed assets	4	271,256	-	-	271,256
Heritage properties	5	2,560,800	-	8,986,883	11,547,683
		<u>2,832,056</u>	<u>-</u>	<u>8,986,883</u>	<u>11,818,939</u>
<b>Total Assets</b>		<b>CI\$ 3,282,983</b>	<b>CI\$ 584,428</b>	<b>CI\$ 8,986,883</b>	<b>CI\$ 12,854,294</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expense		14,447	-	-	14,447
<b>Total Liabilities</b>		<u>14,447</u>	<u>-</u>	<u>-</u>	<u>14,447</u>
<b>NET ASSETS</b>		<u>3,268,536</u>	<u>584,428</u>	<u>8,986,883</u>	<u>12,839,847</u>
<b>Total Liabilities and Net Assets</b>		<b>CI\$ 3,282,983</b>	<b>CI\$ 584,428</b>	<b>CI\$ 8,986,883</b>	<b>CI\$ 12,854,294</b>

*See accompanying notes to the financial statements.*

Authorized and approved for issue on behalf of the Board:

Andrew Gibb

September 14, 2015

Chairman

Date

Peter D. Anderson

September 14, 2015

Executive Member

Date

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**AS AT JUNE 30, 2014**

*(Expressed in Cayman Islands dollars)*

	Note	Unrestricted 2014 CI\$	Temporarily Restricted 2014 CI\$	Permanently Restricted 2014 CI\$	Total 2014 CI\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	406,210	446,055	-	852,265
Accounts receivable		1,158	-	-	1,158
Inventory		28,405	-	-	28,405
Prepaid expenses		17,913	-	-	17,913
		453,686	446,055	-	899,741
<b>Non-current assets</b>					
Fixed assets	4	313,783	-	-	313,783
Heritage properties	5	2,560,800	-	8,986,883	11,547,683
		2,874,583	-	8,986,883	11,861,466
<b>Total Assets</b>		<b>CI\$ 3,328,269</b>	<b>CI\$ 446,055</b>	<b>CI\$ 8,986,883</b>	<b>CI\$ 12,761,207</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses		42,418	-	-	42,418
<b>Total Liabilities</b>		42,418	-	-	42,418
<b>NET ASSETS</b>		3,285,851	446,055	8,986,883	12,718,789
<b>Total Liabilities and Net Assets</b>		<b>CI\$ 3,328,269</b>	<b>CI\$ 446,055</b>	<b>CI\$ 8,986,883</b>	<b>CI\$ 12,761,207</b>

*See accompanying notes to the financial statements.*

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

*(Expressed in Cayman Islands dollars)*

	Note	Unrestricted 2015 CI\$	Temporarily Restricted 2015 CI\$	Permanently Restricted 2015 CI\$	Total 2015 CI\$
<b>Revenue and support</b>					
Government grants		620,000	-	-	620,000
Donations, donated goods and services		123,320	295,910	-	419,230
EU Grant	6	-	178,094	-	178,094
Fundraising events		89,716	50,143	-	139,859
Product sales to public		29,705	9,654	-	39,359
Tours		12,863	10,210	-	23,073
Membership dues - individuals		10,815	-	-	10,815
Membership dues – corporate		1,000	-	-	1,000
Interest income		-	12	-	12
		-----	-----	-----	-----
<b>Total revenue and support</b>		887,419	544,023	-	1,431,442
		-----	-----	-----	-----
<b>Expenses</b>					
<b>Programme service expenses</b>					
Environmental preservation		267,848	386,211	-	654,059
Historic preservation		129,457	5,312	-	134,769
Educational programmes		60,438	-	-	60,438
		-----	-----	-----	-----
		457,743	391,523	-	849,266
		-----	-----	-----	-----
<b>Support service expenses</b>					
Operating and administration		287,486	21,260	-	308,746
Cost of fundraising events		52,028	-	-	52,028
Depreciation of fixed assets		45,375	-	-	45,375
Cost of sales to public		29,349	-	-	29,349
Pension	7	25,620	-	-	25,620
		-----	-----	-----	-----
		439,858	21,260	-	461,118
		-----	-----	-----	-----
<b>Total expenses</b>		897,601	412,783	-	1,310,384
		-----	-----	-----	-----
<b>(Decrease) increase in net assets</b>		(10,182)	131,240	-	121,058
Net assets, beginning of year		3,285,851	446,055	8,986,883	12,718,789
Net transfer from temporarily restricted funds		(7,133)	7,133	-	-
		-----	-----	-----	-----
<b>Net assets, end of year</b>	8,9	<b>CI\$ 3,268,536</b>	<b>CI\$ 584,428</b>	<b>CI\$ 8,986,883</b>	<b>CI\$ 12,839,847</b>
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*See accompanying notes to the financial statements.*

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**  
**STATEMENT OF ACTIVITIES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

(Expressed in Cayman Islands dollars)

	Note	Unrestricted 2014 CI\$	Temporarily Restricted 2014 CI\$	Permanently Restricted 2014 CI\$	Total 2014 CI\$
<b>Revenue and support</b>					
Government grants		470,000	-	-	470,000
Donations, donated goods and services		278,125	143,493	-	421,618
Fundraising events		110,847	47,305	-	158,152
Product sales to public		27,122	12,435	-	39,557
Tours		18,227	20,561	-	38,788
Membership dues - individuals		15,403	-	-	15,403
Membership dues - corporate		1,000	-	-	1,000
Interest income		32	15	-	47
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total revenue and support</b>		920,756	223,809	-	1,144,565
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenses</b>					
<b>Programme service expenses</b>					
Environmental preservation		198,512	103,622	-	302,134
Historic preservation		116,132	22,619	-	138,751
Educational programmes		25,478	-	-	25,478
		<hr/>	<hr/>	<hr/>	<hr/>
		340,122	126,241	-	466,363
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Support service expenses</b>					
Operating and administration		263,562	58,314	-	321,876
Cost of fundraising events		67,446	-	-	67,446
Depreciation of fixed assets		47,861	-	-	47,861
Cost of sales to public		43,349	-	-	43,349
Pension	7	21,864	-	-	21,864
		<hr/>	<hr/>	<hr/>	<hr/>
		444,082	58,314	-	502,396
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenses</b>		784,204	184,555	-	968,759
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Increase in net assets</b>		136,552	39,254	-	175,806
Net assets, beginning of year		3,904,225	555,799	8,082,959	12,542,983
Net transfer from temporarily restricted funds		(754,926)	(148,998)	903,924	-
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets, end of year</b>	8,9	<b>CI\$ 3,285,851</b>	<b>CI\$ 446,055</b>	<b>CI\$ 8,986,883</b>	<b>CI\$ 12,718,789</b>
		<hr/>	<hr/>	<hr/>	<hr/>

See accompanying notes to the financial statements.



**NATIONAL TRUST FOR THE CAYMAN ISLANDS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

*(Expressed in Cayman Islands dollars)*

	<b>2015</b>	<b>2014</b>
	<b>CI\$</b>	<b>CI\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	121,058	175,806
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	45,375	47,861
Land donated to the Trust	-	(8,640)
Changes in operating assets and liabilities:		
Accounts receivable	(2,472)	6,575
Inventory	6,537	28,442
Prepaid expense	(47,306)	(12,955)
Accounts payable and accrued expenses	(27,971)	30,223
	95,221	267,312
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land	-	(125,000)
Purchase of fixtures and fittings	(2,848)	(1,123)
	(2,848)	(126,123)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	92,373	141,189
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	852,265	711,076
	<b>CI\$ 944,638</b>	<b>CI\$ 852,265</b>

*See accompanying notes to the financial statements.*

**NATIONAL TRUST FOR THE CAYMAN ISLANDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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*(Expressed in Cayman Islands dollars)*

**1. PRINCIPAL ACTIVITY**

The National Trust for the Cayman Islands (the “Trust”) was formed on September 14, 1987 by the enactment of the National Trust for the Cayman Islands Law, 1987 (the “Trust Law”).

The purpose of the Trust is the preservation of the historic, natural and maritime heritage of the Cayman Islands, the conservation of lands, natural features and submarine areas of beauty with historic or environmental importance and, the protection of native flora and fauna.

The Trust plays a vital role in assisting the Cayman Islands Government in meeting its international and domestic obligations under various treaties and conventions designed to conserve the environment. These treaties and conventions require the establishment and maintenance of a system of protected areas in order to safeguard the country’s biodiversity and the Trust has been responsible for the majority of the progress in the area of terrestrial conservation over the last decade. The substantial contribution that the Trust makes would otherwise fall on Government at considerably greater cost.

These treaties and conventions encompass the September 2001 Environment Charter signed by the Cayman Islands Government and United Kingdom; the Convention on Biological Diversity (the ‘Rio’ convention); the Convention on Wetlands of International Importance (“Ramsar Convention”); the Specially Protected Areas and Wildlife protocol to the Cartagena Convention (the “SPAW Protocol”); and the Convention on the Conservation of Migratory Species of Wild Animals (“Bonn Convention”).

The registered office of the Trust is P.O. Box 31116, George Town, Grand Cayman KY1-1205, Cayman Islands. The Trust has 11 employees at June 30, 2015 (2014: 12).

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared in conformity with the accounting principles generally accepted in the United States of America and specifically follow the recommendations of the Financial Accounting Standards Board Codification Topic 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the Trust is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The significant accounting policies followed by the Trust are summarized as follows:

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Trust and changes therein are classified and reported as follows:

*Unrestricted net assets*

Net assets that are not subject to any donor-imposed stipulations.

*Temporarily restricted net assets*

Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Trust or the passage of time.

*Permanently restricted net assets*

Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Trust. Generally, the donors permit the Trust to use all or part of the income earned for either general or donor-specified purposes. Any property acquired by the Trust by any means which is eligible for placement on the Heritage Register under the by-laws of the Trust may be declared inalienable by the Council.

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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*(Expressed in Cayman Islands dollars)*

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. While management believes that the amounts included in the financial statements reflect the Trust's best estimates and assumptions, actual results could differ from these estimates.

*Revenue and expenses*

The financial statements are prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred with the exception of membership dues, donations and government grants, which are recorded in the period in which they are received.

*Government grants*

Government grants are received from the Cayman Islands Government for financial support on a quarterly basis and are recorded when received. Grants may also be received for special projects and these are matched with project expenditure over the term of the project and recorded in the unrestricted fund balance of the statement of activities when the expenditure is incurred.

*Donated materials and services*

A number of unpaid volunteers make significant contributions of their time and resources to manage and carry out the Trust's activities. The value of these contributions is not reflected in these financial statements when they are not susceptible to objective measurement or valuation. In addition, the Trust has received certain goods as donations. The value of these donated goods and services are reflected in the financial statements at their estimated value at the date of receipt, with the exception of audit fees for which services are donated. The estimated cost of the audit for the year ended June 30, 2015 is CI\$16,400 (2014: CI\$25,000).

*Programme services*

Amounts related to specific programmes of the Trust represent the related revenue and expenditure to the specific programmes so that the activity of each individual programme can be more closely monitored by the Council. Such revenues and expenses are recorded on an accrual basis and recognized when incurred.

*Pension and other post-retirement benefits*

Pension and other post-retirement benefits are recorded on an accrual basis based on the contribution rate.

*Inventory*

Inventory is valued at the lower of cost and net realizable value under the first-in first-out method. Goods purchased for resale are recorded at cost. Contributed inventories are recorded at their estimated value at the date of receipt.

*Fixed Assets*

Fixed assets are recorded at cost, or if donated, the approximate cost value at the date of the donation, and depreciated by the straight line method over the estimated useful lives of the assets as follows:

<b>Assets</b>	<b>Estimated Useful Lives</b>
Mission House, Trust house and Visitor's centre	20 Years
Iguana captive breeding facility	10 Years
Fixtures	5 Years
Vehicles	5 Years
Office equipment	3 Years

**NATIONAL TRUST FOR THE CAYMAN ISLANDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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*(Expressed in Cayman Islands dollars)*

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Heritage properties*

The Trust owns certain properties, which have been acquired by gift or purchase, and are important to the Trust in carrying out its historic and environmental preservation programmes. The Trust includes in its assets the cost or appraised value at the date of the acquisition of those heritage properties. The Trust is precluded from selling or pledging these properties as securities for borrowings.

*Cash and cash equivalents*

Cash and cash equivalents consist of current accounts and a money market fund account, which are held with reputable financial institutions in the Cayman Island. The Trust considers all highly liquid investments with original maturities of three months or less, when acquired, to be cash and cash equivalents.

*Foreign exchange*

Revenue and expense transactions involving currencies other than Cayman Islands dollars are translated at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the date of the statement of financial position. Gains and losses on exchange, if any, are taken to the statement of activities.

*Taxation*

There is no tax on income, profits or capital gains in the Cayman Islands, accordingly no provision for such taxes is made in these financial statements.

**3. CASH AND CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>CI\$</b>	<b>CI\$</b>
Current accounts	850,260	757,888
Money market fund	94,378	94,377
	<hr/>	<hr/>
	<b>CI\$ 944,638</b>	<b>CI\$ 852,265</b>
	<hr/>	<hr/>

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

(Expressed in Cayman Islands dollars)

**4. FIXED ASSETS**

	Mission house Trust home & Visitor's centre CI\$	Fixtures & Office Equipment CI\$	Vehicles CI\$	Iguana captive breeding facility CI\$	Total CI\$
<b>Cost or valuation</b>					
As at July 1, 2014	618,469	231,520	11,600	184,282	1,045,871
Additions	-	2,848	-	-	2,848
As at June 30, 2015	618,469	234,368	11,600	184,282	1,048,719
<b>Accumulated depreciation</b>					
As at July 1, 2014	349,695	230,771	11,280	140,342	732,088
Charge for the year	24,929	1,698	320	18,428	45,375
As at June 30, 2015	374,624	232,469	11,600	158,770	777,463
<b>Net book value</b>					
<b>As at June 30, 2015</b>	<b>CI\$ 243,845</b>	<b>CI\$ 1,899</b>	<b>CI\$ -</b>	<b>CI\$ 25,512</b>	<b>CI\$ 271,256</b>
<b>As at June 30, 2014</b>	<b>CI\$ 268,774</b>	<b>CI\$ 750</b>	<b>CI\$ 320</b>	<b>CI\$ 43,940</b>	<b>CI\$ 313,783</b>

The Trust has been at its present location at 558A South Church Street located on Crown land in George Town since July 2006. The major expenses for the upkeep of this building are met by the Government. The estimated fair value of the original donated house and expenses incurred in bringing the house to operational use were capitalized as a fixed asset during the year ended August 31, 1990. Currently the Trust is not charged a monthly rent for use of the property.

**5. HERITAGE PROPERTIES**

	2015 CI\$	2014 CI\$
Cost:		
Balance at beginning of year	11,547,683	11,414,043
Purchased additions	-	125,000
Donated additions	-	8,640
	<b>CI\$ 11,547,683</b>	<b>CI\$ 11,547,683</b>

During the year ended June 30, 2014, the Trust purchased land in The Marshes on Cayman Brac with a value of CI\$125,000.

**NATIONAL TRUST FOR THE CAYMAN ISLANDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

*(Expressed in Cayman Islands dollars)*

**5. HERITAGE PROPERTIES (continued)**

The Trust received donated land located on the Bluff on Cayman Brac valued at CI\$8,640 during the year ended June 30, 2014.

As of June 30, 2012, the Trust classifies its Land and Heritage properties as permanently restricted based on whether the land is inalienable. Based on this definition, certain heritage properties along with the respective land may be reclassified from unrestricted to permanently restricted, resulting in a transfer through the statement of activities.

Unrestricted heritage properties comprise:	<b>2015</b>	<b>2014</b>
	<b>CI\$</b>	<b>CI\$</b>
The Mastic Reserve – Grand Cayman	870,000	870,000
Uncle Sammy’s Pond – Grand Cayman	315,000	315,000
Salt Rocks Trail – Little Cayman	309,960	309,960
The Governor Gore Bird Sanctuary – Grand Cayman	223,862	223,862
Dr. Roy’s Ironshore – Grand Cayman	178,252	178,252
The Central Mangrove Wetland – Grand Cayman	170,884	170,884
Nurse Leila’s House – Grand Cayman	142,000	142,000
The Marshes – Cayman Brac	125,000	125,000
Mahogany Bay – Little Cayman	79,980	79,980
The Mass Grave Site – Cayman Brac	66,000	66,000
Woodlands – Little Cayman	45,974	45,974
Jackson’s Wall – Grand Cayman	20,248	20,248
Bluff Land – Cayman Brac	8,640	8,640
Miss Izzy’s Schoolhouse – Grand Cayman	5,000	5,000
	<u>CI\$ 2,560,800</u>	<u>CI\$ 2,560,800</u>

**6. EU GRANT**

On January 15, 2010, the Trust signed a contract for an European Community (EU) grant to fund a multi-year management plan for the preservation of dry shrubland which is the primary habitat of the critically endangered Blue Iguana. This project will help to stimulate sustainable eco-tourism. The grant is for a maximum of EUR550,000 (CI\$606,785), of which the first tranche of EUR263,095 (CI\$313,234) was received on July 1, 2010 and a second tranche of EUR115,952 (CI\$124,359) was received on April 12, 2012. The final tranche of EUR115,950 (CI\$127,418) was received on August 4, 2014 and EUR54,996 (CI\$50,676) was received on June 18, 2015.

The terms of the EU Grant stipulate that if any monies are not spent according to the terms of the contract, the said funds are repayable to the European Commission on demand. Therefore, as the Trust receives tranches of funds they are initially recorded as a liability on the statement of financial position. As and when the funds are required for related projects, the liability is reversed and all funds attributed to income, and then as they are spent, funds are expensed through the temporarily restricted fund balance. All funds received to date were attributed to income during the year ended June 30, 2012. The current balance of funds remaining as at June 30, 2015 is CI\$nil (2014: CI\$26,155) which are classified as temporarily restricted due to the nature of the grant (note 8).

**NATIONAL TRUST FOR THE CAYMAN ISLANDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

*(Expressed in Cayman Islands dollars)*

**7. PENSION SCHEME**

The Trust participates in the Colonial Private Trust Pension Plan, a defined contribution pension fund. Cayman Islands law requires all employees to participate in a pension scheme. The Trust is required to match each employee's contributions on a one to one basis up to 5% of the employee's annual salary. During the year ended June 30, 2015, the Trust contributed CI\$25,620 (2014: CI\$21,864) for all employees.

**8. TEMPORARILY RESTRICTED NET ASSETS**

The Trust designates certain donations or financed assets as temporarily restricted, which are those earmarked for specific Trust projects or ventures as stipulated by the Donor. If a fundraising event or donation is earmarked for a project or purpose (i.e. land acquisition) then the income received is allocated to the respective temporary restricted account. This allows the Trust to track amounts that have a designated purpose. Any money disbursed for the related purpose is expensed under the respective programme or support service cost.

However, if a fixed asset is purchased using temporarily restricted funds, the amount transfers to unrestricted. Furthermore, land that has not been declared inalienable is considered unrestricted therefore, any acquisition of land using temporarily restricted funds is recorded as a transfer to unrestricted until the Council passes a resolution to declare the land inalienable where a subsequent transfer from unrestricted to permanently restricted would occur.

The Trust's temporarily restricted funds comprise:

	<b>2015</b>	<b>2014</b>
	<b>CI\$</b>	<b>CI\$</b>
Little Cayman	206,650	148,108
Land Reserves Fund	146,554	63,775
Magic Reef Recovery	83,960	-
Nurse Leila's House	40,616	1,824
Education Fund	21,533	-
Cayman Brac	13,829	10,693
Heritage Heroes	12,243	10,848
Miss Izzie's Schoolhouse	11,061	11,061
West Bay	10,773	10,773
George Town DC	9,324	6,324
Bodden Town DC	6,703	3,489
Eldemire House	5,000	5,000
Governor Gore's	4,980	4,873
Wes Emmanuel Fund	3,485	3,485
Heritage Beach	2,650	2,650
North Side DC	1,800	1,800
East End DC	1,798	1,798
Mastic Trail	1,169	1,169
Watler's Cemetery	300	300
Species Conservation	-	131,930
EU Grant Funding	-	26,155
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	<b>CI\$ 584,428</b>	<b>CI\$ 446,055</b>
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**NATIONAL TRUST FOR THE CAYMAN ISLANDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

*(Expressed in Cayman Islands dollars)*

**9. PERMANENTLY RESTRICTED NET ASSETS**

The Trust's heritage properties on which land is declared inalienable comprise:

	<b>2015</b>	<b>2014</b>
	<b>CI\$</b>	<b>CI\$</b>
The Mastic Reserve – Grand Cayman	2,337,215	2,337,215
The Salina Reserve – Grand Cayman	1,315,440	1,315,440
The Booby Pond Nature Reserve – Little Cayman	1,232,424	1,232,424
The Brac Parrot Reserve – Cayman Brac	1,177,931	1,177,931
The Central Mangrove Wetland – Grand Cayman	847,116	847,116
Preston Bay – Little Cayman	800,000	800,000
Central Forest Land – Little Cayman	676,500	676,500
Brac Splits – Cayman Brac	200,710	200,710
Eldemire House – Cayman Brac	159,900	159,900
Heritage Beach – Grand Cayman	84,647	84,647
The Mission House – Grand Cayman	70,000	70,000
The Queen Elizabeth II Park – Grand Cayman	45,000	45,000
Fort George – Grand Cayman	30,000	30,000
The Bodden Town Guard House – Grand Cayman	10,000	10,000
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	<b>CI\$ 8,986,883</b>	<b>CI\$ 8,986,883</b>
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**10. COMMITMENTS AND CONTINGENT LIABILITIES**

The Trust leases certain properties under operating leases. In 1991 the Trust entered into a lease on land used for the Old Savannah School House. The annual commitment is CI\$1 and the duration of the lease is 99 years.

**11. CONCENTRATION OF CREDIT RISK**

The Trust is party to financial instruments with concentration of credit risk in the normal course of business. Credit risk arises from the failure of the counterparties to perform according to the terms of a contract. To minimize this risk, the Trust's cash and cash equivalents are on deposit with reputable financial institutions located in the Cayman Islands. Management frequently monitors its accounts receivable and does not anticipate any material losses as a result of this concentration of credit risk. The Trust exposure to credit risk is limited to the amounts shown in the statement of financial position. The Trust does not require collateral or other security to support financial instruments with credit risk.

**12. ECONOMIC DEPENDENCE**

The nature of the Trust's operations is such that there can be considerable fluctuations in its cash flows. The Trust's ability to continue as a going concern is dependent on receiving sufficient government funding and donations in order to meet ongoing expenses. Accordingly, the Trust is economically dependent on the Cayman Islands Government.

**13. SUBSEQUENT EVENTS**

Management has evaluated subsequent events to September 14, 2015, which is the date that the financial statements were available to be issued, and there is nothing to disclose.