



**CHAMBER OF COMMERCE**  
ANNUAL REPORT 2013

**SUPPORT. PROMOTE. PROTECT**

**48** | YEARS  
OF SERVICE

## **Chamber Champion ADVOCATES 2013:**

Cayman National Corporation

KPMG

Dart Cayman Islands

LIME

dms Organisation Ltd.

Logic

Foster's Food Fair

Maples and Calder

Governors Square Ltd.

PKF (Cayman) Ltd.

## **Chamber Champion ADVISORS 2013:**

Cayman Islands Health Services Authority

Cayman Islands Yellow Pages

Deutsche Bank (Cayman) Ltd.

Royal Bank of Canada

Scotiabank & Trust (Cayman Islands) Ltd.

## **Chamber Champion STEWARDS 2013:**

Appleby (Cayman) Ltd.

Conyers Dill & Pearman

BAF Insurance Company  
(Cayman) Ltd.

Cox Lumber

Baraud International

Deloitte

British Caymanian Insurance  
Company

Digicel (Cayman) Ltd.

Butterfield Bank (Cayman)  
Limited

Greenlight Capital RE Ltd.

Caribbean Utilities  
Company, Ltd.

Kirk Freeport Ltd.

Cayman Islands Real Estate  
Brokers Association

Massive Equipment Rental and  
Sales Ltd.

CML Offshore Recruitment

RE/MAX Cayman Islands

The Ritz-Carlton, Grand  
Cayman

The Security Centre Limited

Water Authority - Cayman

## ABOUT THE CHAMBER OF COMMERCE

The **Cayman Islands Chamber of Commerce** is the largest not-for profit organisation representing businesses, associations and individuals operating in the Cayman Islands with a membership base of 614 Corporate and 71 Associate members collectively employing 17,850 residents from every major industry sector.

Established in 1965, the Chamber's main objectives are: To promote and protect the trade, business, commerce, agriculture, industries and manufacturers and public welfare in the Cayman Islands; To consider, discuss and take action on questions directly or indirectly relating to or affecting such trade, business, commerce, agriculture, industries and manufacturers and public welfare in the Cayman Islands; To collect and disseminate information concerning business and the public welfare; To promote, approve or oppose legislation and other measures affecting business and the public welfare; To act as arbitrators or set up machinery for arbitration in commercial disputes.

**The Cayman Islands Chamber of Commerce supports, promotes and protects business and community success.**

The Chamber has a distinguished history of assisting its members and the wider community to maintain an environment that promotes economic prosperity and social harmony. Many programmes and services have been introduced to ensure that the Cayman Islands is recognised as a world class location to live and conduct business.

The Chamber initiates and supports programmes and services and speaks out on issues that help members to increase profitability, productivity and performance. The Professional Development and Training Centre, Employee Assistance programme, Junior Achievement, Better Business Council, Chamber Pension Plan, Cayman Crime Stoppers, Mentoring Cayman, Leadership Cayman, Business Coaching Cayman, CayShop, Careers, Education, Training and Jobs Expo, Earth Day as well as regular trade missions provide members and the community with exceptional programmes that benefit business and the wider community.

The Chamber's leadership (a Council of 12 elected individuals from among the membership) includes some of Cayman's top business leaders and entrepreneurs who work collaboratively to fulfill the objectives of the organisation. They are supported by a professional staff with many years experience in not-for-profit management, economic development, programme and event coordination, fundraising and public advocacy.



## Message from the President

It has been my pleasure and a privilege to serve as President this year. The Chamber is an outstanding organisation that has a long and distinguished 48-year history, supporting, promoting and protecting the major industries and the public welfare in the Cayman Islands. The Council and I, with the support of a professional and experienced staff, worked diligently to represent your interests and to express your collective views on some of the key issues impacting your business and our Islands' overall quality of life and competitiveness.

Advocacy remains at the heart of the Chamber's efforts. In February, we released an election survey asking you to identify the most critical issues that the new Government should address. Government competence, crime and public safety, public spending, cost of living, national debt, cost of doing business, employment and education topped the list.

These issues became the central advocacy themes throughout the year and the focus of questions during the series of district Candidates Forums in April leading up to the General Elections and meetings with government and United Kingdom political leaders. I shared your concerns directly with the new Premier, Hon. Alden McLaughlin Jr. shortly after he and the new Government took office and I am pleased to say that the relationship is both positive and proactive; a stark contrast from the previous Government.

The Council also worked to address small business issues, immigration review matters, the national budget, long term planning and raised the issue of Sunday Trading and the introduction of Daylight Savings Time. Chamber representatives were appointed and served on several key Government advisory boards and groups. This demonstrates the positive relationships that have been established with the new Government and the level of influence that the Chamber now enjoys.

One of the top priorities for this year was ensuring that all voters were given an opportunity to hear the views of the candidates in the districts. The Chamber organized a series of forums in each district so that probing questions developed by the membership could be posed to the candidates. The Chamber regards these forums as our non-partisan approach to removing the element of campaign rhetoric and replacing it with probing questions that our members regard as important for any leader to be elected to the highest office in the land.

Education and training has always been a key area of focus for the Chamber and I am particularly delighted with the reintroduction of the Golden Apple Awards for Excellence in Teaching. I consider teachers to be one of the most important professions. Good teachers inspire and motivate their students and lay a solid academic foundation for future generations. It was wonderful to celebrate the achievements of some of Cayman's top educators at the awards ceremony in November.

In 2015, the Chamber will celebrate a significant milestone – 50 years of supporting, promoting and protecting the interests of the membership and the public welfare. There is so much to celebrate and a committee has been established to develop a list of activities for the anniversary year. If you wish to get involved please contact me or any member of the Council or staff.

In closing, I wish the incoming Council continued success and I would encourage all members to make the decision to get involved and to support and promote the work of the Chamber of Commerce. Don't sit on the sidelines. The effectiveness of the Chamber depends on your support.

A handwritten signature in blue ink, appearing to read 'CDuggan', enclosed within a circular blue scribble.

Chris Duggan

# CHAMBER OF COMMERCE ANNUAL REPORT 2013



## Message from the Chief Executive Officer

2013 was another amazing year for your Chamber. The Council and Staff continued to implement the three year strategic plan and placed most of our emphasis on the three main stakeholder groups: membership, business and community. We focused on ways to innovate our existing operations, improve and increase advocacy, build stronger relationships with key stakeholders so that we could influence key decisions on policies that would assist the membership and the public welfare.

- Recorded a membership retention rate of 92.92%;
- Welcomed 55 new members;
- Facilitated 54 training courses which were attended by more than 400 persons;
- Processed 107,784 emails and registered 64,301 unique website visits from 185 countries;
- Released 186 informational e-blasts;
- Released 4 membership surveys;
- Participated in the Department of Commerce and Investment Entrepreneurship Day activities and Small Business Expo;
- Graduated the fourth fully subscribed class for Leadership Cayman;
- Matched 51 students with 51 mentors for Mentoring Cayman;
- Graduated the second Business Coaching class;
- Organised 14 District Candidates Forums for the general elections;
- Announced the introduction of the Chamber of Commerce Business Excellence Awards which will take place in 2014;
- Hosted a special membership dinner with Keynote Speaker Parliamentary Under Secretary of State for Foreign and Commonwealth Affairs, Mr. Mark Simmonds, MP;
- Organised a series of Cutting Red Tape focus sessions to assist the Deputy Governor's Office;
- Hosted a farewell reception for His Excellency the Governor, Duncan Taylor and Mrs. Taylor;
- Hosted the Legislative Luncheon which drew a record crowd of 320 attendees.

The work of the Chamber is a collaborative effort and would not be possible without the active involvement and financial support of the membership, Chamber Champions, volunteer leadership and the dedication of the Chamber's professional staff. We should all be proud of our achievements in 2013. Thank you for your ongoing support and investment in the Chamber. The staff and I look forward to serving you in 2014.

A handwritten signature in black ink that reads "Wil Pineau". The signature is written in a cursive, flowing style.

Wil Pineau, CCE

# CHAMBER OF COMMERCE STRATEGIC PLAN 2012 - 2014

## PROCEDURE

The Chamber of Commerce submitted a survey to the Membership, requesting the top three issues affecting their business, and suggestions on what the Chamber should focus on during the next 3 years. The Council and Staff met to discuss the results in an all-day planning session, determining the needs of our three main stakeholder groups; Membership, Business and Community, resulting in our Strategic plan for 2012 - 2014.

## VISION STATEMENT

The Cayman Islands Chamber of Commerce will be recognised as an influential advocate and effective resource, working to support the prosperity of our members and enhancing the business climate and quality of life in the Cayman Islands.

## MISSION STATEMENT

The Cayman Islands Chamber of Commerce supports, promotes and protects business and community success.

## STRATEGIC PLAN VISION

Over the next three years, the Cayman Islands Chamber of Commerce will:

- Continually provide excellent and responsive service and communications with its members, its staff and Council leadership and the public.
- Strive to increase membership involvement in the programmes, services and activities of the organisation.
- Be proactive in working with other organisations in the community to identify and address issues of civic importance.
- Support positive economic development and business growth.
- Utilise membership investment funds and other revenue responsibly to achieve the mission, vision and objectives of the organisation.
- Align the operations of the organisation with standard business practices of general business to conduct activities with honesty, integrity, financial responsibility and in accordance with the law.

## CORE VALUES

- **Excellence:** We will deliver programmes, services and products of the highest quality that meet the expectations of our members.
- **Focus:** We will focus on the needs of our members and find ways to provide programmes, services and benefits that are cost-effective, beneficial and convenient.
- **Community:** We will remain committed to improving the quality of life of the residents by promoting initiatives that create a vibrant community. We will build and enhance relationships and public/private partnerships within the organisation and community.

- **Respect:** We will respect the diversity of people, businesses and of ideas as strengths to be sought and utilised in the Chamber.
- **Integrity:** We will be open, candid and fair; honour our commitments; and adhere to high ethical standards and objectives.
- **Leadership:** We will be visionary and future-oriented, while respectful of our history and past commitments, in our thinking, decision-making and programming.
- **Technology:** We will foster use of new technologies, delivering programmes, services and opportunities to educate our members to the practical applications of new technologies.

### **Our three main Stakeholder groups:**

#### **MEMBERSHIP**

#### **BUSINESS**

#### **COMMUNITY**

### ***Our four areas of focus 2012 - 2014 will be:***

#### **Innovation**

The Cayman Islands Chamber of Commerce will review its systems, products and services with the goal of introducing innovative technologies and communication strategies that will enable the Chamber to promote its members products and services and improve methods of communications.

#### **Advocacy**

Advocating the positions and concerns of the membership is a primary responsibility of the Chamber's leadership in fulfilling the organisation's mission. The Chamber Council will consult regularly with the membership and will communicate positions and speak with a strong voice on issues that have been identified as critical for business and community success.

#### **Influence**

Influencing public policy and sound business decisions is an important function of the Cayman Islands Chamber of Commerce. The Council and Staff will meet regularly with officials, participate in consultative committees and meetings, submit recommendations and seek to provide direction on matters of significant importance to the membership.

#### **Relationships**

Establishing regular and respectful communications with the membership, the community, political leaders and Government officials ensures that the views of the membership are given the highest attention. The Council and Staff will work diligently to develop respectful relationships that will further the vision, mission and objectives of the organisation.



# ADVOCACY

Strong advocacy is one of the main reasons why businesses join the Chamber of Commerce. By pooling the collective voices of business and community leaders, the Chamber is able to represent the views and express the concerns of the membership with a unified voice in government discussions and public forums.

Advocating the positions and concerns of the membership is a primary responsibility of the Chamber's leadership in fulfilling the organisation's mandate. The Chamber Council consulted regularly with the membership in 2013 and communicated positions and spoke with a strong voice on issues that were identified as critical for business and community success.

## 2013 Chamber Council

### President

Chris Duggan  
(Dart Enterprises Ltd.)

### President-Elect

Johann Moxam  
(Merrill Lynch Bank & Trust  
(Cayman) Ltd.)

### Vice President

Barry Bodden  
(Island Paving (1985) Ltd.)

### Treasurer

Wayne Cowan  
(Strategic Risk Solutions)

### Secretary

Len Jackson  
(PC Doctor)

### Councillors:

Alan Brady  
(Baraud International)

Rory Mohammed  
(Lacovia Condominiums)

Katie O'Neill  
(Bodden Holdings Ltd.)

Paul Pearson  
(Davenport Development)

Roger Ponce  
(Ritz-Carlton Grand Cayman)

Natalie Urquhart  
(National Gallery)

## Chamber activities in support of our key objectives:

- Conducted membership surveys on the top election issues, state of business, Sunday Trading, Daylight Savings time and utilised the results in public policy positions and in discussions with Government officials and business leaders;
- Shared key advocacy positions on Chamber social media networks;
- Prepared and released public statements on the national budget, revenue measures, illegal roadside vendors, immigration review, cost of doing business, crime prevention, election issues, Future of Cayman economic development initiative and the environment;
- Organised 14 Chamber of Commerce District Candidates forums to provide residents and members with an opportunity to hear the positions of the candidates on some of the top questions posed by the membership. Questions for the forums were based on an election survey released to the membership in early 2013;
- Organised three member focus groups in partnership with the Deputy Governor's office on Phase 5 of the Public Sector Reform initiative entitled Cutting Red Tape/ Digital by Default to assist with determining the top priorities for action to reduce red tape and improve Government performance;
- Organised the second Future of Cayman Forum in November 2012 and focused on two of the drivers: Develop Talent and Build a Smarter Infrastructure. More than 150 persons from the public and private sectors participated in the forum;
- Reintroduced the Legislative Luncheon with more than 300 persons attending including the majority of official and elected members of the Legislative Assembly, Ministers, Her Excellency the Governor and the Commissioner of Police;
- Facilitated meetings with the newly elected Government in May and agreed to work together to continue to achieve the objectives of the Future of Cayman economic development initiative;
- Participated in consultative meetings and submitted recommendations on matters of significant importance to the membership.

## HIGHLIGHTS: Future of Cayman Forum – Develop Talent and Build a Smarter Infrastructure – 23<sup>rd</sup> November 2012

Advocating the benefits of sustainable economic development is at the core of every successful Chamber of Commerce. Initiated in 2010, the Future of Cayman Economic Development Initiative and the five drivers for the Islands future success remained at the centre of the Chamber's advocacy agenda. To start the 2013 year, the Chamber hosted the Future of Cayman Forum and focused attention on two of the key drivers: Develop Talent and Build a Smarter Infrastructure. Professionally managed and hosted at the Ritz Carlton,

Grand Cayman, the forum gathered some of Cayman's top leaders in the public and private sectors to address several of the main objectives in each of these two drivers. Representatives from Government and the Private Sector discussed the successes achieved to date and identified the ongoing challenges with achieving the objectives. Information about the conference and the progress with the initiative can be found at [www.futureofcayman.com](http://www.futureofcayman.com)

### **HIGHLIGHTS: Chamber of Commerce District Candidates Forums – April 2013**

All candidates in this year's general election were invited to participate in a forum that was held in each of the electoral districts. 49 of the 56 candidates who ran for office appeared at one of the district forums and responded to questions submitted by Chamber members and the general public. The forums were sponsored by the Foster Group, Cayman Islands Real Estate Brokers Association, Caledonian Global Financial Services, Radio Cayman, Caymanian Compass, Cayman News Service and Cayman Finance. All forums were recorded and broadcast live on Radio Cayman and are posted on the Chamber of Commerce website [www.caymanchamber.ky](http://www.caymanchamber.ky). The Chamber has organized the forums prior to each election since 1988.

### **HIGHLIGHTS: Legislative Luncheon – September 2013**

All elected and official members of Government were invited to attend the Chamber's Legislative Luncheon at the Ritz Carlton, Grand Cayman on 26<sup>th</sup> September. The event attracted more than 300 members and was supported by more than 22 corporate sponsors. Legislators were seated at various tables with corporate sponsors. Premier, the Hon. Alden McLaughlin, Jr. delivered the keynote address and Chamber President Chris Duggan welcomed the new Government and set out the Chamber's advocacy agenda. The Chamber holds this event annually to maintain a positive working relationship with the Government.



The Future of Cayman Forum held in November 2012 addressed topics dealing with Infrastructure and Talent.



14 forums were coordinated to provide opportunities to hear the positions of the Candidates.



The Legislative Luncheon brought members and Legislators together in an informal setting.



The Chamber hosted a special dinner with Parliamentary Under Secretary of State for Foreign and Commonwealth Affairs, Mr. Mark Simmonds, MP (center).

# MEMBERSHIP BENEFITS



The Legislative Luncheon allowed members to meet the new Government representatives in an informal setting.



Our 2013 Discount Card was distributed to almost 20,000 workers.



Our 2013 Business After Hours events were always a hit.

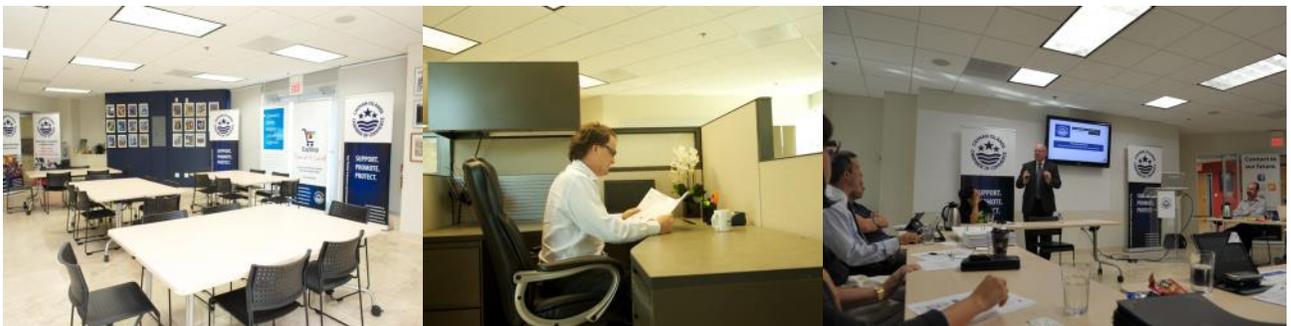
When you join the Chamber you have immediate access to membership benefits that are intended to save you money and increase your business network and customer base.

Offering specials and discounts is one way of attracting new customers to your business. The CAYSHOP Discount Card is a popular and free membership benefit that enables businesses to offer discounts and specials to Chamber members and their employees. The card is issued to more than 20,000 persons in the Cayman Islands marketplace. In 2013, we added several new discounts that benefitted our members with gaining new customers.

Finding affordable meeting space is a challenge for many small businesses. The Chamber's offices in Governors Square provide members with an affordable option for meeting space for staff meetings, small conferences, product and sales demonstrations and receptions. Different seating configurations are available with maximum seating capacity of /80 persons in a theatre style. The Chamber's Professional Development and Training Centre utilizes the space but members are able to book the room based on availability.

Just starting up a small business or need a permanent location and need a low cost office to get started? The Chamber has business pods for rent for qualifying start-ups who need the convenience of office facilities without the huge overheads. We welcome existing members who would like to utilize this membership benefit or start-ups can join the Chamber to receive this benefit.

Is your business interested in sharing information about a new product or service in a comfortable setting with a specially invited list of potential and existing customers? The Chamber assists member businesses with organizing business assistance seminars in our conference facility in Governors Square.



The Chamber has meeting and office space for almost any budget.

# COMMUNICATIONS



Maintaining good internal and external communications is essential for the Chamber's success. The Chamber utilizes print, electronic, social media, public forums, a visitor's centre in Governor's Square, committees and, most important, face-to-face meetings to share its various messages with the membership and key stakeholders. Innovation is one of the four main drivers in the strategic plan and in 2013 actions were taken to introduce and improve existing communication tools.

- Introduced a membership investment opportunities guide;
- Initiated work on the redevelopment of the main Chamber website, [www.caymanchamber.ky](http://www.caymanchamber.ky) ;
- Produced three issues of CHAMBER magazine;
- Sponsored the Business Buzz talk show on Radio Cayman;
- Published the Employers Pocket Guide in partnership with Baraud and Appleby;
- Produced the updated Chamber's 2014 Desktop Calendar;
- Maintained and updated content for Chamber websites, [www.caymanchamber.ky](http://www.caymanchamber.ky), [www.futureofcayman.com](http://www.futureofcayman.com), [www.leadershipcayman.ky](http://www.leadershipcayman.ky), [www.cayshop.ky](http://www.cayshop.ky) and [www.showmethemoney.ky](http://www.showmethemoney.ky)



## HIGHLIGHTS: Employer's Pocket Guide

The Chamber's Employers Pocket Guide is a compilation of the essential employment related legislation to help members stay in compliance when it comes to how you treat your employees. The booklet is designed to help you stay well within legal boundaries when dealing with employee matters. Each section covers a specific law or related employment related topic. Special thanks to Chamber Councilor Alan Brady for helping to develop the guide in partnership with Appleby and Baraud.

## HIGHLIGHTS: Improvements to [www.caymanchamber.ky](http://www.caymanchamber.ky)

The internet and social media channels are important tools to share and communicate the Chamber's messages and information. This year the Chamber embarked on the process of updating its main website and improving functionality ( last update took place in 2003) that will provide up-to-date information for the members, visitors, investors and persons relocating to the Islands. The Chamber was the first membership association to launch a website in the Cayman Islands in the mid-1990s and it is important that the site remain relevant and serves the needs of the membership. The new website is expected to be launched in early 2014.



A special BE INFORMED session was held to alert members of the increasing problem of metal theft.

## HIGHLIGHTS: Membership Investment Opportunities Guide

The Chamber offers members affordable sponsorship and investment opportunities for staff development and training, programmes and events and communication products. This year the Chamber developed a handy membership investment opportunities guide that lists all options available to members.



Without the continued involvement of our members, the Chamber would not be the success it is today.

## HIGHLIGHTS: The Chamber desktop calendar

For the 5th year the Chamber desktop calendar was designed and distributed to 2,000 individual members, putting Chamber events, programmes and training dates right in front of the people who need them most. Requests for the calendar have grown each year as members continue to rely on this communications piece. The 2013 publication enabled users to scan QR codes printed alongside Chamber programmes, events and websites making it that much easier to find the information they are looking for or to register for an event.



Partnerships with Government and non-Governmental organisations allow our members to receive the best training on offer.



Having fun is the priority at the RE/MAX-Chamber Spooktacular.



The Frances Boddin Girls Home was the recipient of the LC2013 Class Project.



Programmes and Events are always well attended and an opportune time to expand your professional network.



Sprint was the target of one of the "Chamber Invasions" held in 2013.



Election Observers from the UK made a point to stop by the Chamber offices.

# PROGRAMMES & EVENTS

The Chamber continues to connect our members to the community through a variety of programmes and events. We do this by creating greater awareness of our sponsoring members whilst providing an excellent way to give back to the community through education and self-improvement programmes, environmental awareness initiatives, educator and student appreciation awards, and fun high profile events. We also provide great networking opportunities and business report as well as first class professional development programmes.

We have accomplished the following events and programmes this year:

- The Professional Development & Training Centre held over 50 training courses which benefitted over 400 participants;
- Organised successful Careers, Education, Training & Jobs Expo (more than 30 member businesses/organisations participated)
- Graduated twenty four participants from the Leadership Cayman Programme;
- Organised successful Earth Day Roadside Clean-Up with more than 1,500 volunteers;
- Organised successful annual Charity Golf Classic;
- Matched fifty one students with member business leaders as part of the Mentoring Cayman Programme 2012—2013.;
- Organised eight Business After Hours events in partnership with Guy Harvey, Diamonds International, Chrissie Tomlinson Memorial Hospita, Consolidated Water, Hydes and Sons, Cayman Immigration Consultant Services, Regatta Office Park, and Island Companies;
- Organised a successful CayShop event at the ARC, Camana Bay;
- Graduated 13 participants from the "Business Coaching Cayman" programme;
- Re-introduced the Golden Apple Awards for Excellence in Teaching;
- Coordinated five Fraud Prevention and Awareness seminars in Grand Cayman and Cayman Brac in partnership with the Cayman Islands Monetary authority, Royal Cayman Islands Police Service and the United States Secret Service;
- Held fourteen Candidates Forums across the districts of East End, Bodden Town, West Bay, George Town, North Side and Cayman Brac with 55 participating candidates;
- Successfully organized the 6th Annual Legislative Luncheon at The Ritz Carlton, Grand Cayman.



Hundreds of students attended the 2013 Careers, Education and Training Expo.



Team Fidelity took first place at the Halloween-themed RE/MAX-Chamber Golf Classic.



Minister of Financial Services, Commerce and Environment, The Hon. Wayne Panton opened CayShop this year.



BritCay sponsored the caps and also participated in the Earth Day Roadside Clean-up.

## **HIGHLIGHTS: Leadership Cayman**

24 participants graduated from Leadership Cayman 2013. Now in its fifth year, 22 candidates will be embarking on this journey for 2014. This year's seminar topics included Media in our Community, Criminal Justice, Education & Workforce Development, Sister Islands Perspective, Immigration (a new title shift), Cayman Islands Government, Human Services & Health Care, Financial Services, Stay over & Cruise Tourism, Infrastructure & the Environment, and Culture & Heritage (also a title shift). This year's successful application for Class project was received from CAYS Foundation with a focus on The Frances Bodden Girls Home.

## **HIGHLIGHTS: Business Coaching Cayman**

The Chamber of Commerce along with Shirlaws (Cayman) Limited pursued the second annual session of Business Coaching Cayman with a sold out class. This programme looks at the very core of each business, assisting participants in planning for and achieving their company's strategy and vision in both the long and short term. Programme participants include Lyle Rodney Frederick of Frederick & McRae Ltd.; Penny Cumber and Sherry Lee of Cayman Villas; Roz Griffiths of Chatterbox; Antonia Harris. Craig Scott and Dawn Cummings of DMS; Julianne Parolisi of Cayman Music Therapy; Sue Merren of Balance Pilates & Bare Studio Ltd.; Richard Ebanks of Pure Air Ltd.; Marcia Muttoo of the Cayman National Cultural Foundation (CNCF); and Shirley Nicoletta of Thompson Development.

## **HIGHLIGHTS: The Professional Development & Training Centre**

Over 400 members and the wider community benefitted from one and two-day courses dealing with topics ranging from time management and productivity on the job to enhanced supervisory and management skills. The Centre introduced and promoted a free Innovation course for members in partnership with Kevin J. O'Mara, Ph.D., professor of management in the Martha and Spencer Love School of Business (LSB) at Elon University.



Leadership Cayman Class of 2013.



Mentors & Students 2013.



The Professional Development & Training Centre trains hundreds of people a year.



The Golden Apple Awards for Excellence in Teaching awards recipients 2013 with Government & Chamber officials

## HIGHLIGHTS: Golden Apple Awards for Excellence In Teaching

First introduced in 2007, the Golden Apple Awards for Excellence in Teaching seeks to recognise educators for their outstanding dedication and commitment to the teaching profession. This initiative was re-introduced in 2013 in partnership with the Ministry of Education, Employment & Gender Affairs. With the re-introduction came added components to the nominations and judging process in order to bolster the impact and fairness of the final selections. More than 250 nominations were received and KPMG undertook final auditing of the results. The awards event was successfully held on November 30, 2013 at the Westin, Grand Cayman Seven Mile Beach Resort and Spa with over 200 guests in attendance to celebrate the teaching profession. There were 10 honourees and one Lifetime Achievement Recipient who were bestowed gifts on the gala evening.

## HIGHLIGHTS: Careers, Education, Training and Jobs Expo

The Expo gathered over 30 exhibitors from every major industry sector of our economy with the common purpose of informing students, school leavers, job seekers and residents of the numerous opportunities that exist in the workplace and in the classroom.

## HIGHLIGHTS: Earth Day Roadside Clean-up

The 2013 Earth Day Road Side Clean-Up was very successful. 30 sponsoring companies allowed the Chamber to distribute 1,000 t-shirts, 1,000 water bottles, 1,000 reusable bags and unlimited garbage bags to over 1,500 volunteers. Everyone enjoyed a wonderful brunch at Tiki Beach following the event.



Business Coaching Class of 2013.



President Chris Duggan hosted a Farewell Reception for Governor & Mrs. Duncan Taylor.



Chamber Staff at the Golden Apple Awards.



Diamonds International hosted 2 Business After Hours Events in 2013.



Cayman Water celebrated 40 years of service with a Chamber BAH.



Her Excellency the Governor, Helen Kilpatrick enjoyed CayShop.



## Treasurer's Report

A cursory review of the financial statements of your Chamber for the calendar year ended December 2012 shows that your Chamber, like our Members, are not immune from troubled economic times.

Per page 6 of the audited financial statements, your Chamber is reporting a net loss for the year of \$28,585. This compares with a net profit in 2011 of \$56,089.

You will note that total income of \$892,904 was higher by 9.5% from the previous year but total expenditure at \$919,612, was also higher, by 21.4%, over the prior year.

As a result, Members' equity, disclosed on page 5, decreased to \$330,106 from \$358,691 as at December 31, 2012.

Financial highlights are as follows;

- Membership dues income for the year decreased to \$319,399 from \$328,307 in 2011. I believe this reflects the economic hardships facing businesses in Cayman although our Membership retention rate remains stable at around the 92.92% level.
- Net programme income (after the deduction of programme expenditure) represented, at \$96,639, an increase of \$7,228 over the previous year.
- Net income from training courses totaled \$46,975 which represented a marginal increase of \$1,994 over the previous year.
- Fundraising (the RE/MAX Charity Golf Tournament) contributed \$11,026 to our net income compared to \$23,192 last year.
- Net income from publications contributed \$12,713 to our bottom line compared to \$13,231 last year.

- Rental income totaled \$36,020, an increase of \$7,801 over last year.
- Salaries & benefits of Chamber staff increased by \$15,394 during 2012, due to the addition of a temporary staff position.

Although this was not a fiscally profitable year, I believe it was a successful year as judged by the myriad of services and programs that we continue to offer to our Members. The enthusiasm of your Council and the hard work and dedication of your CEO, Wil Pineau and our Chamber staff have all been exceptional. All have worked diligently & with great enthusiasm towards the aim of providing excellent service to our Membership and enhancing the reputation of our Chamber.

I would like to thank all of you, our members, for your continued support over this last year and I would encourage members to support the Chamber in its programmes, training courses, special events and fundraisers in 2014 so that we can fully re-establish the Chamber to its pre-eminent position in the Cayman Islands' business community.

In closing, two very big thank you's, to Wil and our Chamber staff for their dedication, hard work & enthusiasm and also to PKF, for providing us with a first class, pro bono audit.



Wayne Cowan

**The Cayman Islands Chamber of Commerce**

Financial Statements

for the

Years Ended December 31, 2012 and 2011

**The Cayman Islands Chamber of Commerce  
Financial Statements**

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## INDEPENDENT AUDITOR'S REPORT

To the Council

### **The Cayman Islands Chamber of Commerce**

We have audited the accompanying financial statements of The Cayman Islands Chamber of Commerce (the "Chamber"), which comprise the statement of financial position as at December 31, 2012, and the statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Council, as a body. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chamber and the Council, as a body, for our audit work, for this report, or for the opinion we have formed.

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

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

#### *Auditor's 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.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### *Auditor's Responsibility (continued)*

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

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

### *Opinion*

In our opinion the financial statements present fairly, in all material respects, the financial position of The Cayman Islands Chamber of Commerce as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**PKF (Cayman) Ltd.**  
Grand Cayman, Cayman Islands

October 09, 2013

## The Cayman Islands Chamber of Commerce

### Statements of Financial Position as at December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

	<u>Note</u>	<u>31 December</u> <u>2012</u> <u>\$</u>	<u>31 December</u> <u>2011</u> <u>\$</u>
<b>Current Assets</b>			
Cash and cash equivalents	3	335,372	332,922
Trade receivables		31,981	40,253
Prepaid expenses		9,602	10,590
		<b>376,955</b>	383,765
<b>Non-Current Assets</b>			
Property, plant and equipment	4	82,298	105,732
Refundable deposits		1,000	1,008
		<b>83,298</b>	106,740
<b>Total Assets</b>		<b>460,253</b>	490,505
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	5	17,464	17,145
Current portion of finance lease liability	6	2,926	2,754
Unearned revenue		106,188	105,420
		<b>126,578</b>	125,319
<b>Non-Current Liabilities</b>			
Non-current portion of finance lease liability	6	<b>3,569</b>	6,495
<b>Total Liabilities</b>		<b>130,147</b>	131,814
<b>Equity</b>			
Members' equity		<b>330,106</b>	358,691
<b>Total Liabilities and Members' Equity</b>		<b>460,253</b>	490,505

The financial statements were approved by the Chamber and authorized for issue on October 09, 2013 and are signed on its behalf by:

Board Member: David Kirkaldy

Board Member: Wayne Cowan

The accompanying notes are an integral part of these financial statements.

**The Cayman Islands Chamber of Commerce**

**Statements of Comprehensive Income  
For the years ended December 31, 2012 and 2011  
(Expressed in Cayman Islands Dollars)**

	Note	<u>31 December</u> <u>2012</u> \$	<u>31 December</u> <u>2011</u> \$
<b>Income</b>			
Program income	10	356,966	190,770
Membership dues		319,399	328,307
Training courses		104,556	95,735
Refund of electricity bills		-	54,346
Rental income		36,020	28,219
Fundraising		30,029	44,351
Publications and mailing income		23,201	20,653
Administrative income		10,057	12,560
Website		6,125	7,050
Membership functions		5,935	14,750
Donations		84	17,050
Other income		-	963
Interest income		532	243
<b>Total Income</b>		<u>892,904</u>	<u>814,997</u>
<b>Expenses</b>			
Salaries and benefits	9	330,850	315,456
Program expenses	10	260,327	101,359
Rent		131,010	131,317
Training expenses		57,581	50,754
Depreciation	4	34,268	36,529
Office expenses		32,009	36,100
Fundraising		19,003	21,159
Utilities		12,938	12,113
Telephone		12,904	11,199
Publications and mailing expenses		10,488	7,422
Membership functions		4,194	11,865
Professional fees		5,000	5,095
Insurance		3,643	3,801
Dues and subscriptions		3,314	4,912
Conference expenses		1,245	7,918
Miscellaneous		838	51
<b>Total Expenses</b>		<u>919,612</u>	<u>757,050</u>
<b>Finance Costs</b>			
Finance costs on lease liability		<u>1,877</u>	<u>1,858</u>
<b>Comprehensive (Loss)/Income</b>		<u>(28,585)</u>	<u>56,089</u>

The accompanying notes are an integral part of these financial statements.

The Cayman Islands Chamber of Commerce

Statements of Changes in Members' Equity  
For the years ended December 31, 2012 and 2011  
(Expressed in Cayman Islands Dollars)

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	<u>31 December</u> <u>2012</u> \$	<u>31 December</u> <u>2011</u> \$
Members' equity, beginning of year	358,691	302,602
Comprehensive (loss)/income	(28,585)	56,089
<b>Members' equity, end of year</b>	<b><u>330,106</u></b>	<b><u>358,691</u></b>

The accompanying notes are an integral part of these financial statements.

The Cayman Islands Chamber of Commerce

Statements of Cash Flows  
For the years ended December 31, 2012 and 2011  
(Expressed in Cayman Islands Dollars)

	<u>31 December</u> <u>2012</u> \$	<u>31 December</u> <u>2011</u> \$
<b>Cash Flows from Operating Activities</b>		
Comprehensive (loss)/income	(28,585)	56,089
Adjustments to reconcile comprehensive income to net cash flows provided by operating activities:		
Adjustment for depreciation for the year	34,268	36,529
Decrease/(Increase) in trade receivables	8,272	(18,616)
Decrease in prepaid expenses	988	8,022
Decrease in refundable deposits	8	-
Increase/(Decrease) in accounts payable and accrued expenses	319	(27,845)
Increase/(Decrease) in unearned revenue	768	(6,785)
<b>Net cash provided by operating activities</b>	<u>16,038</u>	<u>47,394</u>
<b>Cash Flows from Investing Activity</b>		
Purchase of property, plant and equipment	(10,834)	(8,419)
<b>Cash Flows from Financing Activity</b>		
Payment of finance lease liability	(2,754)	(1,756)
<b>Increase in cash and cash equivalents</b>	<u>2,450</u>	<u>37,219</u>
<b>Cash and cash equivalents – beginning of year</b>	<u>332,922</u>	<u>295,703</u>
<b>Cash and cash equivalents – end of year</b>	<u><u>335,372</u></u>	<u><u>332,922</u></u>
<b>Supplemental Disclosure:</b>		
Interest expense paid	<u>1,649</u>	<u>1,552</u>

The accompanying notes are an integral part of these financial statements.

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

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#### 1. Principal Activity

The Cayman Islands Chamber of Commerce (the "Chamber") was incorporated under the Companies Law of the Cayman Islands on March 26, 1965 as a company limited by guarantee. The principal activity of the Chamber is the promotion and protection of trade and business in the Cayman Islands.

The registered office of the Chamber is Unit 4-107, Governors Square, 23 Lime Tree Bay Avenue, West Bay Road, P.O. Box 1000, George Town, Grand Cayman, KY1-1102, Cayman Islands.

The financial statements were approved by the Council on October 09, 2013

#### 2. Significant Accounting Policies

##### *Basis of Preparation*

The Chamber's financial statements are prepared in accordance with International Financial Reporting Standards under the historical cost convention modified by fair valuation of certain financial assets and liabilities.

The Chamber's financial statements are measured using the currency of the primary economic environment in which it operates, this being the Cayman Islands dollar. In addition, the Chamber has adopted the Cayman Islands (CI) dollar as its presentation currency.

##### *Use of Estimates*

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *Property, Plant and Equipment*

Property, plant and equipment are stated at cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight line basis over their expected useful life, as follows:

Office equipment	- 4 years
Leasehold improvements	- Life of lease
Furniture and fixtures	- 5 years
Information technology	- 3 years
Promotional equipment	- 5 years

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such condition exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

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#### 2. Significant Accounting Policies (continued)

##### *Financial instruments*

Financial instruments carried on the statements of financial position include cash and cash equivalents, trade receivables, and accounts payable and accrued expenses. The carrying values of these financial instruments approximate their fair values due to their short-term nature.

##### Classification

Financial assets that are classified as loans and receivables are carried at amortized cost and included in trade receivables. Financial liabilities that are not at fair value through profit and loss are carried at amortized cost and included in accounts payable and accrued expenses.

##### Recognition

The Chamber recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase of a financial asset is recognized using trade date accounting. From this date, any gains and losses arising from changes in the fair value of the financial assets or financial liabilities are recorded.

##### Measurement

Financial instruments are measured initially at fair value (transaction price) plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, all instruments classified at fair value through profit and loss are measured at fair value with changes in their fair value recognized in the statement of comprehensive income.

##### *Impairment of financial assets*

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows generated by the asset, discounted at the original effective interest rate.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of comprehensive income.

##### *Leases*

Finance leases that transfer to the Chamber all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at fair value. Lease payments are apportioned between finance costs, service charges, and the lease liability. The leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognised as operating expense in the income statement on a straight line basis over the lease term.

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

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#### 2. Significant Accounting Policies (continued)

##### *Specific instruments*

##### Cash and Cash Equivalents

The Chamber considers all highly liquid investments, with original maturities of less than ninety days, which are not held for sale in the ordinary course of business, as cash and cash equivalents. All cash and cash equivalents are held at reputable financial institutions.

##### Trade Receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of all outstanding amounts at the year end. Bad debts are written off when identified.

##### *Income and Expenses*

Membership income is provided on a calendar year basis and dues are generally recognized as income when they are received, which approximates the accrual basis. Other income is generally recognized on a cash basis which approximates the accrual basis.

Expenses are accounted for on the accrual basis.

##### *Unearned Revenue*

Unearned revenue at year-end comprise of collections from members towards membership fees for the proceeding year, registration fee received for various tuition courses to be conducted after the year-end, and sponsorship revenue for events to be held after the year-end.

##### *Pensions and Other Post-Retirement Benefits*

On June 1, 1998, the Chamber joined The Cayman Islands Chamber of Commerce Pension Plan, a defined contribution pension fund, in accordance with the Cayman Islands National Pensions Law and the employer and employees began monthly contributions at a rate of up to 5% each.

Defined pension contributions are charged to the statement of comprehensive income.

##### *Government Grants*

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

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#### 2. Significant Accounting Policies (continued)

##### *Income Taxes*

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

##### *Foreign Exchange*

Monetary assets and liabilities denominated in foreign currencies are translated into CI dollars at the year-end rates of exchange and the resulting gains and losses are included in the results for the year. Income and expenses denominated in foreign currencies are translated at the rates of exchange prevailing on the date the transactions are recognized. Foreign currency transactions are mostly in United States Dollars and translated at a fixed rate versus the Cayman Islands Dollars.

##### *Changes in Accounting Policies and Disclosures*

##### *Standards Issued but Not Yet Effective*

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Chamber's financial statements are disclosed below. The Chamber intends to adopt these standards, if applicable, when they become effective.

##### *IAS 1 Presentation of Items of Other comprehensive Income — Amendments to IAS 1*

The amendments to IAS 1 change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, actuarial gains and losses on defined benefit plans and revaluation of lands and buildings) would be presented separately from items that will never be reclassified (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets). The amendment affects presentation only and has no impact on the Chamber's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012, and will therefore be applied in the Chamber's first annual report after becoming effective.

##### *IAS 19 Employee Benefits (Revised)*

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. These amendments are not expected to impact the Chamber's financial position or performance. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

##### *IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32*

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Chamber's financial position or performance and become effective for annual periods beginning on or after January 1, 2014.

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

#### 2. Significant Accounting Policies (continued)

*Changes in Accounting Policies and Disclosures (continued)*

*Standards Issued but Not Yet Effective (continued)*

*IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7*

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Chamber's financial position or performance and become effective for annual periods beginning on or after January 1, 2013.

*IFRS 9 Financial Instruments: Classification and Measurement*

IFRS 9, as issued, reflects the first phase of the International Accounting Standard Board's ("IASB") work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but *Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, moved the mandatory effective date to January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Chamber's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Chamber will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

*IFRS 13 Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Chamber is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after January 1, 2013.

#### 3. Cash and Cash Equivalents

Cash and cash equivalents consists of the following:

	<u>2012</u>	<u>2011</u>
Cash in bank	\$ 81,246	\$ 79,268
Fixed deposits	254,126	253,654
	<u>\$ 335,372</u>	<u>\$ 332,922</u>

#### 4. Property, Plant & Equipment

Property, plant and equipment consist of the following:

2012						
	Office Equipment	Leasehold Improvements	Furniture and Fixtures	Information Technology	Promotional Equipment	Total
<b>Acquisition Cost:</b>						
At 1 January 2012	\$ 39,104	\$ 89,406	\$ 22,606	\$ 17,605	\$ 1,125	\$ 169,846
Additions	809	-	2,554	7,471	-	10,834
Disposals	(6,901)	-	-	-	(300)	(7,201)
<b>At 31 December 2012</b>	<b>33,012</b>	<b>89,406</b>	<b>25,160</b>	<b>25,076</b>	<b>825</b>	<b>173,479</b>
<b>Accumulated Depreciation:</b>						
At 1 January 2012	21,716	23,780	6,674	11,452	492	64,114
Depreciation for the year	6,577	17,881	4,655	4,990	165	34,268
Disposals	(6,901)	-	-	-	(300)	(7,201)
<b>At 31 December 2012</b>	<b>21,392</b>	<b>41,661</b>	<b>11,329</b>	<b>16,442</b>	<b>357</b>	<b>91,181</b>
<b>Net Book Value:</b>						
<b>At 31 December 2012</b>	<b>11,620</b>	<b>47,745</b>	<b>13,831</b>	<b>8,634</b>	<b>468</b>	<b>82,298</b>
2011						
	Office Equipment	Leasehold Improvements	Furniture and Fixtures	Information Technology	Promotional Equipment	Total
<b>Acquisition Cost:</b>						
At 1 January 2011	114,456	156,075	55,386	79,860	19,906	425,683
Additions	16,280	-	-	3,144	-	19,424
Disposals	(91,632)	(66,669)	(32,780)	(65,399)	(18,781)	(275,261)
<b>At 31 December 2011</b>	<b>39,104</b>	<b>89,406</b>	<b>22,606</b>	<b>17,605</b>	<b>1,125</b>	<b>169,846</b>
<b>Accumulated Depreciation:</b>						
At 1 January 2011	104,757	72,568	34,651	71,762	19,108	302,846
Depreciation for the year	8,591	17,881	4,803	5,089	165	36,529
Disposals	(91,632)	(66,669)	(32,780)	(65,399)	(18,781)	(275,261)
<b>At 31 December 2011</b>	<b>21,716</b>	<b>23,780</b>	<b>6,674</b>	<b>11,452</b>	<b>492</b>	<b>64,114</b>
<b>Net Book Value:</b>						
<b>At 31 December 2011</b>	<b>\$ 17,388</b>	<b>\$ 65,626</b>	<b>\$ 15,932</b>	<b>\$ 6,153</b>	<b>\$ 633</b>	<b>\$ 105,732</b>

**The Cayman Islands Chamber of Commerce**

**Notes to the Financial Statements  
For the years ended December 31, 2012 and 2011  
(Expressed in Cayman Islands Dollars)**

**5. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following:

	<u>2012</u>	<u>2011</u>
Trade payables	\$ 14,851	\$ 14,936
Mastercard payable	1,908	1,504
Other payables	705	705
	<u>\$ 17,464</u>	<u>\$ 17,145</u>

**6. Finance Lease Liability**

On January 18, 2011, the Chamber entered into a Lease to Purchase Agreement with Cayman Business Machines Ltd. The total cost of the leased asset capitalized amounted to \$15,500 and its carrying value as of December 31, 2012 is \$7,911 (2011: \$11,786). The payment terms are subject to an initial deposit of \$4,495 and monthly payments of \$447 for 48 months, of which there is an option to upgrade and continue the lease at the end of the 48 month period. During the year the Chamber has made total payments of \$5,364 (2011: \$4,470).

The finance lease liability is subject to an effective interest rate of 20% per annum. Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	<u>Due within 1 year</u>	<u>Due after 1 year and not later than 5 years</u>	<u>Due after 5 years</u>
<b>2012</b>			
Future minimum lease payments	\$ 5,364	\$ 5,364	\$ -
Less amounts representing finance and service charges	(2,438)	(1,795)	-
Present value of lease payments	<u>\$ 2,926</u>	<u>\$ 3,569</u>	<u>\$ -</u>
<b>2011</b>			
Future minimum lease payments	\$ 6,258	\$ 10,728	\$ -
Less amounts representing finance and service charges	(3,504)	(4,233)	-
Present value of lease payments	<u>\$ 2,754</u>	<u>\$ 6,495</u>	<u>\$ -</u>

**7. Financial Instruments and Related Risks**

During the year, the Chamber entered into transactions which gave rise to the following financial assets and liabilities: cash and cash equivalents, trade receivables, accounts payable and accrued expenses and finance lease liability.

*Market risk*

The Chamber is exposed to market risk on its cash and cash equivalents. There is a risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment held or factors affecting all securities/investments traded in the market.

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

#### 7. Financial Instruments and Related Risks (continued)

##### *Liquidity risk*

Liquidity risk, also referred to as funding risk, is the risk that the Chamber will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of any liquid assets.

The table below summarizes the maturity profile of the Chamber's financial assets and liabilities as of December 31, 2012 and 2011 based on contractual undiscounted payments:

	Less than 3 months	More than 3 months	Total
<b>2012</b>			
<b>Financial assets:</b>			
Cash and cash equivalents	\$ 335,372	\$ -	\$ 335,372
Trade receivables	31,981	-	31,981
	<b>367,353</b>	-	<b>367,353</b>
<b>Financial Liabilities:</b>			
Accounts payable and accrued expenses	17,464	-	17,464
Finance lease liability	677	5,818	6,495
	<b>\$ 18,141</b>	<b>\$ 5,818</b>	<b>\$ 23,959</b>
<b>2011</b>			
<b>Financial assets:</b>			
Cash and cash equivalents	\$ 332,922	\$ -	\$ 332,922
Trade receivables	40,253	-	40,253
	<b>373,175</b>	-	<b>373,175</b>
<b>Financial Liabilities:</b>			
Accounts payable and accrued expenses	17,145	-	17,145
Finance lease liability	911	8,338	9,249
	<b>\$ 18,056</b>	<b>\$ 8,338</b>	<b>\$ 26,394</b>

##### *Credit risk*

The Chamber is exposed to credit risk on its cash and cash equivalents and trade receivables. Failure of the transaction counterparty to perform their obligations under the financial instruments may lead to a financial loss. The Chamber minimizes its exposure to credit risk on these assets by conducting transactions with a reputable banking institution with a sound credit rating. The extent of the Chamber's exposure to credit risk in respect of its financial assets approximates their carrying values as recorded in the Chamber's financial statements.

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

#### 7. Financial Instruments and Related Risks (continued)

##### *Credit risk (continued)*

The table below summarizes the credit quality and aging analysis of the Chamber's financial assets as at December 31, 2012 and 2011:

	Neither past due nor impaired		Past due but not impaired	Past due but impaired
	High Grade	Standard Grade		
<b>2012</b>				
Cash and cash equivalents	\$ 335,372	\$ -	\$ -	\$ -
Trade receivables	-	31,981	-	-
	335,372	31,981	-	-
<b>2011</b>				
Cash and cash equivalents	332,922	-	-	-
Trade receivables	-	40,253	-	-
	\$ 332,922	\$ 40,253	\$ -	\$ -

##### *Interest rate risk*

The Chamber is not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates. Cash and cash equivalents bear interest at short-term market interest rates. The Chamber is exposed to interest rate risk to the extent that prevailing interest rates may fluctuate on its cash and cash equivalents. The maximum exposure to interest rate risk is represented by the carrying amount of cash and cash equivalents in the statement of financial position.

#### 8. Commitments and Contingencies

The Chamber leases its premises under an operating lease that expires on August 31, 2013. The total of future minimum lease payments under its non-cancellable operating lease is analyzed in the table below:

	Due within 1 year	Due after 1 year and not later than 5 years	Due after 5 years
<b>2012</b>			
Future minimum lease payments	\$ 87,340	\$ -	\$ -
<b>2011</b>			
Future minimum lease payments	\$ 131,010	\$ 87,340	\$ -

The Chamber sublets a portion of their office space to The Cayman Islands Chamber of Commerce Pension Plan. The lease term is one year and is renewable annually for an additional year. The Chamber charges \$21,939 per annum (2011: \$15,936), payable in monthly installments of \$1,828 (2011: \$1,328).

## The Cayman Islands Chamber of Commerce

### Notes to the Financial Statements For the years ended December 31, 2012 and 2011 (Expressed in Cayman Islands Dollars)

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#### 9. Salaries and Benefits

Salaries and benefit includes pension contribution paid to The Cayman Islands Chamber of Commerce Pension Plan amounting to \$18,262 (2011: \$18,277).

Short-term employee benefits related to its key management personnel amounted to \$167,019 (2011: \$157,262).

#### 10. Program Income

Program income includes a sum of \$11,585 (2011: \$Nil) received from the Cayman Islands Government in order to plan and execute The Cayman Islands Chamber of Commerce Mentoring Cayman Programme. The relevant expenses incurred on this program were \$7,471 (2011: \$Nil) and is included under program expenses in the statements of comprehensive income. As at December 31, 2012, there are no unfulfilled conditions or contingencies attached to this grant.

#### 11. Subsequent Events

From January 1, 2013 to October 09, 2013 there was no subsequent event which has taken place to be disclosed in the financial statements.

