



2006 annual report
2008 annual report



message from the president



Morgan DaCosta
President

The Chamber of Commerce's primary objectives are to promote and protect trade, business, commerce, agriculture, industries, manufactures and the public welfare and to consider, discuss and take action on questions directly or indirectly relating to these areas. Your Council has achieved many of these objectives by maintaining regular dialogue with the Government and equally meeting with the Leader of the Opposition all with an interest of having balance. Being able to have this high level of communication with both sides of the bench has fulfilled another objective of my Presidency and this Council, in that we have raised our communications levels and are providing more information to our membership. At times there were differences of opinion on important and sensitive issues, including the much heated debate on the Rollover Policy, but the Council was always able to sit down with Government and discuss and express the views of the members on these matters openly. This level of proactive dialogue allowed us to achieve some successes this year. These successes improved the business and social environment in our community including the lives of students in our schools who are the next generation of leaders.



Junior Achievement's Economics for Success course assists students realize the importance of planning for the future and the benefits of education. The Triple C School course was led by Wil Pineau.

Maintaining law and order is also essential to our success. This year we continued to strengthen our relationship with the Royal Cayman Islands Police and the newly appointed Commissioner Mr. Stuart Kernohan. We've collaborated on several initiatives including the Economic Crime Survey, Cayman Crime Stoppers, Beating Fraud brochure and assessing the feasibility of closed circuit television cameras in public places. I'd like to thank the Commissioner and his hard working team and acknowledge your efforts to prevent, reduce and detect crime. The Chamber appreciates your work and we stand ready to support your ongoing efforts to make the Cayman Islands a safe and welcoming place to work and to live.

My term as President has been an incredibly rewarding experience. I have worked and interacted with some incredible people and I will always look back with pride on what we have been able to achieve together for the improvement of our community. I would encourage more business leaders and members to become involved in the Chamber. While all of us are busy, there is no greater satisfaction than knowing what you have done has helped to improve the community in which you live. Over the years there has always been an objective/competition of sorts that several Presidents of the Chamber have had, and that is to sign up 100 new members for their year in office. Just like in cricket, I made my Century.

Thank you for your support this year and I hope that you all will continue to support the work of your Chamber.



Hon. Charles Clifford, Minister of Tourism, Environment, Industry and Commerce (second from left) and Pilar Bush, Director of Tourism (second from right) update members about the FCCA conference.

Morgan DaCosta
Chamber of Commerce President

message from the chief executive officer

2006 can be considered a record breaking year of activity for the staff with more programmes, events, communication and partnerships established than ever before.

A record setting year for the Chamber

Some highlights from the past year include:

- Nearly 100 new members joined – the largest annual increase ever recorded in the history of the Chamber
- **Income surpassed CI\$730,000, eclipsing 2003's record of \$682,000**
- **The Chamber's Pension Plan signed up its 13,000th member, making it the largest multi-employer, not-for-profit plan in the Cayman Islands in terms of employers (910) and assets US\$175 million**
- The first Panama Trade Mission which opened trade between Cayman and Central America.
- Florida Caribbean Cruise Association Conference

Improving communications and broadening partnerships

New Communications tools and new partnerships developed this year:

- The Chamber Magazine is a new publication produced in partnership with Cayman Free Press. Through this medium we are able to keep members informed and use this platform for our policies.
- www.caymanchamber.ky provided visitors and residents alike information about our members, our industries and our islands. Special features are available for members only including the Job Bank and online reports.
- Expanded media partnerships with the Journal and Radio Cayman
- New public and private sector partnerships established – Department of Tourism, Cayman Islands Investment Bureau, Cayman Free Press, RSM Cayman Islands, Deloitte
- Installed new telephone system & signed a new 5 year lease
- Commissioned three surveys in 2006: Economic Crime Survey, Salary and Benefits Survey and Media Survey

Providing quality service and advice

The Chamber improved services and visibility by:

- Providing information about members to visitors and investors
- Responding to e-mail requests
- Attended Caribbean Chamber Academy and the American Chamber of Commerce Executives conference
- Experienced staff (I am entering my 13th year) Kerry is completing her 5th year Erin is entering her 5th year and Ana is entering her 3rd year
- Two staff hired in 2006: Joanne Diaz-Berry as Programmes Coordinator; Natalie Holloway as Customer Relationship Manager for Chamber Pension Plan

Wil Pineau

Chamber of Commerce Chief Executive Officer



Wil Pineau
Chief Executive Officer



Enjoying a day of fun in the sun at the RE/MAX Chamber of Commerce Golf Classic.



Police Commissioner Stuart Kernohan (second from right) discussed crime detection and prevention techniques being introduced by the RCIP to combat crime in the Cayman Islands.

treasurer's report *treasurer's report*

A look at the financial statements for the calendar year ended December 2005 will reveal your Chamber's financial situation has stabilized following the disastrous effects hurricane Ivan had on our finances for 2004. Your Chamber can report a net income for the year of \$10,000 ---quite a reversal from the \$100,000 reported loss in 2004.

Total income increased almost 27% over 2004 levels to \$609,000 whilst expenses were held at less than a 3% increase to \$599,000.

I believe this turnaround in our financial operations demonstrates the soundness of the financial management of your Council & Chief Executive Officer, Wil Pineau--all of whom have shown a great deal of financial restraint during this year of recovery. It's not easy to balance cost cutting and expense control with the high level of service you, our members, expect from us. Income sources have now returned to pre-Ivan levels due to the reintroduction of programmes that were cancelled in 2004 such as: Mentoring Cayman, Junior Achievement and the Business Expo. As a result Members' equity increased to \$91,000.

Financial highlights are as follows:

- Membership dues income increased 2.3% to \$275,000
- Income from Membership Functions increased from \$21,000 to just under \$100,000
- Programme Income returned to pre-Ivan levels
- Website income doubled as emphasis was placed on promoting members on-line
- Publication income increased by over 70% to \$36,000
- The one disappointing result was the reduction from \$76,000 to \$46,000 regarding income from our training courses.
- On the expense side our payroll declined by 17% as we had to downsize the office to reflect the reduction in activity following Ivan and office expenses were reduced almost 20% to \$32,000.

In summary 2005 was a very positive financial year for your Chamber: a year of recovery whilst we attempted to return to normal levels of the delivery of programmes and services to our Members.

So how is your Chamber faring in 2006? I am pleased to be able to report that total income generated for the year ended December 31st, 2006 is projected at \$739,000 (\$480,000 year end 2004 & \$609,000 year end 2005) and total expenditure \$705,000 (\$582,000 year end 2004 & \$599,000 year end 2005). My projection for year end 2006 is for a net income of approximately \$34,000.

I would like to thank all of you, our members, for your understanding and support over these last two "recovery years" and I would encourage members to support the Chamber in its programmes, training courses, special events and fundraisers in 2007 so that we can fully reestablish the Chamber to its preeminent position in the Cayman Islands' business community.

In closing, a very big thank you to PricewaterhouseCoopers, not only for providing a first class audit for us, but for not charging us a single dollar.

Wayne Cowan
Chamber of Commerce Treasurer



Wayne Cowan
Treasurer



A St. Ignatius student sees the production of the news as a camera person during the Career Awareness Visit.



Robert Hamity, President of Tortuga Rum Company, Ltd. displays the variety of products at the 2006 Business Expo.

accomplishments

2006 was a record setting year for the Chamber of Commerce. Nearly 100 new members joined the organisation and the Chamber's Pension Plan signed up its 13,000th member with the pension fund surpassing the US\$175 million mark.

Ten programmes were maintained and 85 member and community events were organised - another record. Chamber programmes assisted member businesses to increase sales and improve the productivity of their employees, benefited school children to learn about the world of work and entrepreneurship and helped to keep our community safe and clean. Some of the programmes supported by the Chamber include the Discount Card, Business After Hours, Business Expo, Professional Development and Training Centre, Junior Achievement, Mentoring Cayman, Cayman Crime Stoppers, Employee Assistance Programme, Earth Day Roadside Clean-up, Career Awareness visits and the Better Business Council.

trade mission

Exploring new trade opportunities with Panama became an important focus for the Chamber in 2006. A trade mission comprising 125 delegates (including His Excellency the Governor Mr. Stuart Jack CVO, the Hon. Charles Clifford, the Hon. Arden McLean and the Hon. Anthony Eden) travelled to Panama City and the Colon Free Trade Zone to meet with senior Government, diplomatic and business leaders to explore the establishment of increased trade and diplomatic links. The delegation also attended the EXPOCOMER trade show, the largest annual gathering of distributors and vendors from Central America and the Caribbean. The Cayman Islands delegation was the largest to attend EXPOCOMER. A return mission is planned for Panama in March 2007.

advocacy

Offering feedback on important pieces of legislation, policies and issues remained a major focus of the work of the Chamber in 2006. Based on feedback from industry groups and members, luncheons, public forums and surveys, the Council fulfilled its mandate and submitted its written views on proposed legislative changes, economic and social issues, participated in public discussions and attended regular meetings with His Excellency the Governor Mr. Stuart Jack CVO, Cabinet members and senior civil servants. Chamber representatives serve on numerous public and private sector advisory boards and statutory authorities. Chamber officials attended the Miami Conference on Latin America and the Caribbean, the Florida-Caribbean Cruise Association annual conference in Cayman and regional meetings sponsored by the Caribbean Association of Industry and Commerce and the Caribbean Development Bank. Chamber CEO Mr. Wil Pineau graduated from the Caribbean Chamber Academy, the first regional Chamber executive certification programme sponsored by Eurochambres and CAIC. He also attended the American Chamber of Commerce Executives conference in Cleveland.

communications

To improve communications and to provide members and the public with useful information on topical subjects, a new quarterly, full colour, glossy magazine was introduced in partnership with Cayman Free Press. The CHAMBER provides readers with information about Chamber activities, programmes, services and benefits, business trends, views, statistics and member profiles. Each quarter one of four themes is addressed: Money Management, Human Resources, Economic Development and Communications. The magazine is distributed in an issue of the Caymanian Compass and mailed to all members. New members are profiled each quarter.

caymanchamber.ky

www.caymanchamber.ky provided members and visitors with 24/7 access to information



RE/MAX Cayman Islands, title sponsor for the Golf Classic and Wil Pineau display the trophies presented to the winners.



Angelyn Hernandez, President Elect presents Morgan DaCosta with a token of appreciation for his commitment during his time as President.



Volunteers from the Ritz Carlton Grand Cayman enjoy lunch after the Chamber of Commerce Roadside Clean-up for Earth Day.



Butterfield Bank (Cayman) Limited won the award for Best Multiple Booth at the 2006 Business Expo.



Donna Bush of CITN meets Samantha Diana Rae, her mentee for the 2006–2007 Mentoring Cayman programme.



Wil Pineau and William Peguero of Eaglemount Ltd. (front right) during the Conference of the Panama Trade Mission.



Members of the 2006 Chamber of Commerce Council

about Chamber activities, local headlines, reports, online registration and calendar, job openings and the popular member business directory. For the period, 27th November 2005 - 28th November 2006, 871,686 referrals were recorded through the online business directory for a daily average of 2,375 referrals! www.caymanchamber.ky now ranks in the top three listings on more than eight key search phrases on Google and other popular search engines.

statistics

In an attempt to provide member businesses with better statistical information, the Council commissioned three surveys in 2006: the fourth Salary and Benefits Survey, the first Media Survey and the first Economic Crime Survey. Local companies RSM Cayman Islands and AP Marketing Services Ltd. were selected to carry out these surveys. The results of the Salary and Benefits Survey and the Media Survey will be available for purchase in January. Businesses participating in the Salary & Benefits Survey will receive a free copy of the results.

partnerships

The Chamber reached out to establish new partnerships with public and private sector entities such as the Civil Service Association, University College of the Cayman Islands, Deloitte, RSM Cayman Islands Ltd., Scotiabank Ltd., Cable & Wireless (CI) Ltd., Cayman Free Press, Radio Cayman, Royal Cayman Islands Police Service, Department of Environmental Health, National Trust, Department of Tourism, Cayman Islands Investment Bureau and the Ministries of Commerce, Education and Health.

staff

To improve the level of customer service, two new members of staff joined the Chamber: Mrs. Joanne Diaz-Berry and Mrs. Natalie Holloway. Mrs. Diaz-Berry assumed the role of Programmes Coordinator and Mrs. Holloway became the Customer Relationship Manager for the Chamber Pension Plan. There are now five members of staff who collectively possess more than 35 years professional experience in policy development, advocacy, event and conference planning, communications, fundraising, programme development and financial planning.

Wil Pineau, Chief Executive Officer

Kerry Pratt, Operations Manager

Erin Marshall, Communications Manager

Ana Casildo, Membership Relations Coordinator

Joanne Diaz-Berry, Programmes Coordinator

Natalie Holloway, Chamber Pension Plan Customer Relationship Manager

The Chamber Council has developed an ambitious plan of action for 2007. The plan addresses three key areas that members have expressed are important to the long term sustainable development of the Cayman Islands: Education, Economic Development and Environment. Actions have been identified under each of the three categories.

2006 chamber of commerce council

President: Morgan DaCosta (Maedac Supply Company Ltd.)

President-elect: Angelyn Hernandez (Quin & Hampson)

Vice President: James Tibbetts (Individual Member)

Treasurer: Wayne Cowan (JLT Risk Solutions Ltd.)

Secretary: Mr. James O'Neill (Bank Austria Cayman Islands Ltd.)

Immediate Past President: Joseph Hew (Hew's Restaurant & Hotel Supplies Ltd.)

Councillors:

Brian Barnes (Barnes Bartender Service)

Eddie Thompson (CAD Plus)

James Bovell (RE/MAX Cayman Islands)

Timothy Adam (Cable & Wireless (Cayman) Ltd.)

Woody Foster (Foster's Food Fair)

Gerry Kirkconnell (Kirk Freeport)

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

Financial Statements

for the year ended December 31, 2005
and Auditors' Report



AUDITORS' REPORT

To the Council of The Cayman Islands Chamber of Commerce

We have audited the accompanying balance sheet of The Cayman Islands Chamber of Commerce (the "Chamber") as of December 31, 2005, and the related statements of operations and members' equity and cash flows for the year then ended (all expressed in Cayman Islands dollars). These financial statements are the responsibility of the Chamber's Council. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Chamber's Council, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In common with many other organizations of a similar size and purpose, the Chamber derives income from various sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of income was limited to the amounts recorded in the Chamber's accounting records. Because of this restriction in the scope of our audit, we were not able to determine whether any adjustments might be necessary to income for the year ended December 31, 2005.

In our opinion, except for the effect of such adjustments, if any, which might have been determined to be necessary had we been able to satisfy ourselves as to the completeness of income as described in the preceding paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Chamber as of December 31, 2005, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Without further qualifying our opinion, we note that the Cayman Islands firm of PricewaterhouseCoopers is a member of the Chamber.

This report is intended solely for the information and use of the Chamber's Council and should not be used or relied upon by any other party.

PricewaterhouseCoopers

September 19, 2006

THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Balance Sheet

December 31, 2005

(expressed in Cayman Islands dollars)

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 135,386	\$ 223,541
Accounts receivable (Note 4)	22,950	43,704
Prepaid expenses (Note 5)	<u>4,868</u>	<u>9,924</u>
	163,204	277,169
PROPERTY, PLANT AND EQUIPMENT (Note 6)	<u>8,839</u>	<u>32,761</u>
	<u>\$ 172,043</u>	<u>\$ 309,930</u>
LIABILITIES AND MEMBERS' EQUITY		
Commitments (Note 9)		
CURRENT LIABILITIES		
Bank overdraft (Note 3)	\$ 39,558	\$ 10,979
Accounts payable and accrued expenses (Note 7)	<u>41,472</u>	<u>217,675</u>
	81,030	228,654
MEMBERS' EQUITY	<u>91,013</u>	<u>81,276</u>
	<u>\$ 172,043</u>	<u>\$ 309,930</u>

Approved for issuance on behalf of The Cayman Islands Chamber of Commerce's council:

Morgan DaCosta

.....
President

Wayne Cowan

.....
Treasurer

September 19, 2006

.....
Date

See notes to financial statements



THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Statement of Operations and Members' Equity

for the year ended December 31, 2005

(expressed in Cayman Islands dollars)

	<u>2005</u>	<u>2004</u>
INCOME		
Membership dues	\$ 275,884	\$ 269,653
Membership functions	98,918	20,793
Program income	77,811	18,010
Training courses	46,611	76,887
Publications and mailing income	36,905	21,496
Website income	23,190	7,540
Fundraising	15,218	28,815
Administrative income	13,723	10,391
Rent	13,300	12,748
Other income	4,112	506
Donations	1,334	2,703
Interest income	1,275	116
Salary survey income	735	400
Mentoring program	-	10,000
	<u>609,016</u>	<u>480,058</u>
EXPENSES		
Salaries and benefits (Note 8)	214,240	258,493
Membership functions	92,109	23,384
Rent (Note 9)	71,260	71,760
Training expenses	42,771	38,474
Program expenses	35,249	7,011
Office expenses	32,543	40,209
Publications	28,950	8,875
Depreciation (Note 6)	24,781	31,670
Utilities	17,226	16,410
Telephone	15,616	14,643
Conference	13,585	-
Professional fees	5,000	6,050
Insurance	4,446	4,774
Miscellaneous	1,096	35,137
Dues and subscriptions	407	1,242
Fundraising	-	23,896
	<u>599,279</u>	<u>582,028</u>
NET INCOME (LOSS)	9,737	(101,970)
MEMBERS' EQUITY, BEGINNING OF YEAR	<u>81,276</u>	<u>183,246</u>
MEMBERS' EQUITY, END OF YEAR	<u>\$ 91,013</u>	<u>\$ 81,276</u>

See notes to financial statements

THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Statement of Cash Flows

For the year ended December 31, 2005
(expressed in Cayman Islands dollars)

	<u>2005</u>	<u>2004</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income/(loss)	\$ 9,737	\$ (101,970)
Adjustment for item not affecting cash:		
Depreciation	24,781	31,670
Changes in operating assets and liabilities:		
Accounts receivable	20,754	(7,529)
Prepaid expenses	5,056	(6,376)
Accounts payable and accrued expenses	<u>(176,203)</u>	<u>113,120</u>
	<u>(115,875)</u>	<u>28,915</u>
INVESTING ACTIVITIES		
Additions to property, plant and equipment	<u>(859)</u>	<u>(1,795)</u>
FINANCING ACTIVITIES		
Proceeds from bank overdraft	<u>28,579</u>	<u>10,979</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(88,155)	38,099
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>223,541</u>	<u>185,442</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	<u>\$ 135,386</u>	<u>\$ 223,541</u>

See notes to financial statements



THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Notes to Financial Statements

for the year ended December 31, 2005

(expressed in Cayman Islands dollars)

1. INCORPORATION AND BACKGROUND INFORMATION

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.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared on the historical cost basis in accordance with International Financial Reporting Standards. The preparation of financial statements in accordance with International Financial Reporting Standards 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 periods. Actual results could differ from those estimates.

In 2005, the Chamber adopted all new and revised IFRS standards which were effective for the period beginning on January 1, 2005.

IAS 1 (revised 2003)	Presentation of Financial Statements
IAS 8 (revised 2003)	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10 (revised 2003)	Events after the Balance Sheet Date
IAS 21 (revised 2003)	The Effects of Changes in Foreign Exchange Rates
IAS 24 (revised 2003)	Related Party Disclosures
IAS 32 (revised 2003)	Financial Instruments: Disclosure and Presentation
IAS 39 (revised 2003)	Financial Instruments: Recognition and Measurement

There has been no change to the Chamber's accounting policies as a result of the adoption of any of the above standards, and there was no impact on opening net assets at January 1, 2004 from the adoption of any of the above-mentioned standards.

The following is a summary of the significant accounting policies adopted in the preparation of these financial statements:

Income

Membership 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

Expenses are recognized on the accrual basis.

THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Notes to Financial Statements

for the year ended December 31, 2005

(expressed in Cayman Islands dollars)

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are recorded at cost and depreciated on a straight-line basis at the following annual rates estimated to write off the cost of the assets over their expected useful lives:

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

Cash and cash equivalents

For the purposes of the statement of cash flows, the Chamber considers all short-term investments with an original maturity date of three months or less to be cash equivalents. Cash equivalents include Cayman Islands dollar fixed deposits and current accounts.

Foreign currency translation

Assets, liabilities, income and expenses denominated in United States dollars are translated into Cayman Islands dollars at the fixed rate of exchange of US\$1.00 = CI\$0.82.

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Cayman Islands Dollar. In addition, the Company has adopted the Cayman Islands Dollar as its presentation currency.

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 10% each. Defined contribution pension scheme contributions are charged to income based on set contribution rates. Contributions for the year ended December 31, 2005 by the Chamber amounted to \$13,104 (2004: \$13,693).



THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Notes to Financial Statements

for the year ended December 31, 2005

(expressed in Cayman Islands dollars)

(continued)

3. CASH AND CASH EQUIVALENTS

	<u>2005</u>	<u>2004</u>
Current accounts	\$ 135,386	\$ 223,541
Bank overdraft	<u>(39,558)</u>	<u>(10,979)</u>
	<u>\$ 95,828</u>	<u>\$ 212,562</u>

4. ACCOUNTS RECEIVABLE

	<u>2005</u>	<u>2004</u>
Miscellaneous	\$ 13,450	\$ 12,193
Publication Advertising	2,800	10,690
Junior Achievement	1,575	7,875
Trade debtors	3,570	3,976
Training courses	1,225	3,475
Executive Secretarial Scholarship Fund	-	2,660
Annual General Meeting	-	2,300
Chamber Luncheon	250	535
Other	<u>80</u>	<u>-</u>
	<u>\$ 22,950</u>	<u>\$ 43,704</u>

5. PREPAID EXPENSES

	<u>2005</u>	<u>2004</u>
Advertising	\$ 1,630	\$ 4,487
Deposit for Career Expo	-	2,000
Web design	1,997	1,730
Other	<u>1,241</u>	<u>1,707</u>
	<u>\$ 4,868</u>	<u>\$ 9,924</u>

THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Notes to Financial Statements

for the year ended December 31, 2005

(expressed in Cayman Islands dollars)

(continued)

6. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2004	Additions/ depreciation	Disposals	December 31, 2005
<u>Cost:</u>				
Furniture and fixtures	\$ 31,374	\$ -	\$ -	\$ 31,374
Promotional equipment	18,782	300	-	19,082
Office equipment	85,565	559	-	86,124
Information technology	54,924	-	-	54,924
Leasehold improvements	64,983	-	-	64,983
	<u>255,628</u>	<u>\$ 859</u>	<u>\$ -</u>	<u>256,487</u>
<u>Accumulated depreciation:</u>				
Furniture and fixtures	31,171	\$ 57	\$ -	\$ 31,228
Promotional equipment	18,780	15	-	18,795
Office equipment	75,316	5,954	-	81,270
Information technology	33,565	18,308	-	51,873
Leasehold improvements	64,035	447	-	64,482
	<u>222,867</u>	<u>\$ 24,781</u>	<u>\$ -</u>	<u>247,648</u>
Net book value at end of year	<u>\$ 32,761</u>			<u>\$ 8,839</u>

Information technology represents costs incurred, including wages and salaries, in developing the Chamber's website. Management has determined that these costs have future benefit to the Chamber and has therefore capitalized them. These costs are depreciated over a three year period.

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	2005	2004
Website agency collections	\$ -	\$ 86,787
Other payables	6,226	64,804
Unearned revenue	15,150	44,605
Trade payables	12,627	12,294
Rent payable	5,938	5,938
Utilities	1,531	2,542
Program activities	-	705
	<u>\$ 41,472</u>	<u>\$ 217,675</u>



THE CAYMAN ISLANDS CHAMBER OF COMMERCE

Notes to Financial Statements

for the year ended December 31, 2005

(expressed in Cayman Islands dollars)

(continued)

8. SALARIES AND BENEFITS

Salaries and benefits expense includes amounts paid to the Chamber's management including the chief executive officer, an operations manager, a communications assistant and an administrative assistant.

9. COMMITMENTS

The Chamber is leasing office space on a month-to-month basis with annual payments totaling \$71,260 and \$71,760 for the years ended December 31, 2005 and 2004 respectively, pending the negotiation of a new lease.

The Chamber entered into a letter of understanding in 1998 to share the services of an Administrative Assistant, at a maximum cost of \$16,000 per year, rising to \$18,000 from August 2003. The agreement was effective until August 13, 2005. Subsequent to October 31, 2005, the Chamber incurred the full salary cost of the administrative assistant. Any services provided by the administrative assistant for the benefit of other organizations were charged out an hourly basis.

10. FINANCIAL INSTRUMENTS

Credit Risk

Financial assets which potentially expose the Chamber to credit risk consist principally of cash and cash equivalents and accounts receivable. The Chamber minimizes its exposure to credit risk by conducting transactions with established, reputable banks.

Fair Values

The carrying amount of financial assets and liabilities approximate their fair values.

11. HURRICANE IVAN

Hurricane Ivan struck the Cayman Islands on September 11, 2004, causing widespread destruction and a general disruption of business until the end of the year. As a result, anticipated revenue from programs, special events and administrative services were not realized. Special events cancelled or postponed included the Careers, Education and Training Expo, the Business Expo and membership luncheons. The Professional Development and Training Center cancelled all courses from September to December. Administrative services provided for Cayman Crime Stoppers, the Chamber Pension Plan, Junior Achievement and Mentoring Cayman were also reduced. Additionally, unbudgeted expenses to assist with the business community in the Hurricane Ivan recovery effort were realized. These expenses included heavy equipment rental and roadside clean-up from Smith Cove, West Bay Road and the Harquail By-Pass to facilitate the return of cruise ship passengers and investigation of a proposal to lease a cruise ship for short-term accommodations.

As a result of the above canceled events, some participants opted for the advance fees paid to the Chamber in relation to the above events to remain with the Chamber until the events occur in 2005, resulting in deferred revenue recorded as of December 31, 2004.