



3

Board of Trustees

4

Chairman's Message

5

Executive Director's Report

6-7

Milestones

8

Donations, Sources and Allocations

9

Getting involved with

The National Recovery Fund

10-22

Summarised Financial Statements

Board of Trustees



Chairman, His Excellency The Governor, Stuart Jack, CVO



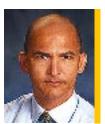
Vice Chair, Conor O'Dea, Managing Director, Butterfield Bank



Naul Bodden Cayman Businessman



Bruce Dinwiddy, CMG Former Governor, Cayman Islands



Hon. G. Kenneth Jefferson, JP Financial Secretary Cayman Islands Government



NRF Enforcer Andrew Jones, QC



Tina McLaughlin, Chief Financial Officer and Corporate Secretary DART Management Ltd



Huw Moses, OBE Managing Partner, Appleby Spurling Hunter



John Owen, CMG, MBE Former Governor, Cayman Islands



Pastor Winston Rose Church Of God, Bodden Town



Dan Scott Managing Partner, Ernst & Young



Andreas Ugland Chairman, Andreas Ugland & Sons Corporate Trustee Cayman National Trust Company Ltd



Corporate Trustee Cayman National Trust Company Ltd

Message from our

Chairman

His Excellency the Govenor, Stuart Jack, CVO



Before I came to Cayman in November 2005, I heard much about the devastation caused by Hurricane Ivan and the impact it had on the economic and social fabric of the islands. I was made aware that a recovery programme was well in train. I happily accepted the mantle of Chairman of the Cayman Islands National Recovery Fund as I could think of no other initiative that had a more crucial short-medium term impact on the lives of Caymanians. But without actually visiting Cayman it was impossible to form a clear picture of what the recovery process entailed and with community spirit, how much resilience and fortitude the people of Cayman have faced the daunting task of rebuilding.

In my travels around Cayman since my arrival I have now seen the impact the disaster has had on all segments of society and have come to understand why the event was called a great leveler amongst all sections of the population. The recovery process however has unfortunately not been such a level playing field for all. For many who are affluent or well insured, the rebuilding has been a difficult process and it may have taken many weeks or even many months to restore their lives to pre-Ivan levels. Most have in fact 'built back better'.

For the poor and indigent some two

years later, however, their lives are still a matter of daily survival. They have little but hope for a chance of recovering fully. Many have spent their life savings on repair and rebuilding; or have depended on charity or government generosity to make some progress towards restoration of their lives. Many still live with family or friends awaiting the opportunity to receive some external assistance. Some, of course, have the ability to help themselves and have not; but the vast majority are elderly, infirm, disabled physically or mentally or very low wage earners unable to make the necessary changes in their own lives.

It is on these latter people that the National Recovery Fund focuses its work. It is a major and much appreciated effort with which I have been proud to be associated. Each day I see much being accomplished and the lives of Caymanians rebuilt with the donations of the private sector, the government and individuals whose generosity humbles me. Never have I seen a community in any country rise to the immense challenge so admirably. From the dedicated trustees who donate their time to the ongoing and often unglamorous recovery effort, to the donors who have given unstintingly, and to the staff, volunteers, and contractors who make the programme work I continue to be sincerely grateful.

Message from our

ExecutiveDirector

Mark J. Laskin



In spite of substantial progress recorded in its first year of recovery work in Cayman, the second year of operation has been one of tremendous growth and expansion in our efforts reaching a peak of some 850 families assisted in some way by the fund and its collaborating partners since Hurricane Ivan. This means that almost 5% of the entire population of Cayman has had some form of assistance through the Fund. Perhaps more encouraging, is that 95% of the population has been able through their own means to assist themselves through the arduous recovery process. With 84% of the houses on Grand Cayman having received moderate to severe damage from the Hurricane, this is a tribute to the resiliency and community spirit of the Cayman people.

As one drives along the main roads of Cayman and sees a significant amount of high end new construction taking place, one can easily forget those who because of age, skill set, infirmity or other reasons have been left behind by the Cayman economic miracle. Drive down some of the back roads of the various districts and you will see the living conditions that were endemic to Cayman 60 years ago; people still using wells, without electricity, and living in storm ravaged accommodation with some tarps and rusted tin roofing hastily thrown over the tops to create shelter. There are many reasons for this poverty in our midst, but as a community

held strongly together by its adherence to Christian ideals, we cannot turn a blind eye as we go about our daily affairs.

To date individuals in the community, the strong and committed business sector and the government have been very generous with their support of the recovery effort. Because of that generosity, indeed investment, many many families have better accommodation rebuilt to a strict category three or better hurricane resistant standard by the National Recovery Fund. Additional families have benefited from purchased or donated modest replacement furnishings, core appliances and cabinetry. This has made a huge difference to the lives of these families.

Yet two years down the road to recovery, we are still not at the finish line. Some 200 families still require assistance, an additional 35 at least require a complete rebuild of their destroyed homes. Whilst at the time of writing we are still hopeful of the emergency resources from the European Union, this country has done so much to help itself we cannot sit back and wait until external resources are available before we act.

Our mission is to have no one left behind in the recovery process. We have made great strides in reaching that goal in 2005/06 and we will continue to do so in the coming year. We sincerely thank the donors, trustees, staff and all those who wait patiently until their own recovery needs can be addressed.



Cayman Islands National Recovery Fund's

Milestones

Year 2

November 2005

Telecommunications company, Digicel, donated \$50,000 to rebuild the home of elderly George Town resident, Doris Mejia.

January 2006

350 houses completed NRF's programme to demolish and rebuild severely damaged homes began.

February 2006

The National Trust granted the Fund use of its building rent-free for two years. The building, at Courts Road, George Town suffered severe hurricane damage and was repaired by the Fund, with contribution from Butterfield Bank.

March 2006

His Excellency the Governor hosted a reception to honour over two dozen major corporate and individual donors who had made possible the raising of nearly US\$10 million for the NRF.

June 2006

KPMG adopts the home of Dulcie Rankine at Breezy Way, George Town.

The firm contributed CI\$75,000 for major repairs and staff members volunteered labour in painting the repaired home.

July 2006

450 homes completed.







Cayman Islands National Recovery Fund's

Milestones

August 2006

Dart Foundation provided an additional donation of US\$500,000 to the NRF, its second in seven months. This contribution marked the fulfillment of a promise made by Dart earlier this year when it first donated US\$500,000 to the Fund and committed to match donations made by the local corporate community up to the same amount by the end of 2006.

September 2006

Two years after it first began, the NRF along with other participating community groups, had touched the lives of 850 families, through housing repairs, new housing construction and donation of furniture and building material, in fulfillment of its post-hurricane recovery efforts.













DonationsSourcesAllocations





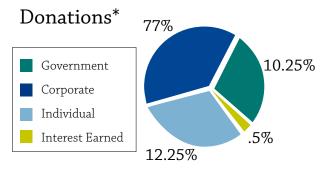


Since its inception, the Fund has raised approximately US\$10 million in cash donations and has received in-kind support from a number of local businesses.

The Fund operates with extremely low administrative expenses, which currently represent only 2% of our budget, leaving 98% of all contributions available to make a significant impact in the lives of low-income and elderly families within our local community.

Donors and supporters have spanned the spectrum of government contribution, corporations, local investors, international supporters and personal contributions.

These donations have funded the housing repair, refurnishing and rebuilding programme that the Fund has undertaken.



*As of 1st July 2006, our total income/expenditure was \$10 million. Seventy-seven percent of this income was derived from the private sector.



Ways to Help











Getting involved with the

National Recovery Fund

Adopt-a-Home

Companies and individuals have already begun to support the Fund's Adopt-a-Home programme through sponsorship or by providing building material. It is our hope that many more will follow. Sponsorship options include:

Full Sponsorship

A sponsor may provide \$75,000 - \$95,000 in cash or in-kind donation to purchase construction materials and to pay for skilled labor for one home. Volunteers from the sponsoring organisation have the opportunity to assist with work around the home following the repair/rebuild period (for example painting, landscaping, moving furniture, or yard clearing.

Partial Sponsorship

Up to four sponsors share the cost of building one home. Funding options include: 25, 50 or 75 per cent of the cost. Partial donors also share the volunteer labor opportunity and the recognition for sponsorship. A home must be 100% funded prior to the beginning of works.

Partnered Sponsorship

A partnership of community groups join together to donate the funds and volunteer labor needed to 'Adopt-a-Home'. Home repair or construction may begin after full funding of the cost is secured.

Persons may also donate cost of single items such as doors, windows paint or the items themselves.

Individual Sponsorship

Whereby persons can pay for a door, window, wall etc. This way everyone at all levels are capable of participating.



SUMMARISED Financial STATEMENTS

Prepared on a modified Cash

Receipts and Disbursements

Basis of Accounting for the year

ended September 30, 2006





PricewaterhouseCoopers

P.O. Box 258GT Strathvale House George Town, Cayman Islands Telephone 345 949 7000 Facsimile 345 949 7352

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of The Cayman Islands National Recovery Fund

We have audited the accompanying financial statements of The Cayman Islands National Recovery Fund (the "Recovery Fund"), which comprise the balance sheet as of September 30, 2006 and the statements of income, expenditure and distributions, statement of changes in undistributed funds and statement of cash flows for the year then ended and a summary of the principal accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies as described in Note 2. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity'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.

In common with many charitable organisations, the Recovery Fund derives a portion of its revenue from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of such revenue was limited to the amounts recorded in the records of the Recovery Fund and we were not able to determine whether any adjustments might be necessary to revenue for the year ended September 30, 2006.

The accompanying financial statements were prepared on the modified cash receipts and disbursements basis as described in Note 2, which is not a recognized basis of accounting.

Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue as referred to above, these financial statements have been properly prepared to present, in all material respects, the financial position of the Recovery Fund as of September 30, 2006 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 2.

Other Matters

This report, including the opinion, has been prepared for and only for the Board of Trustees in accordance with the terms of our engagement letter dated November 27, 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

March 29, 2007

Pricewaterbuse Coopers



BALANCE SHEET

AS AT SEPTEMBER 30, 2006

(Expressed in Cayman Islands dollars)

	<u>Septer</u> <u>2006</u>	mber 30, 2005
ASSETS Current assets Cash at bank (Note 3)	1,582,787	2,595,440
Total assets	\$ <u>1,582,787</u>	\$ <u>2,595,440</u>
LIABILITIES AND FUND BALANCES Current Liabilities Bank overdraft (Note 3) Loans payable (Note 4)	8,620 	821 <u>1,348,082</u>
Total liabilities	8,620	1,348,903
Fund Balances Undistributed fund balance - unrestricted	<u>1,574,167</u>	1,246,537
TOTAL LIABILITIES AND FUND BALANCES	\$1,582,787	\$2,595,440

Approved for issuance on behalf of the Board of Trustees of The Cayman Islands National Recovery Fund by:

Conor O'Dea Huw Moses
Trustee Trustee

March 29, 2007
Date

<u>UNRESTRICTED FUND BALANCES</u> <u>STATEMENT OF INCOME, EXPENDITURE AND DISTRIBUTIONS</u>

YEAR ENDED SEPTEMBER 30, 2006

(Expressed in Cayman Islands dollars)

	For the year ended September 30, 2006	For the period from September 23, 2004 (commencement of operations) to September 30, 2005
Income		
Donations (Note 5)		
Government	523,835	1,500,000
Corporate	3,965,600	2,701,230
Individuals	635,156	1,683,945
	5,124,591	5,885,175
Interest received	25,075	<u>44,916</u>
	5,149,666	5,930,091
Administration Expenses		
Administration expenses and salaries (Note 10)	348,395	268,794
Marketing and fundraising expenses and salaries (Note 10)	223,324	79,490
Professional fees	91,666	47,750
Other expenses	7,948	3,345
	671,333	399,379
Funds Available For Distribution	4,478,333	5,530,712
		=,===,===
Distributions		
Repairs and construction of properties	3,930,202	3,673,015
Project management fees	_220,501	_611,160
	4 150 703	4 204 175
	4,150,703	4,284,175
Undistributed Funds	\$ <u>327,630</u>	\$ <u>1,246,537</u>



RESTRICTED FUND BALANCES STATEMENT OF INCOME, EXPENDITURE AND DISTRIBUTIONS

YEAR ENDED SEPTEMBER 30, 2006

(Expressed in Cayman Islands dollars)

	For the year ended September 30, 2006	For the period from September 23, 2004 (commencement of operations) to September 30, 2005
Income		
Donations International (Note 6)	-	60,000
Distributions Repairs and construction of properties (Note 6)		60,000
Undistributed Funds	\$ -	\$ -

STATEMENT OF CHANGES IN UNDISTRIBUTED FUNDS

YEAR ENDED SEPTEMBER 30, 2006

(Expressed in Cayman Islands dollars)

For the year ended September 30, 2006

For the period from September 23, 2004 (commencement of operations) to September 30, 2005

	Unrestricted Fund Balances	Restricted Fund Balances	Unrestricted Fund Balances	Restricted Fund Balances
Balance, beginning of year/period	1,246,537	-	-	-
Funds available for distribution	4,478,333		5,530,712	60,000
Distributions	(4,150,703)		(<u>4,284,175</u>)	(60,000)
Balance, end of year/period	\$1,574,167	\$	\$1,246,537	\$

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2006

(Expressed in Cayman Islands dollars)

For the year ended September 30, 2006	For the period from September 23, 2004 (commencement of operations) to September 30, 2005
327,630	1,246,537
(<u>1,348,082</u>)	2,500,000 (<u>1,151,918</u>)
(<u>1,348,082</u>)	1,348,082
(1,020,452)	2,594,619
2,594,619	
\$ <u>1,574,167</u>	\$ <u>2,594,619</u>
1,582,787 (<u>8,620</u>) \$1,574,167	\$2,595,440 (<u>821</u>) \$2,594,619
	year ended September 30, 2006

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

1. Organisation and principal activity

The Cayman Islands National Recovery Fund (the "Recovery Fund") was established as a Trust under the laws of the Cayman Islands by a Declaration of Trust dated September 23, 2004, between the Trust and the Original Trustees. The registered office of the Recovery Fund is PO Box 1350GT, Clifton House, George Town, Grand Cayman, Cayman Islands.

The Recovery Fund has established a wholly owned United States Company which was granted an United States IRS tax exemption under section 501(c)(3) of the Internal Revenue code, effective from December 2, 2004. All of the funds raised in this entity will be transferred to the Recovery Fund in their entirety with any incidental costs being absorbed by the Recovery Fund. As at September 30, 2006 there had been no project activity in this entity.

On June 7, 2005, the Recovery Fund received tax exempt status in Canada for a period of 12 months, as per sub sections 110.1(1) and 118.1(1) of the Income Tax Act, Canada.

The Recovery Fund was established for the purpose of relieving those who were injured, bereaved, rendered homeless, destitute or otherwise adversely affected by Hurricane Ivan in the Cayman Islands on or after September 11, 2004 and who are in need and for other charitable purposes connected with or arising out of Hurricane Ivan.

2. Principal accounting policies

The financial statements have been prepared on a modified cash receipts and disbursement basis of accounting which is not a recognized basis of accounting. Principal accounting policies are as follows:

<u>Cash and cash equivalents</u>: Cash and cash equivalents consist of cash at bank, bank overdrafts and short-term deposits with original terms to maturity of less than three months as well as investment in money market funds which are available on daily notice.

<u>Loans</u>: Borrowings are recognised initially at the proceeds received. Borrowings are subsequently stated at proceeds received less amounts repaid.

Donations, expenditure and distributions: Donations, expenditures and distributions are recorded on a cash basis.

<u>Donated goods and services</u>: A number of unpaid volunteers have made significant contributions of their time and resources to manage and carry out the Recovery Fund's activities. The value of these contributions is not reflected in the financial statements since they are not susceptible to objective measurement or valuation. In addition, the Recovery Fund has received certain goods and services as donations. The value of these donated goods and services are disclosed in Note 8, at their estimated value at the date of receipt.

3. Cash

Cash at bank comprises of the following:

	<u>2006</u>	<u>2005</u>
Current accounts	242,264	577,922
Investment in Money Market Fund	1,340,523	2,017,518
Bank overdraft	(8,620)	(821)
	\$1,574,167	\$2,594,619



NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

4. Borrowings

During the period ended September 30, 2005, the Recovery Fund entered into an agreement with a donor to the Recovery Fund. The donor lent to the Recovery Fund the sum of \$2,500,000 (US\$3,000,000), on an interest free basis for a period of eighteen months from the date of drawdown, February 25, 2005. If the loan was fully repaid during the term period of eighteen months and a minimum of \$2,500,000 (US\$3,000,000) had been received by the Recovery Fund from "Approved Sources" (as defined in the loan agreement) within 24 calendar months from January 1, 2005, then the donor agreed to make an ex-gratia payment of \$1,250,000 (US\$1,500,000) to the Recovery Fund. During the year ended September 30, 2006 an amount of \$1,348,082 (US\$1,617,698) (2005: \$1,151,918 (US\$1,382,302)) was repaid and as of December 6, 2005 the loan was fully repaid. Accordingly the ex-gratia payment was paid to the Recovery Fund on March 3, 2006. This amount is included within corporate donations in the statement of income, expenditure and distributions.

5. Donations

Donations received during the periods ended September 30, 2006 and 2005 are further analysed as follows:

		% of Total Donations
Corporate and Private donors Corporate and Private donors Government	\$500,000 - \$1,250,000 \$100,000 - \$499,999 \$100,000 - \$499,999	59% 15% 10%
Corporate donors	\$50,000 - \$99,999	1%
Corporate donors and Local/International individuals	less than \$50,000	<u>_15</u> %
		<u>100</u> %
		% of Total Donations 2005
Corporate and Private donors	\$500,000 - \$1,000,000	17%
Government	\$500,000 - \$1,000,000	25%
Bank contributions	\$100,000 - \$499,999	20%
Local/International individuals, Corporate donors	\$50,000 - \$99,999	37%
Local individuals	less than \$50,000	1%
		<u>100</u> %

6. Restricted Funds

The Recovery Fund did not receive any restricted donations during the year ended September 30, 2006.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

7. Applications

As at September 30, 2006, the Recovery Fund had received 1,805 (2005: 1,644) applications, of which a total of 485 (2005: 357) applications have received assistance to date.

The Trustees have adopted a set of criteria for the allocation of funds raised by the Recovery Fund. The assessment criteria are as follows:

- · Damage must be as a result of Hurricane Ivan
- · Funds are intended for repairs to property which were demonstrably damaged by the hurricane or its aftermath
- The property should have been uninsured
- Applicants must be able to show that their total household income is such that they cannot be reasonably
 expected to obtain finance nor self fund the costs of repairs to their homes
- · Grant funds will not normally be made available to:
 - those who are tenants in accommodation rented on commercial terms nor for landlords or those in strata accommodation
 - those who have or are awaiting insurance settlements including the underinsured

Amongst those who met the criteria the following priorities are agreed:

Priority 1

Elderly/infirm individuals who meet general criteria and are living in sub-standard or mostly destroyed homes and poor conditions as a result of the hurricane.

Priority 2

Homeless individuals who currently live with family members as a result of the hurricane and are in need to have their previous accommodations restored.

Priority 3

Families with young children who meet the general criteria and are living in sub-standard or mostly destroyed homes.

Priority 4

Individuals and families who remain in substandard accommodation as a result of the hurricane.

Priority 5

Those whose homes were damaged by the hurricane and fit in previous priority categories A1-A4 and need more minor repairs rather than major building works.

1,829 (2005: 1,736) applications have been received through to the date of approval of the financial statements. Of these applications, 1,013 (2005:1,086) were outside the criteria above (the criteria was revised in 2006 to be slightly more inclusive) or were duplicate applications within the same family. Some 158 (2005: 650) applications were prioritised for assistance with rebuilds or repairs subject to the availability of funding. With funds available to date, some 485 (2005: 400) repairs, renovations and rebuilds have been undertaken to be completed.

An EU grant of some €3.7million (KYD\$4million) is expected in 2007 to assist with the remaining repairs/rebuilds required.

In addition to the 485 families assisted to date, an additional 361 families were assisted with donated or purchased replacement goods and furnishings that were destroyed by the hurricane. This is an estimated 846 families assisted or some 11% of all Caymanian households.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

8. Donated goods and services

A number of organisations and individuals have made significant donations in the form of goods and services. The estimated value at date of receipt was as follows:

	<u>2006</u>	<u>2005</u>
Building Materials	7,357	116,000
Rent (including electricity and water)	38,790	36,000
Motor vehicles	-	6,000
Furniture and equipment	35,000	1,000
Volunteers	<u>150,000</u>	_125,000
	\$_231,147	\$_284,000

Such donated goods and services are not included within these financial statements.

9. Funding and commitments

During the period ended September 30, 2005, the Recovery Fund entered into a donation agreement with a donor to the Recovery Fund. The donor agreed to donate an amount of \$208,333 (US\$250,000) to be paid on a monthly basis commencing on July 1, 2005 and thereafter on the first day of each month for the next twenty-four months, with the final payment being made on July 1, 2007. During the year ended September 30, 2006 an amount of \$83,333 (US\$100,000) (2005: \$25,000 (US\$30,000)) had been paid and the balance remaining to be paid as at September 30, 2006 was \$100,000 (US\$120,000) (2005: \$183,333 (US\$220,000)), which is not included in the current donations.

A number of other organisations and individuals have committed to contributing further donations to the Recovery Fund beyond the year ended September 30, 2006, however receipt and monetary value of such donations can not be guaranteed or estimated to any degree of certainty at the balance sheet date.

The Trustees have in place a policy to ensure that the Recovery Fund retains sufficient assets to meet approximately six months of administration expenses. However subject to this it is the Trustees intention to ensure that all available resources are distributed at the earliest opportunity and not to create reserves.

10. Salaries and pension costs

The Recovery Fund had up to 5 (2005: 8) full-time employees including the Executive Director of the Recovery Fund and no (2005: 1) contract employee during the year ended September 30, 2006. The salaries of all employees excluding the Executive Director of the Recovery Fund were paid exclusively by the Recovery Fund. During the periods ended September 30, 2006 and 2005 a donor to the Recovery Fund agreed to pay the salary of the Executive Director. The salary of the Executive Director of the Recovery Fund is paid initially by the Recovery Fund, and subsequently the donor to the Recovery Fund contributes a donation to the Recovery Fund in the amount of the salary paid. The amount paid and received in respect of the Executive Director's salary is included in donations, and administration expenses and salaries respectively in the statement of revenue and expenditure.

The employees of the Recovery Fund are entitled to Medical Benefits and Pension in accordance with the National Health Insurance Law and the Pension Law (2003 Revision). Pension contributions are being matched by the Recovery Fund to a maximum of 5% of the employee's basic salary. The pension expense for the year ended September 30, 2006 was \$29,336 (2005: \$11,147) and is included in administration expenses and salaries in the statement of revenue and expenditure.

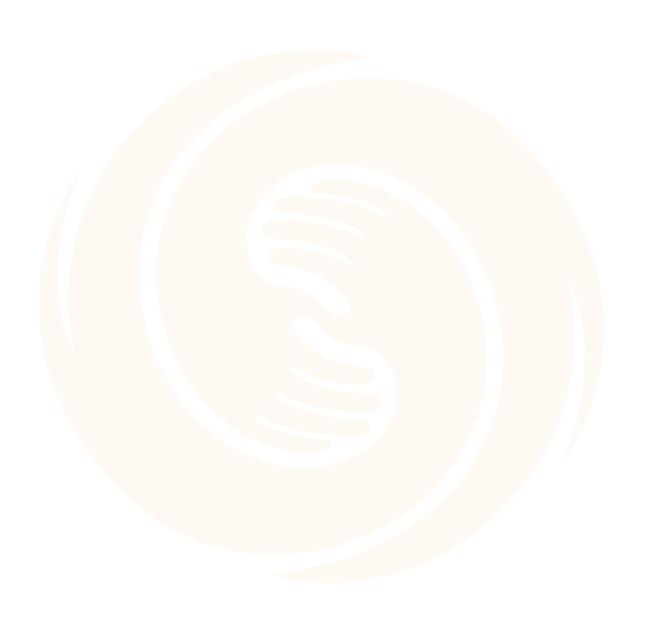
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

10. Salaries and pension costs (continued)

In compliance with the terms of The Health Insurance Law, 1997, the Recovery Fund is required to effect a standard health insurance contract for its employees. The Recovery Fund's health insurance expense for the year ended September 30, 2006 was \$21,631 (2005: \$17,643) and is included in administration expenses and salaries in the statement of revenue and expenditure.

In January 2006, following the expiration of the Recovery Fund's contract with Community Counselling Service Co., LLC (CCS), the Recovery Fund appointed a Director of Marketing and Development. CCS expenses are included in professional fees in the statement of revenue and expenditure.





rebuilding lives ... restoring hope

Office:

National Trust Building Eastern Avenue & Courts Road George Town Grand Cayman Cayman Islands, BWI

Mailing Address: P.O. Box 190 GT Grand Cayman Cayman Islands, BWI

Telephone: (345) 943-3863 Facsimile: (345) 943-3864 Email: cirecovery@candw.ky Website: www.caymanrecovery.ky

