

Financial Statements of

CAYMAN TURTLE FARM (1983) LIMITED

June 30, 2016



CAYMAN TURTLE FARM (1983) LIMITED

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by Cayman Turtle Farm (1983) Limited in accordance with the provisions of the *Public Management and Finance Law (2013 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2013 Revision)*.

As Chairman and Managing Director, we are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Cayman Turtle Farm (1983) Limited.

As Chairman and Managing Director we are responsible for the preparation of Cayman Turtle Farm (1983) Limited's financial statements and for the judgements made in them.

The financial statements fairly present the financial position, financial performance, changes in shareholder's equity and cash flows for the financial year ended June 30, 2016.

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

- (a) Completely and reliably reflect the financial transactions of the Cayman Turtle Farm (1983) Limited for the year ended June 30, 2016;
- (b) fairly reflect the financial position as at June 30, 2016 and performance for the year ended June 30, 2016;
- (c) comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

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



Chairman
Cayman Turtle Farm (1983) Limited

28 October, 2016



Managing Director
Cayman Turtle Farm (1983) Limited

28 October, 2016

Independent Auditors' Report to the Directors

In accordance with section 61(1)(a)(i) of the *Public Management and Finance Law (2013 Revision)* we have audited the accompanying financial statements of Cayman Turtle Farm (1983) Limited (the "Company"), which comprise the statement of financial position as at June 30, 2016 and the statements of comprehensive loss, changes in shareholder's equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

This report is prepared for the Directors of the Company in accordance with the terms of an engagement letter dated September 7, 2016 and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

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.

Auditors' Responsibility

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

(continued)

Independent Auditors' Report to the Directors (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 opinion

Opinion

In our opinion, the financial statements present fairly, in all material the financial position of the Company as at June 30, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to note 12 of the financial statements which discloses that the Company is dependent upon the continued financial support of the Government of the Cayman Islands to enable it to meet its obligations as they fall due. Without this ongoing support a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

KPMG

October 28, 2016



Sue Winspear, CPFA

Auditor General
October 28, 2016



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CAYMAN TURTLE FARM (1983) LIMITED

Statement of Financial Position


June 30, 2016

(expressed in Cayman Islands dollars)

	Note	2016	2015 restated (Note 11)
Assets			
Current assets			
Cash and cash equivalents	4, 14	2,384,216	1,607,475
Accounts receivable	14	673,569	417,979
Prepayments and accrued interest		314,834	58,820
Inventories	5	138,254	152,103
Biological assets	6	1,639,614	1,501,313
		5,150,487	3,737,690
Non-current assets			
Property, plant, equipment and exhibits	7	26,883,001	29,122,265
Total assets		CIS 32,033,488	32,859,955
Liabilities and shareholder's equity			
Current liabilities			
Bank overdraft	4, 14	2,033,584	2,423,845
Accounts payable and accrued expenses		734,149	733,763
Interest payable		52,521	64,963
Notes payable	8, 14	3,247,440	3,078,600
Bank debt	9, 14	253,692	510,130
		6,321,386	6,811,301
Non-current liabilities			
Long term notes payable	8, 14	9,656,071	12,837,734
Long term bank debt	9, 14	1,329,107	1,580,412
Pensions payable	10b	1,344,000	957,000
Severance pay	10c	29,772	29,771
		12,358,950	15,404,917
Total liabilities		18,680,336	22,216,218
Shareholder's equity			
Share capital			
- Authorised, issued and fully paid 400,000 shares of \$3 each and 50,000 shares of \$1 each		1,250,000	1,250,000
Contributed capital	11	98,220,631	89,217,882
Accumulated loss		(86,117,479)	(79,824,145)
		13,353,152	10,643,737
Total liabilities and shareholder's equity		CIS 32,033,488	32,859,955

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors on 28 October, 2016

 Chairman

 Managing Director

CAYMAN TURTLE FARM (1983) LIMITED

Statement of Comprehensive Loss

For the year ended June 30, 2016
(expressed in Cayman Islands dollars)

	Note	2016	2015
Operations			
Revenue	19	7,336,300	6,346,820
Cost of sales	19	(2,187,190)	(1,771,093)
Change in fair value of biological assets	19	686,931	569,581
Gross profit		5,836,041	5,145,308
Operating expenses	19	(7,576,238)	(7,456,346)
Net operating loss		(1,740,197)	(2,311,038)
Other income	16,19	511,751	246,426
Administrative expenses			
Administration and overheads	19	(2,583,819)	(2,540,347)
Interest and amortization	19	(976,898)	(1,138,872)
Other depreciation expense	19	(489,237)	(382,151)
Research expenses	19	(251,844)	(268,941)
Marketing expenses	19	(376,090)	(288,476)
Defined benefit cost	10b,19	(96,000)	(126,000)
Total administrative expenses		(4,773,888)	(4,744,787)
Net loss for the year		CI\$ (6,002,334)	(6,809,399)
Other comprehensive (loss)/income			
Remeasurements of defined benefit plan	10b,19	(291,000)	469,000
Comprehensive loss for the year		CI\$ (6,293,334)	(6,340,399)

See accompanying notes to financial statements.

CAYMAN TURTLE FARM (1983) LIMITED

Statement of Changes in Shareholder's Equity

For the year ended June 30, 2016

(expressed in Cayman Islands dollars)

		Share capital	Contributed capital (Note 11)	Accumulated loss	Total
Balance at June 30, 2014 (restated - Note 11)	CIS	1,250,000	79,711,533	(73,483,746)	7,477,787
Capital contribution from shareholder		0	9,506,349	0	9,506,349
Net loss for the year		0	0	(6,809,399)	(6,809,399)
Other comprehensive income for the year		0	0	469,000	469,000
Balance at June 30, 2015 (restated - Note 11)	CIS	1,250,000	89,217,882	(79,824,145)	10,643,737
Capital contribution from shareholder		0	9,002,749	0	9,002,749
Net loss for the year		0	0	(6,002,334)	(6,002,334)
Other comprehensive loss for the year		0	0	(291,000)	(291,000)
Balance at June 30, 2016	CIS	1,250,000	98,220,631	(86,117,479)	13,353,152

See accompanying notes to financial statements.

CAYMAN TURTLE FARM (1983) LIMITED

Statement of Cash Flows

For the year ended June 30, 2016
(expressed in Cayman Islands dollars)

	Note	2016	2015
Cash flows from operating activities			
Net loss for the year		(6,002,334)	(6,809,399)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property, plant, equipment and exhibits	7,19	2,928,767	2,787,365
Movement in breeder herd valuation	6	(2,867)	(14,276)
Movement in secondary herd valuation	6	(135,434)	(55,482)
Amortisation of transaction costs	8	65,777	74,433
Changes in:			
(Increase) in accounts receivable		(255,590)	(111,903)
(Increase)/decrease in prepayments and accrued interest		(256,014)	64,026
Decrease/(increase) in inventories		13,849	(25,141)
(Decrease) in interest payable		(12,442)	(11,797)
Increase/(decrease) in accounts payable and accrued expenses		386	(155,937)
Increase in pension payable	10b	96,000	126,000
Increase in severance pay		1	0
Net cash used in operating activities		(3,559,901)	(4,132,111)
Cash flows from investing activities			
Additions to property, plant, equipment and exhibits	7	(689,503)	(828,438)
Net cash used in investing activities		(689,503)	(828,438)
Cash flows from financing activities			
Long term bank debt paid		(507,743)	(1,568,893)
Repayment of notes	8	(3,078,600)	(2,917,319)
Capital contributions from shareholder	11	9,002,749	9,506,349
Net cash from financing activities		5,416,406	5,020,137
Net increase in cash and cash equivalents		1,167,002	59,588
Cash and cash equivalents at beginning of year		(816,370)	(875,958)
Cash and cash equivalents at end of year	4	CIS 350,632	(816,370)
Supplementary information:			
Interest paid	CIS	989,340	1,138,872

See accompanying notes to financial statements.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements

June 30, 2016

(expressed in Cayman Islands dollars)

1. Incorporation and activity

Cayman Turtle Farm (1983) Limited (the "Company") is incorporated in the Cayman Islands and is 100% owned by the Government of the Cayman Islands (the "Government"). Initially, the sole operation of the Company was rearing green sea turtles under controlled farm conditions. However, due to the world-wide ban on the export of turtle products, the Company shifted its primary objective to the operation of a tourist attraction, including a gift shop, restaurant and bar. The production of turtle meat and related products is limited to that necessary to meet local demand within the Cayman Islands. The secondary objective is the conservation and re-population of sea turtles within the waters of the Cayman Islands and in the wider Caribbean.

The Company's address is 786 North West Point, West Bay, Grand Cayman. The Company had a staff complement of 92 and 91 in 2016 and 2015, respectively.

The Company's operations consist of a marine park and related developments on a 23.5 acre site located in West Bay, Grand Cayman. The marine park (the "Park") includes a turtle interactive area, educational pavilion, hatchery and science laboratory, fresh water pool, saltwater snorkel lagoon, predator tank, crocodile marsh, nature trail, aviary, shopping bazaar, restaurant and bar.

See Note 12 for discussion of matters relating to the ability of the Company to continue as a going concern.

2. Accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention, modified by the valuation of biological assets at fair value, and in accordance with International Financial Reporting Standards (IFRS). As outlined in Note 12, the continued existence of the Company is contingent on the ongoing support from the Company's shareholder and the maintenance of the credit facilities provided by the Company's bankers. As management considers that this support will be ongoing and there are no indications which suggest otherwise, management considers the preparation of the financial statements under the going concern assumption to be appropriate.

The preparation of financial statements in accordance with 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 amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements, relate to management's assessment of whether an impairment provision is required in respect of property, plant, equipment and exhibits (Note 7), the valuation of biological assets (Note 6) and the provisions for pensions payable and severance pay (Note 10). Unless otherwise disclosed, these financial statements are presented in Cayman Islands dollars (CI\$).

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

2. Accounting policies (continued)

New and revised accounting standards and interpretations that are not yet effective:

Certain new, revised and amended accounting standards and interpretations came into effect during the current financial year. There was no material impact on the financial statements as a result of those amendments.

At the date of authorisation of the financial statements the following new relevant accounting standards, amendments to standards and interpretations, which were in issue, are not yet effective. Those accounting standards and interpretations are effective for the accounting periods beginning on, or after the indicated dates:

- IFRS 15, *Revenue from contracts with Customers*, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.
- IFRS 9, *Financial Instruments*, published on 12 November 2009, as part of phase I of the IASB's comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. Management is currently in the process of evaluating the potential effect of this standard
- IFRS 16, *Leases*, is effective for annual periods beginning on or after January 1, 2019, and supercedes IAS 17, IFRIC 4, SIC-15, and SIC-27. IFRS 16 introduces a single lessee lease model, replacing the operating and finance lease classification. It also sets out the principles for recognition, measurement, presentation and disclosure of leases to ensure that lessees and lessors provide relevant information on the effect that the leases have on the financial statements.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

2. Accounting policies (continued)

The significant accounting policies adopted in the preparation of these financial statements are:

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand, balances with banks (including overdrafts) on demand and at short notice, and short-term highly liquid investments with original maturity dates of less than 90 days.

Accounts receivable

Accounts receivable comprise receivables from customers and contributions from the Government (a related party) and are reduced by any allowance for doubtful accounts where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Biological assets - Secondary herd

The secondary herd, which is reared for the purpose of selling the herd's meat and by-product to satisfy local market demand, is valued at fair value calculated using market prices and expected yields of each type of product based on historical data. Changes in the carrying amount attributable to physical change in such biological assets and changes attributable to price change are recognised as income or expense in the statement of comprehensive loss.

Biological assets - Breeder herd

It is management's policy to differentiate between turtles which were acquired from the wild and will be released at the end of their breeding lives, and farm bred turtles which may be slaughtered at the end of their breeding lives. Mature turtles (i.e. those that have reached breeding age) acquired from the wild have no carrying value.

The remainder of the breeder herd is valued at fair value, calculated using market prices and expected yields of each type of product based on historical data.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

2. Accounting policies (continued)

Property, plant, equipment and exhibits

Property, plant, equipment and exhibits is stated at historical cost less accumulated depreciation. With the exception of land which is not depreciated, items of property, plant and equipment and exhibits are depreciated using the straight line method over their estimated useful lives as follows:

Buildings and lagoons	10 - 20 years
Plant and equipment	4 - 10 years
Motor vehicles	3 - 4 years
Furniture and office equipment	4 - 5 years
Exhibits	6 years
Computer hardware and software	3 years

The estimated useful lives, residual values and depreciation method are reviewed at year-end and the effect of any changes in the estimate is accounted for on a prospective basis.

Cost comprises the purchase price of an asset plus any directly attributable costs of bringing the asset to working condition for its intended use such as import duties, site preparation, initial delivery and handling cost, installation cost and professional fees (e.g. architects and engineers). Certain borrowing costs are also included in the cost basis of the related asset; see “borrowing costs” below. Costs of improvements are included in the cost of the applicable asset.

New and redeveloped assets are not depreciated until the assets are placed into service. Capitalised cost includes direct labor and benefits for employees specifically identified with the project. Property, plant, equipment and exhibits are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

Repairs and maintenance are charged to production or overhead expenses in the statement of comprehensive loss as incurred.

Donated assets are recorded at their estimated fair value at the date of receipt.

Exhibits represent the cost of various marine life, including acquisition costs, contained within the salt water lagoons at the park. Management estimates that the total life of these marine life to be approximately 10-12 years. As the Company has acquired the marine life at a mature stage in their life cycle, management has assumed that the remaining useful life for the exhibits from the date of acquisition to be approximately 6 years.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

2. Accounting policies (continued)

Financial assets and liabilities

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favorable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Recognition

The Company recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial liabilities measured at amortised cost are recognised in the statement of comprehensive loss.

Financial assets comprise cash and cash equivalents, accounts receivable and prepayments and accrued interest. Financial liabilities comprise as bank overdraft, accounts payable and accrued expenses, interest payable, notes payable, bank debt, pensions payable and severance pay. Management determines classification of its financial assets and liabilities at initial recognition.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

Financial assets classified as loans and receivables and financial liabilities measured at amortised cost are carried at amortised cost using the effective interest rate method, less impairment losses, if any, for financial assets.

(iv) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled or expires.

(v) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

2. Accounting policies (continued)

Financial assets and liabilities (continued)

(vi) Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of comprehensive loss.

At June 30, 2016 and 2015, no impairment loss was recognised in the financial statements.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition or development of an asset which takes a substantial period of time to ready it for its intended use are capitalised and included as part of the cost of the asset. Such costs include interest, the amortisation of discounts or premiums on issue, and amortisation of transaction costs associated with the arrangement of the borrowings. To the extent funds borrowed for the acquisition or development of a specific asset are invested on a temporary basis, the interest income is netted with the related borrowing costs to determine the amount of borrowing costs eligible for capitalisation. Capitalisation ceases when the related asset, or completed part thereof, is effectively ready for use. All other borrowing costs are expensed in the statement of comprehensive loss during the period in which they are incurred.

Employee benefits

(a) Defined contribution pension plan

The Company's contributions are charged to the statement of comprehensive loss in the period to which the contributions relate (Note 10(a)).

(b) Defined benefit plan

Pension costs are recognised based upon the results of periodic actuarial assessments conducted by Mercer. The cost of providing pensions is charged to the statement of comprehensive loss so as to spread the regular cost over the service lives of employees. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses are recognised over the average remaining service lives of employees. Changes in the estimate of the amount required to fund past service pension benefits are recognised immediately when advised to the Company.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

2. Accounting policies (continued)

Employee benefits (continued)

(c) Severance benefits for long-serving retired employees

Employees with over 25 years of service at retirement are entitled to an additional benefits package comprising a cash payment and payment of medical insurance premiums for a specified period. The costs of the benefits are accrued over the period of employment based on estimated valuations of these obligations determined by the Board of Directors.

Foreign currencies

The Company's transactions occur in United States dollars ("US\$") and Cayman Islands dollars ("CI\$"). The Company translates US\$ transactions into CI\$ using a fixed rate of US\$1.00 to CI\$0.84.

Notes issued

The Guaranteed Senior Notes (the "Notes") were initially recognised at "cost", being the issue proceeds net of transaction costs incurred. The liability is subsequently stated at amortised cost and the difference between the net proceeds of the issue of the Notes and the principal amount of the Notes is amortised over the term to the maturity of the Notes using the effective yield method and accounted for in accordance with the accounting policy described under "borrowing costs". Transaction costs include those incremental fees, commissions and payments to agents and advisors that are directly attributable to the Notes issuance.

Inventories of marketable products

Farm produced marketable products are valued at net realisable value.

Products purchased for resale and food and beverage are valued at the lower of cost on the first in, first out basis, and estimated net realisable value.

Inventories of feeds and other supplies

Feed and other supplies are valued using the weighted average cost basis.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of returns, rebates and discounts. The Company sells merchandise and turtle meat and charges admission fees to customers for entry to the farm. Sales of goods or services are recognised when the Company sells a product to the customer or the customer is admitted to the farm. Retail sales are usually in cash or by credit card.

Corresponding figures

Certain prior year amounts have been reclassified to conform to the current year presentation.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

3. Fair value of financial instruments

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair value are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

If the inputs used to measure the fair value of an asset or liability fall in to different levels of the fair value hierarchy then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Further information about the assumptions made in measuring the fair value of biological assets is included in Note 6.

The carrying value reflected in the financial statements for cash and cash equivalents, accounts receivable, accrued interest, bank overdraft, interest payable and accounts payable are assumed to approximate to their fair values due to their short-term nature. Bank debt and notes are carried at their contracted settlement value. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement.

4. Cash and cash equivalents, net

	2016	2015
Current accounts	2,384,216	1,607,475
Bank overdraft	(2,033,584)	(2,423,845)
	CI\$ 350,632	(816,370)

At June 30, 2016, the limit on the overdraft facility was US\$4,583,333 (2015: US\$4,583,333) at an interest rate of 5.25%. The Government, by way of letter of undertaking, guarantees overdraft facilities up to CI\$4,200,000 (2015: CI\$4,200,000).

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

5. Inventories

	2016	2015
Marketable products	123,042	130,852
Food and beverage	8,927	17,200
Feeds and other supplies	6,285	4,051
	CI\$ 138,254	152,103

6. Biological assets

	2016	2015
Livestock, at fair values:		
Secondary herd	1,290,017	1,154,583
Breeder herd	349,597	346,730
	CI\$ 1,639,614	1,501,313

The movements in the carrying value of the secondary herd are outlined as follows:

	2016	2015
Carrying value at beginning of year	1,154,583	1,099,101
Change attributable to differences in fair values	86,419	77,479
Biological transformation	597,646	477,826
Sales, at year end fair values	(548,631)	(499,823)
Net change in biological assets included in income	135,434	55,482
Carrying value at end of year	CI\$ 1,290,017	1,154,583

Biological transformation comprises the net effect of births, deaths and other losses, and growth within the secondary herd, measured at year-end fair values. Due to the continuing limitations surrounding the market for the products of the secondary herd, shells are valued at CI\$Nil, (2015: CI\$Nil).

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

6. Biological assets (continued)

The movements in the net book value of the breeder herd are outlined as follows:

	2016	2015
Carrying value at beginning of year	346,730	332,454
Net increase during the year	2,867	14,276
	CIS 349,597	346,730

Net additions during the year are attributable to new breeders added, weight gained during the year, less mortalities. During the year ended June 30, 2016, zero new breeder (2015: one) was added to the herd and eight turtles (2015: six) were transferred to the secondary herd or died. As of June 30, 2016 there was CI\$500,000 insurance coverage associated with the livestock (2015: CI\$500,000)

Measurement of fair values:

(i) *Fair value hierarchy*

The fair value measurements for the breeder herd and secondary herd have been categorized as Level 3 fair values based on the inputs to the valuation techniques used.

(ii) *Valuation techniques and significant unobservable inputs*

The following valuation techniques and significant unobservable inputs have been used in determining the Level 3 fair values of the breeder herd and secondary herd:

Valuation technique: The valuation model considers the percentage of steak, stew, fin, bone and menavelin that can be yielded as well as the current selling prices for these items. The expected cash flows are reduced for the expected processing costs.

Unobservable inputs: Percentage yields, estimated weight gain as well as the directly attributable processing costs to the Company are considered to be unobservable inputs.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

7. Property, plant, equipment and exhibits

		Land	Buildings and lagoons	Plant and equipment	Motor vehicles	Furniture and office equipment	Exhibits	Computer hardware & software	Total
Cost:									
As at June 30, 2015		1,251,349	49,211,285	2,119,370	407,645	1,150,033	672,787	834,568	55,647,037
Additions		0	94,956	288,786	52,781	17,816	0	235,164	689,503
As at June 30, 2016		1,251,349	49,306,241	2,408,156	460,426	1,167,849	672,787	1,069,732	56,336,540
Accumulated depreciation:									
As at June 30, 2015		0	22,475,598	1,537,385	282,207	1,120,532	669,815	439,235	26,524,772
Depreciation		0	2,503,299	200,901	35,160	14,781	2,318	172,308	2,928,767
As at June 30, 2016		0	24,978,897	1,738,286	317,367	1,135,313	672,133	611,543	29,453,539
Net book value:									
As at June 30, 2016	CIS\$	1,251,349	24,327,344	669,870	143,059	32,536	654	458,189	26,883,001
As at June 30, 2015	CIS\$	1,251,349	26,735,687	581,985	125,438	29,501	2,972	395,333	29,122,265

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

8. Notes payable

Pursuant to a confidential placement memorandum, the Company issued Notes in the amount of US\$44,600,000 (equivalent to CI\$37,464,000) primarily for the purpose of constructing the Park.

The Notes were issued at par and were placed by William Blair & Company, L.L.C. (the "Placement Agent") with third party institutional investors. The Notes are guaranteed by the Government up to an amount of CI\$36,600,000. The Notes mature on March 1, 2019 and bear interest at a fixed rate of 4.85% per annum, payable quarterly in arrears. Quarterly payments commenced on June 2, 2004. The first 9 quarterly payments were interest only, and quarterly payments of principal and interest commenced on September 1, 2006. The principal amount of the Notes will amortise quarterly to an approximate final principal payment of US\$5,400,000 (CI\$4,536,000) due on March 1, 2019.

The anticipated principal repayment schedule is as follows:

	2016	2015
Due within 1 year	3,247,440	3,078,600
Due between 2 and 5 years	9,747,360	12,994,800
	CI\$ 12,994,800	16,073,400

The Company has the right to prepay all or a portion of the Notes after March 12, 2005 (being the first anniversary of the closing date) at an amount equal to the remaining mandatory principal and interest payments discounted by the lesser of (i) the coupon on the Notes or (ii) 50 basis points over the yield on the U.S. Treasury obligation having a maturity equal to the then remaining life of the Notes. The Company has not exercised its right to prepay the Notes as at June 30, 2016.

Movements in the carrying value of the Notes payable, which is inclusive of unamortised transaction costs, in the year to June 30, 2016 and 2015 are:

	2016	2015
Carrying value at beginning of year	15,916,334	18,759,220
Repaid during the year	(3,078,600)	(2,917,319)
Amortisation of transaction costs for the year	65,777	74,433
Carrying value at end of year	CI\$ 12,903,511	15,916,334

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

8. Notes payable (continued)

At June 30, 2016, unamortised transaction costs amounted to CI\$91,289 (2015: CI\$157,066). During the year ended June 30, 2016 amortised transaction costs of CI\$65,777 (2015: CI\$74,433) were charged to the statement of comprehensive loss as part of interest and amortisation. The effective yield on the Notes, after taking into account the coupon rate and amortisation of costs, is approximately 5.3%.

9. Bank debt

On March 26, 2006, the Company obtained a loan facility ("Facility 1") from Cayman National Bank to assist the Company with budget shortfalls relating to the Park which is guaranteed by the Government.

On demand, repayable at blended monthly payments of principal and interest of US\$37,196 (CI\$31,245) over a term of 118 months.

Total loan facility available to the Company	US\$	3,400,000
Equivalent to	CI\$	2,856,000
Balance outstanding at June 30, 2016	CI\$	96,568
Balance outstanding at June 30, 2015	CI\$	458,936

On May 21, 2009, the Company obtained a loan facility ("Facility 2") from First Caribbean International Bank to assist the Company with operating cashflow shortfalls. The facility is fully guaranteed by the Government. The terms of this loan are as follows:

During the availability period (May 21, 2009 to October 30, 2009) the facility was carried on an interest only basis, payable monthly in arrears. Subsequent to this availability period, the facility has been repaid in blended principal and interest monthly installments of US\$22,000 (CI\$18,480) commencing on November 30, 2009 for a period of 15 years.

Total loan facility available to Company	US\$	2,800,000
Equivalent to	CI\$	2,352,000
Balance outstanding at June 30, 2016	CI\$	1,486,231
Balance outstanding at June 30, 2015	CI\$	1,631,606

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

9. Bank debt (continued)

The Government by way of letter of undertaking guarantees the loan facilities for US\$6,200,000 (CI\$5,208,000). Facility 1 bears interest of 1.0% above US Dollar prime rate, reset monthly. Facility 2 bears interest at 3.75% above the 90-day London Interbank offer rate (LIBOR). The effective rate at June 30, 2016 is between 4.04% and 4.22% (2015: between 3.98% and 4.04%).

The combined anticipated repayment schedule is:

	2016	2015
Due within 1 year	253,692	510,130
Due between 2 and 5 years	695,578	750,325
Due in more than 5 years	633,529	830,087
	CI\$ 1,582,799	2,090,542
Current portion	253,692	510,130
Long term portion	1,329,107	1,580,412
	CI\$ 1,582,799	2,090,542

10. Pensions payable and severance pay

The Company and its employees participate in the Cayman Islands Public Service Pension Plan (the "Plan") on both a defined contribution and defined benefit basis as explained below:

a) *Defined contribution plan*

For employees enrolled in the defined contribution plan, the Company and the employee each contribute 6% of the employee's salary or wage each year. During the year ended June 30, 2016 contributions of CI\$163,297 (2015: CI\$226,695) were made by the Company and included in the statement of comprehensive loss.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

10. Pension payable and severance pay (continued)

b) Defined benefit plan

Employees who served with the Company prior to January 1, 2000 are enrolled in the defined benefit program. Contributions towards benefits accruing in respect of current service (i.e. for the period since the employee was enrolled in the plan) are funded at rates periodically advised to the Company by the Pensions Board and are recognised as an expense in the period incurred. The Company is also required to make payments to the plan to fund benefits accruing in respect of past service (the "past service funding liability"). This past service funding liability, which is generally equivalent to the actuarially determined present value of the defined benefit obligations less the value of the assets available to meet such obligations, is calculated periodically by the Plan actuaries and advised to the Company by the Pensions Board. The Company recognises changes in the past service funding liability, adjusted for funding payments made, as an expense or gain in the period in which such changes are incurred.

The most recent actuarial valuation was performed as of June 30, 2016 by Mercer and the results, which was advised to the Company by the Public Service Pension Board ("PSPB") in July 2016, indicated a Plan deficit attributable to the Company of CI\$1,344,000 (2015: CI\$957,000).

	2016 CI\$000's	2015 CI\$000's
Provision at beginning of year	957	1,300
Defined benefit change included in profit and loss	387	(343)
Provision at end of year	CI\$ 1,344	957

	2016 CI\$000's	2015 CI\$000's
Company's share of Defined benefit obligation	(2,822)	(2,350)
Fair value of plan assets	1,478	1,393
Defined benefit liability	(1,344)	(957)

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

10. Pension payable and severance pay (continued)

b) Defined benefit plan (continued)

Movement in defined benefit obligations during the year:

	2016	2015
	CI\$000's	CI\$000's
Defined benefit obligation at beginning of year	(2,350)	(2,687)
Current service cost	(67)	(86)
Interest expense	(112)	121
Benefit payments	15	(121)
Contributions paid into the plan	(14)	(15)
Remeasurements	(294)	438
Defined benefit obligation at end of year	(2,822)	(2,350)

Movement in fair value of plan assets during the year:

	2016	2015
	CI\$000's	CI\$000's
Fair value of plan assets as beginning of year	1,393	1,387
Interest income	67	63
Employer contributions	16	18
Plan participant contributions	14	15
Benefit payments	(15)	(121)
Remeasurements	3	31
Fair value of plan assets at end of year	1,478	1,393

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

10. Pension payable and severance pay (continued)

b) Defined benefit plan (continued)

The defined benefit cost included in profit and loss:

	2016 CI\$000's	2015 CI\$000's
Current service cost	67	86
Interest expense	112	121
Interest income	(67)	(63)
Employer contributions	(16)	(18)
Defined benefit cost	96	126

Remeasurements of the defined benefit plan included in other comprehensive (loss)/income:

	2016 CI\$000's	2015 CI\$000's
Effect of changes in demographic assumptions	0	8
Effect of changes in financial assumptions	435	(134)
Effect of experience adjustments	(141)	(312)
Return on plan assets	(3)	(31)
Remeasurements	291	(469)

As required by IAS 19 the Projected Unit Credit has been used as the Cost Method. Assumptions regarding future mortality rates are based on the published Standard US Mortality Rates. The retirement age is completion of age 57 and 10 years' service.

The principle actuarial assumptions are as follows:

	2016	2015
Economic Assumptions		
1. Discount rate	4.00%	4.75%
2. Salary increase	3.50%	3.50%
3. Rate of price inflation	2.50%	2.50%
4. Rate of pension increases	2.50%	2.50%

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

10. Pension payable and severance pay (continued)

b) *Defined benefit plan (continued)*

The distribution of the plan assets at June 30, 2016 is as follows:

	2016	2015
Global equities	80%	80%
Debt securities	19%	19%
Real estate/infrastructure	0%	0%
Cash	1%	1%
	100%	100%

c) *Severance payable*

In 1997 the Board of Directors approved a severance pay package entitling employees with over 25 years of service to a cash payment on retirement and payment of their health insurance premiums after retirement for a period to be determined by the Board of Directors. There are no eligible employees at June 30, 2016 (2015: None) and the total liability of the Company in respect of past service benefits for retired employees is approximately CI\$29,772 (2015: CI\$29,771).

11. Contributed capital

During the year ended June 30, 2016, the Government made an equity injection of CI\$9,002,749 (2015: CI\$9,506,349).

During the year ended June 30, 2014 an amount of CI\$5,061,084 was transferred from accounts payable to contributed capital relating to the forgiveness of debt by the Shareholder. During the year ended June 30, 2016 the Shareholder confirmed that the actual accounts payable balance that should have been transferred to contributed capital is CI\$4,426,198. As a result, the prior year comparative figures have been restated to correct this over accrual of expenses made during prior years. This resulted in a reduction of contributed capital and accumulated loss of CI\$634,886 at June 30, 2015 and 2014.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

12. Going concern

Historically, the Company has been able to realise its assets and discharge its liabilities in the normal course of business. However, cost overruns of the development of the Park, lower than projected visitor numbers and operating costs in excess of initial budgets, have given rise to significant business risks that cast uncertainty over the Company's ability to continue as a going concern.

The matters described above have resulted in significant operational losses to the Company since the financial year ended June 30, 2006. These conditions have resulted in the Company being unable to discharge its obligations as they fall due in the ordinary course of business without recourse to lending facilities from the Company's bankers (which were only obtained through a guarantee from the Company's shareholder, the Government), or by means of equity injections from the Government. Furthermore, operational results subsequent to June 30, 2016 indicate that the Company continues to generate significant losses from operations and experience cash flow difficulties. The Board of Directors has been working to design and implement a number of other cost-saving measures as well as increasing profitability by exploring new revenue streams.

The Government continues to provide financial support to the Company in the form of further equity injections. The total funds approved by Government subsequent to June 30, 2016 are shown below:

Facility type	Appropriation law reference	Amounts approved	Amounts received
Equity injection	EI 49 (FY 2017)	12,700,000	1,738,141
Total funding, approved and advanced from Government	CI\$	12,700,000	1,738,141

13. Taxation

The Government does not currently levy taxes on income or capital gains, consequently no tax liability or expense is recorded in these financial statements.

14. Financial risk management

The Company's activities expose it to various types of risk that are associated with the financial instruments and markets in which it operates. The Company's Board of Directors have overall responsibility for the establishment and oversight of its risk management framework. The Company's risk management policies are established to identify and analyse the risks, set appropriate risk limits and controls and to monitor risks and adherence to limits. The most important types of financial risk to which the Company is exposed to are credit risk, liquidity risk and market risk.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

14. Financial risk management (continued)

This note presents information about the Company's exposure to each of these risks and the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. To mitigate this risk, the Company has adopted a policy of dealing only with counterparties which it believes to be credit worthy. Financial assets which potentially subject the Company to credit risk consist principally of cash and cash equivalents and trade receivables.

The main credit risk to the Company is the potential loss that would be incurred if the counterparty to the bank balances or accounts receivable fail to discharge their obligations to repay. Most of the Company's sales transactions are on a cash basis, which limits the credit risk relating to accounts receivable. Furthermore, cash and cash equivalents are placed with two financial institutions in the Cayman Islands which management consider to be of good standing. The Company has no other significant credit risk.

The maximum exposure to credit risk for financial assets at the reporting date without taking account of any collateral held or other credit related enhancements and based on the net carrying amounts as reported in the statement of financial position, is:

	2016	2015
Cash and cash equivalents	2,384,216	1,607,475
Accounts receivable	673,569	417,979
	CI\$ 3,057,785	2,025,454

No collateral is required from the Company's debtors.

As at June 30, 2016, a provision for doubtful receivables of CI\$28,492 has been made against accounts receivable (2015: CI\$76,073). The aging of the accounts receivable at June 30, is noted below:

	2016	2015
Current	203,433	164,109
31 – 60 days	58,388	10,433
61 – 90 days	51,408	20,455
Over 91 days	360,340	222,982
	CI\$ 673,569	417,979

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

14. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to predict and manage the Company's expected cash outflows. Management monitors rolling forecasts of the cash and cash equivalents on the basis of expected cash outflows. Furthermore, throughout the year and subsequent to the year end, the Company has relied significantly on the support from the Government, as Shareholder, to provide funds in the form of bank guarantees and equity injections. The ability of the Company to meet its obligations is dependent on the ongoing financial support provided by the Government (Notes 11 and 12).

As at June 30, 2016, accounts payable, accrued expenses, accruals and interest payable are all due within 3 months of the statement of financial position date. The repayment dates on the Notes and bank debt are as described in Notes 8 and 9 above.

Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates or equity and commodity prices will affect the positions held by the Company making them less valuable or more onerous. The Company's activities expose it to financial market fluctuations. Market risk includes interest rate risk, price risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Bank debt is subject to interest rate risk. As outlined in Note 9, the bank debt attracts variable interest rates based on market interest rates which are reset monthly. Management does not consider there to be an interest rate risk on cash and cash equivalents as it is due on demand. As outlined in Note 8 above, the Notes were issued at fixed rates of interest and therefore management does not consider there to be any interest rate risk on the Notes.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

14. Financial risk management (continued)

As at June 30, 2016, the interest rate profile of the Company's interest-bearing financial instruments was:

	2016	2015
Fixed rate instruments		
Financial liabilities	(12,903,511)	(15,916,334)
	CI\$ (12,903,511)	(15,916,334)
	2016	2015
Variable rate instruments		
Financial assets	2,384,216	1,607,745
Financial liabilities	(3,616,383)	(4,514,387)
	CI\$ (1,232,167)	(2,906,642)

A change of 1% in interest rates over the financial assets throughout the reporting period would have increased/decreased comprehensive income by CI\$23,842 (2015: CI\$16,077). A change of 1% in interest rates over the financial liabilities throughout the reporting period would have increased/decreased comprehensive income by CI\$36,164 (2015: CI\$45,144).

The nature of the Company's exposures to interest rate risk and its objectives, policies and processes for managing interest rate risk have not changed significantly from the prior year. Subsequent to June 30, 2016 the market interest rates have remained static and the Company has therefore not experienced any adverse effects as a result of interest rate risk.

Price risk

Price risk is the risk that factors specific to individual securities or their issuer or factors affecting all securities traded in the market will fluctuate. The Company did not hold securities as at June 30, 2016 and 2015 and as such is not exposed to price risk.

Currency risk

As substantially all transactions are denominated in Cayman Island dollars, the Company is not significantly exposed to currency risk due to the Cayman Islands dollar being fixed to the United States dollar. The nature of the Company's exposure to currency risk has not changed significantly from the prior year.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

15. Related party transactions and key management remuneration

As outlined in Note 1, the Company is wholly owned by the Government. The Company engages with other entities and bodies which are related to the Government in the ordinary course of business, at arm's length.

All of the activities with other Government entities and related parties are conducted at an arm's length basis other than those relating to the significant financial support from the Government as described in Note 11.

There were no loans made to key management at June 30, 2016 and 2015. Total remuneration paid to 6 personnel considered to be key management during the years ended June 30, 2016 and 2015 was:

	Salaries CI\$	Incentive pay CI\$	Pension and health insurance CI\$	Other CI\$	Total CI\$
2016	483,246	71,532	27,653	9,319	591,750
2015	504,544	23,388	46,041	12,299	586,272

Members of the Board of Directors serve on a voluntary basis and do not receive salaries for services rendered,. Directors not employed by the Government receive an amount of CI\$200 for each board meeting attended. The total remuneration paid to the Board of Directors was CI\$13,200 (2015: CI\$9,000).

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

16. Other income

The Company leases an area of 46,400 square feet to Dolphin Discovery for the operations of a dolphin park. The Company entered into a 5 year lease agreement on November 21, 2003 with 3 options to renew for additional periods of 5 years each. This lease is a non-cancellable operating lease and the expected future incoming cash flows associated with this lease are as follows:

Within one year	201,600
Between one year and five years	201,600
Later than five years	0

17. Contingencies

Marine Discharge Permit

The nature of the operations of the Company requires it to obtain permission which is granted by a Marine Discharge Permit (the "Permit") from the Water Authority of the Cayman Islands (the "Water Authority") in order to discharge waste water from the turtle tanks into the ocean. The last Marine Discharge Permit was issued by the Water Authority for 24 months commencing on October 19, 2013, expiring October 31, 2015.

This Permit identified four "Phases" of six months each. For each Phase the Water Authority specified targets comprising items to be fulfilled or achieved by the end of each Phase, included in the Permit under the section "Special Conditions" which detailed the requirements for the Company regarding:

- Develop and implement a "Waste Reduction Plan"
- Carry out the routine water quality monitoring programme,
- Carry out the flow metering programme,
- Carry out the benthic survey,
- Track turtle stock and feed rates, and
- Carry out the reporting

On September 10, 2014, the Water Authority confirmed in writing that "the October 31, 2014, six month milestone of the Waste Reduction Plan can be met by Company submitting to Water Authority for review, a final draft RFP for a performance based treatment system". The Company would be deemed to have met the requirement for phase #2 in respect of the "Waste Reduction Plan", provided that by October 31, 2015, (end date of phase #2) the Company submits to the Water Authority a complete RFP for the system to extract waste. On October 31, 2014, the Waste Reduction Plan was submitted to the Water Authority. As at June 30, 2016, the Water Authority has not completed the review of the plan that the Company has submitted.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

17. Contingencies (continued)

On November 6, 2014, the Department of Environment confirmed that they would provide the documentation of the report and methodology which would then enable the Company to conduct benthic video surveys each summer and winter so as to monitor the benthic conditions in the vicinity of the outflow on an ongoing basis, in accordance with the methodology which the Department of Environment would provide. As at June 30, 2016, the Company and the Water Authority had not received the report nor the documentation on the methodology from the Department of Environment.

On October 29, 2015 the Water Authority confirmed that it had “received the application for the renewal of CTF’s discharge permit.”

As of the date these financial statements were available to be issued there has been no legal action initiated against the Company nor any fines levied. While the Company awaits further communication from the Water Authority in regard to the Waste Reduction Plan and the benthic video surveys as mentioned above, the Company continues to work cooperatively with the Water Authority doing the various other measurements and reporting, and is also considering alternative techniques to propose to the Water Authority as a better approach to reducing the potential environmental impact of its effluent discharge.

18. Subsequent events

Subsequent to year end the name of the entity was changed to Cayman Turtle Centre. All subsequent events have been disclosed in the notes to the financial statements and management is not aware of any other material subsequent events requiring disclosure as of the date that these financial statements were available to be issued.

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

19. Schedule of income and expenses

	Retail operations	Farm operations	Sub-total	Admin and overheads	Research expenses	Marketing expenses	Other	2016 Total
Income								
Retail tours	4,404,285	0	4,404,285	0	0	0	0	4,404,285
Retail merchandise sales	1,455,089	0	1,455,089	0	0	0	0	1,455,089
Food and beverage	818,445	0	818,445	0	0	0	0	818,445
Wholesale sales	0	658,481	658,481	0	0	0	0	658,481
Change in fair value of biological assets	0	686,931	686,931	0	0	0	0	686,931
Turtle release program	0	0	0	0	0	0	0	0
Cost of sales	(1,638,559)	(548,631)	(2,187,190)	0	0	0	0	(2,187,190)
Gross profit	5,039,260	796,781	5,836,041	0	0	0	0	5,836,041
Other income	0	0	0	271,846	0	0	239,905	511,751
Expenses								
Personnel expense	(1,236,697)	(1,075,279)	(2,311,976)	(1,241,261)	(213,054)	(49,273)	0	(3,815,564)
Depreciation expense	(1,651,742)	(787,787)	(2,439,529)	0	0	0	(489,237)	(2,928,766)
Utility expense	(191,294)	(1,049,035)	(1,240,329)	(183,778)	0	0	0	(1,424,107)
Interest and amortisation	0	0	0	0	0	0	(976,898)	(976,898)
Maintenance costs	(107,260)	(647,863)	(755,123)	(168,764)	(3,988)	0	0	(927,875)
Feed and other operating expenses	(12,137)	(606,433)	(618,570)	0	0	0	0	(618,570)
Insurance expense	(42,369)	(16,915)	(59,284)	(316,677)	0	0	0	(375,961)
Professional fees	0	0	0	(241,949)	0	0	0	(241,949)
Defined benefit cost	0	0	0	0	0	0	(96,000)	(96,000)
Other expenses	0	0	0	(129,260)	(34,802)	(35,304)	0	(199,366)
Advertising	0	0	0	0	0	(291,513)	0	(291,513)
Telephone	0	0	0	(158,877)	0	0	0	(158,877)
Bank fees	0	0	0	(98,608)	0	0	0	(98,608)
Retail operating expense	(151,427)	0	(151,427)	0	0	0	0	(151,427)
Travel and entertainment	0	0	0	(44,645)	0	0	0	(44,645)
Total expenses	(3,392,926)	(4,183,312)	(7,576,238)	(2,583,819)	(251,844)	(376,090)	(1,562,135)	(12,350,126)
Remeasurements of defined benefit plan	0	0	0	0	0	0	(291,000)	(291,000)
Comprehensive loss	CI\$ 1,646,334	(3,386,531)	(1,740,197)	(2,311,973)	(251,844)	(376,090)	(1,613,230)	(6,293,334)

CAYMAN TURTLE FARM (1983) LIMITED

Notes to Financial Statements (continued)

June 30, 2016

(expressed in Cayman Islands dollars)

19. Schedule of income and expenses (continued)

	Retail operations	Farm operations	Sub-total	Admin and overheads	Research expenses	Marketing expenses	Other	2015 Total
Income								
Retail tours	3,851,634	0	3,851,634	0	0	0	0	3,851,634
Retail merchandise sales	1,145,395	0	1,145,395	0	0	0	0	1,145,395
Food and beverage	824,544	0	824,544	0	0	0	0	824,544
Wholesale sales	0	510,127	510,127	0	0	0	0	510,127
Change in fair value of biological assets	0	569,581	569,581	0	0	0	0	569,581
Turtle release program	0	15,120	15,120	0	0	0	0	15,120
Cost of sales	(1,271,270)	(499,823)	(1,771,093)	0	0	0	0	(1,771,093)
Gross profit	4,550,303	595,005	5,145,308	0	0	0	0	5,145,308
Other income	0	0	0	0	0	0	246,426	246,426
Expenses								
Personnel expense	(1,061,280)	(1,119,257)	(2,180,537)	(1,184,639)	(211,127)	(47,733)	0	(3,624,036)
Depreciation expense	(1,629,368)	(775,846)	(2,405,214)	0	0	0	(382,151)	(2,787,365)
Utility expense	(240,639)	(1,233,320)	(1,473,959)	(241,406)	0	0	0	(1,715,365)
Interest and amortisation	0	0	0	0	0	0	(1,138,872)	(1,138,872)
Maintenance costs	(124,594)	(652,467)	(777,061)	(212,520)	(6,420)	0	0	(996,001)
Feed and other operating expenses	6,858	(461,392)	(454,534)	0	0	0	0	(454,534)
Insurance expense	(43,037)	(11,514)	(54,551)	(376,489)	0	0	0	(431,040)
Professional fees	0	0	0	(150,899)	0	0	0	(150,899)
Defined benefit cost	0	0	0	0	0	0	(126,000)	(126,000)
Other expenses	0	0	0	(131,603)	(51,394)	(13,298)	0	(196,295)
Advertising	0	0	0	0	0	(227,445)	0	(227,445)
Telephone	0	0	0	(123,449)	0	0	0	(123,449)
Bank fees	0	0	0	(99,263)	0	0	0	(99,263)
Retail operating expense	(110,490)	0	(110,490)	0	0	0	0	(110,490)
Travel and entertainment	0	0	0	(20,079)	0	0	0	(20,079)
Total expenses	(3,202,550)	(4,253,796)	(7,456,346)	(2,540,347)	(268,941)	(288,476)	(1,647,023)	(12,201,133)
Remeasurements of defined benefit plan	0	0	0	0	0	0	469,000	469,000
Comprehensive loss	CI\$ 1,347,753	(3,658,791)	(2,311,038)	(2,540,347)	(268,941)	(288,476)	(931,597)	(6,340,399)