



**e-LEARNING JAMAICA
COMPANY LIMITED**

CHAIRMAN'S REPORT

APRIL 2006- MARCH 2007



**e-LEARNING JAMAICA COMPANY LIMITED
CHAIRMAN'S REPORT FOR
MARCH 2006-APRIL 2007**

1.0 BACKGROUND

In May 2005, the Government of Jamaica was satisfied that the country had made significant strides in the de-monopolization of the telecommunications sector and had achieved practical universal access with respect to voice telephony as the country had a penetration of approximately eighty two percent (82%). Hence, the Ministry charged with the responsibility, the Ministry of Technology, Industry and Commerce (MITEC), strategically shifted its focus from voice telephony to universal access to data and data-related services through the Internet. However, Jamaica, an oral society largely because of the low level of education, has low demand for Internet access and data-related services compared to the developed countries and even compared to some Caribbean countries.

MITEC was therefore convinced that in order to increase demand for access to data and data-related services and also in order to create a knowledge-based society and reduce the digital divide, the educational level of the country must first be enhanced.

2.0 PROJECT DEVELOPMENT PROCESS

In light of the foregoing, MITEC collaborated with the Ministry of Education and Youth (MOEY) to provide targeted support to the education sector in order to improve the quality of education, conducted research into the challenges being faced by the education sector and developed a Draft Feasibility Study entitled "e-Learning Project" a comprehensive and integrated project anchored in ICTs, to address certain **specific weaknesses** within the education sector and focusing exclusively on improving the quality of education in Jamaica's high schools.

A consulting firm was contracted in mid 2004 to undertake wide stakeholder consultations in the field to validate the Draft Feasibility Study and recommend adjustments and modifications based on the feedback obtained. The Draft Feasibility Study was revised and finalized, based on the findings and recommendations of the Consultants, and the project was approved by Cabinet in March 2005.¹

3.0 PROJECT GOAL

The primary goal of the Project is to contribute to an improvement in the quality of education between Grades 7-11 (Forms 1-5) in the one hundred and seventy-two (172) secondary, technical, agricultural and special high schools island-wide, such that the passes in the Grade 11 CXC CSEC school-leaving examinations are improved.

4.0 SPECIFIC CONSTRAINTS IN JAMAICA'S EDUCATION SYSTEM

The five (5) constraints being targeted are as follows:

- (i) lack of a comprehensive set of standard instructional materials for both teachers (especially young and inexperienced teachers) and students;
- (ii) inadequate equipment in schools to enhance teaching and learning using modern technologies and lack of a proper Educational Management Information System (EMIS) in the MOEY to facilitate effective administration of the education sector;

¹ See e-Learning Project Feasibility Study @ www.e-ljam.net

- (iii) low level of skills among some teachers in the use of certain technologies such as interactive software for teaching “hard to grasp” topics and stimulating interest among students, especially boys;
- (iv) inadequate remedial programme at Grade 7 to enable weak students who have been promoted from Grade 6 to high school to cope with high school work. This is especially so among the newly upgraded high schools; and
- (v) lack of a standard system of measuring and tracking the performance of students at each grade so that timely remedial action can be taken and also lack of a common yardstick for measuring the performance of teachers and schools so that effort can be rewarded.

(Other constraints impacting negatively on the quality of education in the high schools will be addressed through other initiatives of the MOEY.)

5.0 PROJECT OBJECTIVES

The Project is intended to address the five (5) specific constraints outline above, as follows:

- (i) to provide a comprehensive set of standard ICT-based instructional materials for teachers and students, as well as the subject tutors in the institutions that train teachers, in eleven (11) subject areas;
- (ii) to ensure access to the materials by
 - a. providing equipment and software to schools to enhance teaching and learning using modern technologies;
 - b. establishing a Central Repository for Educational Instructional Materials (CREM) at the MOEY to manage the storage and dissemination of the materials;
 - c. instituting an Educational Management Information System (EMIS) in the MOEY to facilitate effective administration of the education sector
 - d. arranging for the transmission of lecture videos through cable television
- (iii) to train teachers in the use of certain technologies such as interactive software in the teaching of “hard to grasp” topics and to stimulate interest among students, especially boys;
- (iv) to collaborate with existing remedial programmes in the high schools to provide appropriate ICT-based materials and technology and training of instructors
- (v) to institute a standard examination that will measure performance of students in each grade between grades 7-9.

6.0 PROJECT COMPONENTS

6.1 Development of Instructional Materials

This component involves the acquisition and/or development of a detailed and comprehensive set of instructional materials in digital format for teachers and students in eleven (11) designated subjects spanning grades 7-11. The subjects decided on in consultation with the MOEY and the schools are:

- | | |
|--|----------------------------|
| (i) English Language | (vi) Spanish |
| (ii) Mathematics | (vii) Geography |
| (iii) Social Studies | (viii) Building Technology |
| (iv) Integrated Science | (ix) Chemistry |
| (v) Resource & Technology/Information Technology | (x) Biology |
| | (xi) Physics |

(It is envisaged that depending on resource availability, other subjects will be dealt with at a later date)

This is a major undertaking and is the most important and involved component of the project. The materials will include the development of the following for the eleven (11) subjects at the five (5) grades:

- (i) Teachers' Instructional Manuals (TIM's) will be developed on a modular/unit basis and include comprehensive content, suggested international best practice teaching methodologies for each topic, and recommended best practice assignments and projects. The TIMs will be in digital format to facilitate easy modification by teachers to suit their personal tastes and preferences.
- (ii) Students' Instructional Manuals (SIM's) mirroring the TIM's will act as the core text for the student for the particular subject and will cover the topics in the syllabus comprehensively. The schools will continue to rent text books to students to complement the SIM's and to provide variety.
- (iii) The project will identify interactive computer software with emphasis initially on free computer software (freeware) that is available on the Internet, to support the teaching of selected "hard to grasp" topics or for reinforcement and greater internalization by students. In the case of the sciences (chemistry, physics and biology), interactive software will be developed/acquired to support these subjects and to complement lab work.
- (iv) A comprehensive videotaped lecture series on a topic by topic basis delivered by master teachers for all eleven (11) subjects for the five (5) grades will be developed. These lectures will be available on DVD for students to borrow through the school library or purchase for viewing at home at their convenience to reinforce and/or clarify the teaching in the classroom. There will also be high quality video recordings of a comprehensive set of lab procedures/experiments to buttress laboratory teaching in chemistry, physics and biology. The lecture series will be also be available on Cable Channels.
- (v) An extensive database (Item Bank) of multiple-choice questions (MCQ's) and answers as well as extended questions, on a topic-by-topic basis for each subject at each grade will be built up over time. All questions and answers will be stored in an electronic database where they will be accessible to teachers and students via the school's intranet. A teacher will therefore be able to access questions and answers randomly from the database on a particular topic and set and mark a test with little effort. Following the teaching of a topic, a student will also be able to do a self test on his/her own on-line and get the results of the test in real time. This will facilitate easy continuous assessment throughout the year.

Teachers' Colleges will also benefit from this material. The MOEY will own the copyright to all materials developed so that schools, students and the public can reproduce them at will. The MOEY will also have responsibility for the on-going updating of the materials. The materials acquired/developed will be required to meet international standards and will display the use of best practices and expertise in instructional design, and writing, and will undergo rigorous testing and review to ensure quality

Materials will include exciting text, Powerpoint presentations, interactive software, databases, web-based material, and will be available via CDs, DVDs, on-line, cable TV, radio, and video and tele-conferencing

6.2 Technology Infrastructure

- (i) The project will provide computers, workstations and local area networks to each school for teaching of all eleven (11) subjects. Schools will be equipped with multi-media projectors and other curriculum delivery equipment to facilitate interactive presentations by teachers and be connected to the Internet.



- (ii) The eight (8) educational Institutions that train high school teachers will also be equipped with computers and multimedia equipment.
- (iii) Support will be provided for the establishment of the CREM and implementation of the (EMIS) at the MOEY.
- (iv) Support will also be provided for the interactive education television station known as "EdU-TV" being established by the MOEY. This facility will provide access to and will be the testing station for a range of educational content.
- (v) Arrangements will be made for some twelve (12) cable television channels to be dedicated to the transmission of the lecture series mentioned earlier. Each channel will be dedicated to the transmission of the lecture series for one (1) or two (2) subjects. The channel, which would transmit content continuously, would serve to enhance the promotion and development of that particular subject. Centre-of-excellence teachers in the subject will be featured, sharing local and international best practices in the teaching of the subject. Companies will be invited to sponsor the operating cost of the channels for possibly a two-year period. A company will advertise its products on the channel and associate itself with the development and promotion of the particular subject.

6.3 Teacher Training

The project will provide the over 11,000 teachers in the 172 targeted high schools and special schools and subject lecturers from the 8 targeted teacher training institutions with an orientation to the new instructional materials (TIM's and SIM's). Teachers and lecturers will also be trained and certified in Information and Communication technologies and will be trained in the use of these modern technologies in instructional delivery. It is expected that the Teachers Colleges will utilize the wide area network implemented by the Joint Board of Teachers Colleges through the USAID-funded CETT programme, to deliver the courses to the lecturers

6.4 Remedial Programme

The project will identify and support existing remedial programmes and collaborate in enhancing these programmes to buttress the effort of teachers, particularly with the use of ICT's such as interactive software and specialized equipment.

6.5 Voluntary End-of-Year Pre-CXC Exam

The project will institute on a voluntary and phased basis a standard end-of-year Pre-CXC Examination in the eleven (11) subjects, to measure performance of students. This exam will be administered at grades 7-9. Students will sit the usual CXC/CSEC Examinations at Grade 10 & 11. CXC will prepare the Pre-CXC Exam papers but the scripts will be marked by the schools. Teachers will be trained by CXC to mark the papers, so facilitating the comparison of all high schools using a common yardstick.

The Exam will facilitate the early identification of academic weaknesses within and among schools so that timely affirmative action can be taken before the children are ready to sit the CXC Exams in grade 11. Affirmative action could mean the implementation of extensive remedial work among schools with weak students, and the provision of proportionally more resources to those schools to assist them in improving their performance.

7.0 PROJECT FUNDING

The project is estimated to cost approximately US\$50 million over three (3) to four (4) years. Funding will come mainly from a universal service obligation levy implemented since September 2005, on incoming calls. This follows a policy decision of MITEC to use resources from the telecommunications sector to improve the quality of education over the next three (3) to four (4) years and to increase the demand for access to the Internet and data-related services.



The International Telecommunication Union (ITU) has provided computer equipment to the e-learning administrative office, valued at US\$30,003. It is envisaged that other development partners to be identified will provide some support for the implementation of the Project.

8.0 PROJECT IMPLEMENTATION

8.1 Management and Administration

The Board of Directors was established by Cabinet decision dated March 7 2005 and met for the 1st time in June 2005. The Company was incorporated on July 6, 2005. Prof. Errol Miller resigned as Chairman in September 2005 and Dr Jean Beaumont was appointed as his replacement in November 2005. Several sub-committees have been established aimed at developing policy guidelines and monitoring implementation of the various components of the project.

Mrs. Avrill Crawford was contracted in mid-November 2005 as the CEO/Project Manager, and eight (8) other staff members have since been employed - Education Specialist, Senior ICT Specialist, Junior ICT Specialist, Finance & Administration Manager, Executive Asst to the CEO, Administrative Asst. to the F&A Manager, Telephone Operator/Receptionist and Office Attendant. Still to be employed are the Training Coordinator, Schools Liaison Officer and Systems Administrator

Office space has been secured and refurbished on the ground floor of the PCJ Building at 36 Trafalgar Road. Workstations, furniture and computer and other office equipment have been installed.

The e-Learning project was launched on February 16 2006 by the Hon. Prime Minister. Over 400 persons attended from the pilot schools, MOEY and MITEC Ministries and Agencies, the UAF, the ITU, the Diplomatic Corps, the Opposition, telecom providers, technology providers and the media. An exposition on educational software solutions and other technologies was held in conjunction with the launch.

The project is being implemented in three phases over three (3) years, September 2006 to August 2007, September 2007 to August 2008, and September 2008 to August 2009

Agreements have been reached with the MOEY with respect to the Ministry's involvement in the project particularly with respect to content development, maintenance and access.

This includes:

- (i) Subject experts to form Subject Advisory Groups and
- (ii) Content Development Steering Committee, to include Student Assessment , Media Services and Core curriculum Units
- (iii) Provision of standards, specifications and quality assurance for the processes and products
- (iv) Establishment of the CREM to receive, store, disseminate content, in all media
- (v) Ensuring the continuation of the acquisition/development, and update of content when the project has ended
- (vi) Provision of Building Infrastructure required for the safe operation of the equipment provided to the schools

8.2. Phase 1 – the Pilot Project

A 1-year pilot project began in September 2006 aimed at testing all the planned procedures and methodologies of the project, identifying best practices and determining the support systems that must be in place for successful project implementation. Lessons learned will inform and help guide the roll-out of the project.

The Pilot is being conducted in 28 schools selected by the MOEY and the e-learning Board of Directors. The schools are located in Kingston and St. Andrew, St. Thomas and St. Catherine for ease of



management, and include one (1) Special High School and one (1) Independent High School. Three (3) Teachers Colleges are also included, Church, Shortwood and Mico.

The pilot will focus on 5 subjects at grades 10 and 11 – English Language, Mathematics, Information Technology, Chemistry and Biology.

Technology Infrastructure

Suppliers have been selected and approved by Cabinet for the provision of computer and audio-visual equipment, networks, and computer furniture to schools and the MOEY. The contracts for Audio-visual equipment and computer furniture have been signed, and delivery of the audio-visual equipment commenced in January 2007. An Infrastructure Project Manager has been contracted to work with the MOEY to ensure timely completion of the building and electrical works

In order to facilitate access from home and full buy-in from the teachers, a revolving loan is being considered for the purchase of computers interest-free.

Instructional Materials

RFP's have been published for Materials Development Managers, one per subject, to coordinate the development of the Instructional Materials and ensure quality control, by guiding the various service providers, coordinating their efforts and reviewing their work.

RFP's have also been published for developers of TIMs and SIMs in the pilot subjects, including Publishers, content writers, or other owners of instructional materials willing to modify their materials to meet the required specifications. Producers of video lectures have also been identified and it is expected that these will be available as of March 2007.

Dr. Earl Brown from the Institute of Education ended a 6-month Consultancy in August 2006. The assignment was to develop criteria for item management software, identify suitable free software, if available, and guide the development of the Item Bank.

A prototype was developed for the launch of the project in February 2006, Item Writing Policy Guidelines developed and pilot schools assigned specific topics for writing items. Item Writing workshops have been held with Subject Specialists guiding and reviewing the questions. Over 2,000 questions have been submitted and over 1,200 accepted and placed in a temporary holding database designed and developed by the Consultant.

Discussions are also being held with CXC regarding possible collaboration in this regard as they have a tried and proven methodology and access to item writing expertise. A proposal is to be written accordingly, as it is possible that CXC may be interested in the added value of digitization.

Teacher Training

Training for in-service teachers and selected tutors in the relevant Teachers Colleges will be a 3-pronged programme, to cover

- i. Teaching Methodologies
- ii. ICT training and Certification
- iii. Training of Trainers in Technology Integration

and will include 2 day workshops, residential workshops, follow-up sessions, as well as on-site reinforcement and evaluation.

Inventories of technology awareness and competence of the lecturers have been collected in the three pilot teachers colleges.

Teaching Methodology Workshops commenced in May 2006 targeting all the teachers in the project and commencing with grades 10 & 11 in the pilot schools.

Prequalified providers of ICT Training and Certification programmes were requested to submit full proposals and are being evaluated for training to commence in February 2007. Over 11,000 teachers and tutors will be trained over the project period.

Central Repository

The CREM will be established and a Learning Content Management system implemented during the pilot phase which will allow materials to be available online in addition to CD's and DVD's. Work will also begin on the Remedial and Assessment Programmes during this phase.

Content development Advisory groups and School Integrations Committees have been established and advise on content development and manage the implementation of the project in the schools respectively.

A baseline study will be undertaken during May 2007 to get formative information on the students for the project and to determine the technology capacity of the pilot institutions. An evaluation of the pilot will be carried out in July and August 2007, to inform the planning for Phase 2 which will begin in September 2007.

9.0 LESSONS LEARNED TO DATE

- The importance of collaboration and involvement of stakeholders to create buy-in and ownership and provide the necessary policy guidance. The involvement of the MOEY through a Memorandum of Understanding is yielding benefits of access to the experience of the Ministry's technical staff. The School Committees will ensure the timely involvement and accountability of the school leadership.
- The need for continuous research and refinement and flexibility— nothing cast in stone. Especially in the pilot phase, it is desirable to have the will to try out approaches and have the capacity to act without fear of failure.
- Assumptions regarding the availability of materials and the operations of publishers need to be re-evaluated.
- The need to use existing materials, methodologies, know-how – not re-invent the wheel. In general, it is a strategic goal of the project to own materials for open adaptation and dissemination. There is also a near-term requirement to evaluate the interaction of teachers and learners with resources, electronic and print.
- The need to maintain focus on learning rather than technology. There is a concern that schools may be more interested in the capital acquisition than in the pursuit of project goals and objectives.
- The need to ensure a significant period for assimilation, reinforcement and practice after implementation of the technology prior to the ending of the project

A handwritten signature in dark ink, appearing to read 'Ramez Maham'.

e-Learning Jamaica
Board of Directors for
April 2006- March 2007

Names	Board Position	STATUS 2006- 2007
Mrs. Jean Beaumont	Chairman	Reappointed March 1, 2007
Mr. Reginald Budhan, (Ministry of Commerce, Mining and Telecommunications)	Deputy Chair	-
Mr. Albert Corcho Tarrant High School Principal	Director	-
Mrs. Carol Coore (EduTech)	Director	-
Mrs. Jackie Cousins (Representative of Ministry of Education)	Director	-
Prof. John Fray, (UTECH)	Director	-
Mr. Michael HoSue (HEART Trust NTA)	Director	
Mr. Sherlock Allen (Mavis Bank High School)	Director	
Mr. Carlton Samuels, UWI	Director	-
Mr. Ransford Braham, (Livingston Alexander & Levy)	Director	-
Mr. Christopher Gilbert (Rep. of Ministry of Education)	Director	-
Desrine Williams	Director	-
Maria Jones (Ministry of Education)	Director	-



**e-LEARNING JAMAICA COMPANY
LIMITED**

**Directors Compensation
REPORT**

2006 - 2007

DIRECTORS COMPENSATION

2006/07

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
CHAIRMAN	187,445.00	0			187,445.00
Director 1	59,625.00	0			59,625.00
Director 2	202,500.00	0			202,500.00
Director 3	90,930.00	0			90,930.00
Director 4	207,375.00				207,375.00
Director 5	135,000.00				135,000.00
Director 6	159,750.00				159,750.00
Director 7	22,500.00				22,500.00

Director 8	87,000.00	87,000.00
Director 9	54,000.00	54,500.00
Director 10	71,725.00	71,725.00
Director 11	100,875.00	100,875.00
Director 12	163,775.00	163,775.00

Notes

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

CERTIFIED BY: Reginald Budhan

Reginald Budhan

Company Secretary

SENIOR EXECUTIVE COMPENSATION

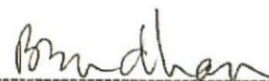
Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
CEO/Project Manager	2006/07	3,220,000.00	805,000.00	477,708.00				4,502,708.00
Finance & Admin Manager	2006/07	2,070,000.00	517,500.00	477,708.00				3,065,208.00
Education Specialist	2006/07	1,916,666.67	479,166.67	210,000.00				2,605,833.33
Snr. ICT Specialist	2006/07	1,150,000.00	287,500.00	126,000.00				1,563,500.00

Notes

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.
2. Other Allowances (including laundry, entertainment, housing, utility, etc.)
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

CERTIFIED BY: Reginald Budhan

Company Secretary





**e-LEARNING JAMAICA COMPANY
LIMITED**

**Financial Statements
REPORT**

March 31, 2007



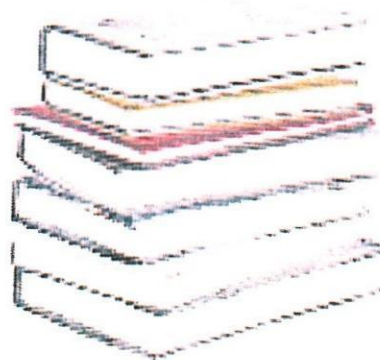
Mair Russell

Grant Thornton

e-Learning Jamaica Company Limited

Financial Statements

March 31, 2007



e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

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Independent auditors' report

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To the Members of
e-Learning Jamaica Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of e-Learning Jamaica Company Limited, set out on Statements II to VI, which comprise the balance sheet as at March 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant 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 International Financial Reporting Standards and the Jamaican Companies Act. 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.

Auditors' Responsibility

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

.../cont'd

Independent auditors' report (cont'd)

To the Members of
e-Learning Jamaica Company Limited

Report on the Financial Statements (cont'd)

Auditors' Responsibility (cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at March 31, 2007, and of the company's financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Additional Requirements of the Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.

Mair Russell Grant Thornton

Kingston, Jamaica

July 16, 2009

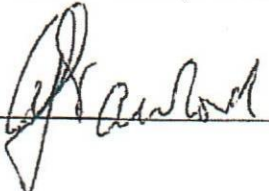
Chartered Accountants

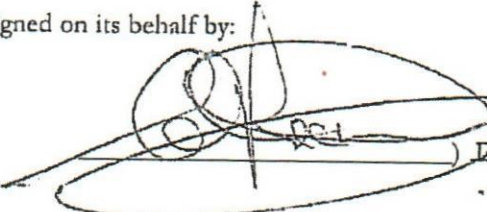
Balance sheet

	Note	2007 \$	2006 \$
Assets			
Non-current assets			
Equipment	(4)	12,250,284	1,144,776
Intangible assets	(5)	1,260,510	1,223,600
		13,510,794	2,368,376
Current assets			
Receivable	(6)	9,999	-
Prepayments	(7)	2,562,180	125,000
Taxation recoverable		4,580	-
Cash and cash equivalents	(8)	10,706,043	1,033,366
		13,282,802	1,158,366
Total assets		26,793,596	3,526,742
Equity			
Capital and reserves			
Share capital	(9)	100	100
Capital reserve	(10)	11,224,143	-
Accumulated surplus		3,525,960	58,200
Total equity		14,750,203	58,300
Non-current liabilities			
c-Learning Jamaica Project fund	(11)	9,804,858	440,584
		9,804,858	440,584
Current liabilities			
Payables and accruals	(12)	2,238,535	3,027,858
		2,238,535	3,027,858
Total liabilities		12,043,393	3,468,442
Total equity and liabilities		26,793,596	3,526,742

The attached notes on Statement VI form an integral part of these financial statements.

Approved for issue by the Board of Directors on July 16, 2009 and signed on its behalf by:

) Director

) Director

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Income statement

		Year Ended March 31, <u>2007</u> \$	Four Months Ended March 31, <u>2006</u> \$
	<u>Note</u>		
Income			
Government grants –	(3g)		
Administrative expenses	(13)	25,952,824	4,999,900
e-Learning Jamaica Project	(11 & 13)	36,586,850	5,000,000
Caribbean Knowledge Learning Network	(13 & 14)	5,028,152	-
		67,567,826	9,999,900
Expenses			
e-Learning Jamaica Project expenses	(11)	(27,222,576)	(4,559,416)
Caribbean Knowledge Learning Network expenses	(14)	(3,292,050)	-
Administrative and general expenses		(23,920,712)	(4,898,540)
Promotions		(181,819)	(43,160)
Other operating expenses		(118,635)	-
Surplus for the year/period before allocation	(15)	12,832,034	498,784
Attributable to e-Learning Jamaica Project fund	(11)	(9,364,274)	(440,584)
Net surplus for the year/period		3,467,760	58,200

The attached notes on Statement VI form an integral part of these financial statements.

e-Learning Jamaica Company Limited
 Financial Statements
 Year Ended March 31, 2007

Statement of changes in equity

	Share Capital	Capital Reserve	Accumulated Surplus	Total
	\$	\$	\$	\$
Changes in equity for 2006				
Net surplus for the period 2006 being total recognised income and expenses previously reported	-	-	498,784	498,784
Prior year adjustment (Note 20)	-	-	(440,584)	(440,584)
Total recognised income and expenses for 2006 as restated (Note 21)	-	-	58,200	58,200
Issue of shares	100	-	-	100
Balance at March 31, 2006 as restated (Note 21)	100	-	58,200	58,300
Changes in equity for 2007				
Capital grant (Note 10)	-	9,285,276	-	9,285,276
Value of gift received (Note 10)	-	1,938,867	-	1,938,867
Net surplus for the year 2007	-	-	3,467,760	3,467,760
Total recognised income and expenses	-	11,224,143	3,467,760	14,691,903
Balance at March 31, 2007	100	11,224,143	3,525,960	14,750,203

The attached notes on Statement VI form an integral part of these financial statements.

e-Learning Jamaica Company Limited
 Financial Statements
 Year Ended March 31, 2007

Statement of cash flows

	Year Ended March 31, 2007 \$	Four Months Ended March 31, 2006 \$
Cash flows from operating activities:		
Net surplus for the year/period	3,467,760	58,200
Net increase in e-Learning Jamaica Project Fund	9,364,274	440,584
Adjustments for:		
Depreciation (Note 4)	118,635	-
Amortisation (Note 5)	128,590	-
Interest income (Note 11)	(18,321)	-
	13,060,938	498,784
Increase in receivable	(9,999)	-
Increase in prepayments	(2,437,180)	(125,000)
(Decrease)/increase in payables and accruals	(789,323)	3,027,858
Net cash provided by operating activities	9,824,436	3,401,642
Cash flows from investing activities:		
Purchase of equipment (Note 4)	(9,285,276)	(1,144,776)
Intangible assets (Note 5)	(165,500)	(1,223,600)
Interest received (net of withholding tax)	13,741	-
Net cash used in investing activities	(9,437,035)	(2,368,376)
Cash flows from financing activity:		
Issue of shares	-	100
Capital grant received	9,285,276	-
Net cash provided by financing activity	9,285,276	100
Net increase in cash and cash equivalents	9,672,677	1,033,366
Cash and cash equivalents at beginning of year/period	1,033,366	-
Cash and cash equivalents at end of year/period (Note 8)	10,706,043	1,033,366

The attached notes on Statement VI form an integral part of these financial statements.

Notes to financial statements

1. Identification and activities

e-Learning Jamaica Company Limited is a Government Agency, incorporated under the Laws of Jamaica on July 6, 2005. The company is wholly owned by the Accountant-General of Jamaica, a corporation sole, and is domiciled in Jamaica with registered offices located at the PCJ Building, 36 Trafalgar Road, Kingston 10, Jamaica.

The main activities of the company include the implementation of an e-Learning Jamaica Project of the Government of Jamaica (GOJ) designed to improve the quality of education in high schools, to promote the integration of technology in the teaching of the various subject areas in the education system and the implementation of various interventions, which draw on technology to improve the quality of education throughout the school system.

The company is funded principally by grants from the GOJ's Universal Access Fund (UAF).

Except where otherwise stated, these financial statements are expressed in Jamaican Dollars.

2. Adoption of new and revised standards

(i) Standards, interpretations and amendments to published standards effective April 1, 2006

Certain interpretations and amendments to existing standards have been published and became effective during the current financial year. The company has assessed the relevance of all such new interpretations and amendments and has adopted the following International Financial Reporting Standards (IFRS), which is relevant to its operations.

IFRIC 4 Determining whether an arrangement contains a Lease

The adoption of IFRIC 4 has not resulted in substantial changes to the company's accounting policies. In summary:

IFRIC 4 requires that the determination of whether an arrangement is or contains a lease, is based on the substance of the arrangement. It requires an assessment of whether: (a) fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The company assessed the impact of IFRIC 4 and concluded that no change in its accounting policy is necessary.

e-Learning Jamaica Company Limited
Financial Statements
Four Months Ended March 31, 2007

Notes to financial statements (cont'd)

2. Adoption of new and revised standards (cont'd)

(ii) Standards, interpretations and amendments to published standards that are not yet effective

At reporting date, certain new standards, amendments and interpretations to existing standards have been issued which are not yet effective, and which the company has not early adopted. The company has assessed the relevance of all such new standards, interpretations and amendments; has determined that the following may be relevant to its operations; and has concluded as follows:

IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from January 1, 2007)

IFRS 7 introduces new disclosures to improve information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces disclosure requirements in IAS 32, Financial Instruments: Disclosures and Presentation. The amendment to IAS 1 introduces disclosures about the levels of an entity's capital and how it manages capital. The company assessed the impact of IFRS 7 and the amendments to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendments of IAS 1. The company will apply IFRS 7 and the amendments to IAS 1 from annual periods beginning April 1, 2007.

The company has concluded that the following standards and interpretations, which are published but not yet effective, are not relevant to its operations:

IFRIC 8	Scope of IFRS 2 (Effective for annual periods beginning on or after May 1, 2006)
IFRIC 9	Reassessment of Embedded Derivatives (Effective for annual periods beginning on or after June 1, 2006)
IFRIC 10	Interim Financial Reporting and Impairment (Effective for annual periods beginning on or after November 1, 2006)
IFRIC 11	IFRS 2 – Group and Treasury Share Transactions (Effective for annual periods beginning on or after March 1, 2007)
IFRIC 12	Services Concession Arrangements (Effective for annual periods beginning on or after January 1, 2008)

e-Learning Jamaica Company Limited
Financial Statements
Four Months Ended March 31, 2007

Notes to financial statements (cont'd)

3. Summary of significant accounting policies

(a) Accounting convention

These financial statements have been prepared under the historical cost convention.

(b) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

(c) Use of estimates and judgments

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates.

The main source of estimation relates to estimation in the useful life of equipment and intangible assets. There are no significant judgements that management has made in the process of applying the accounting policies and that have a significant effect on the amounts recognised in the financial statements.

In addition, there are no significant sources of estimation uncertainty at balance sheet date, that have a significant risk of causing a material adjustment of the carrying amounts of assets and liabilities within the next financial year.

(d) Equipment

(i) Equipment is carried at cost less accumulated depreciation.

(ii) Depreciation is charged on the assets in the year after purchase.

Depreciation is provided on the straight line basis at such rates as will write off the cost of assets over the period of their expected useful lives. The useful lives approximate to ten (10) years for furniture, fixtures and equipment, five (5) years for computers and related equipment and forty (40) years for leasehold improvement.

(e) Intangible assets

Intangible assets are carried at cost less accumulated amortisation.

Amortisation is provided in the year after purchase on the straight line basis at such rates as will write off the assets over their expected useful lives. The useful lives approximate to forty (40) years for the e-Learning Jamaica Project jingle and logo and five (5) years for e-Learning Jamaica Project training video.

(f) Foreign currency:

(i) Foreign currency balances at balance sheet date have been translated at the rate of exchange ruling at that date;

(ii) Transactions in foreign currency are converted at the rates of exchange ruling at the dates of those transactions;

(iii) Gains/losses arising as a result of fluctuations in exchange rates are included in the Income Statement.

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

3. Summary of significant accounting policies (cont'd)

(g) Revenue recognition

Income represents government grants and interest income. Government grants are recognised when received and interest income is recognised when due on the basis of agreements in effect.

(h) Cash and cash equivalents

The above consist of current and savings account balances maintained with a financial institution and petty cash.

(i) Receivable

Receivable is carried at amortised cost.

(j) Payables and accruals

Payables and accruals are carried at amortised cost.

(k) Equity

Share capital is determined using the par value of shares that have been issued and any premiums received on the initial issuing of shares. Any transaction costs associated with the issuing of shares are deducted from premiums received.

Capital reserve comprises capital grants received for the acquisition of capital assets and the value of gifts received less the equivalent of accumulated depreciation transferred to the income statement.

Accumulated surplus includes all results as disclosed in the Income Statement.

(l) Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial instruments are recognised in the company's balance sheet when it has become a party to the contractual provisions of the instruments.

The financial instruments carried in the balance sheet are receivable, cash and cash equivalents and payables and accruals. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

(m) Impairment

At balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of individual assets, the company estimates the recoverable amount of each cash-generating unit to which the asset belongs.

(n) Comparative information

Certain previous year's figures have been restated to conform to the current year's presentation and to take account of prior year adjustment. (Note 19).

c-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

4. Equipment

	Leasehold Improvement	Furniture Fixture & Equipment	Computers & Software	Total
	\$	\$	\$	\$
Gross carrying amount	855,484	247,715	41,577	1,144,776
Carrying amount at March 31, 2006	855,484	247,715	41,577	1,144,776
Gross carrying amount	855,484	5,394,688	6,118,747	12,368,919
Accumulated depreciation	(85,548)	(24,772)	(8,315)	(118,635)
Carrying amount at March 31, 2007	769,936	5,369,916	6,110,432	12,250,284

The carrying amounts for equipment for the year included in these financial statements as at March 31, 2007 are reconciled as follows:

	Leasehold Improvement	Furniture Fixture & Equipment	Computers & Software	Total
	\$	\$	\$	\$
Acquisitions during 2006	855,484	247,715	41,577	1,144,776
Carrying amount at March 31, 2006	855,484	247,715	41,577	1,144,776
Additions	-	5,146,973	6,077,170	11,224,143
Depreciation	(85,548)	(24,772)	(8,315)	(118,635)
Carrying amount at March 31, 2007	769,936	5,369,916	6,110,432	12,250,284

Included in additions for computers and software during the year is equipment with a value of \$1,938,867 which were purchased with funds donated to the company by the International Telecommunications Union. The value of the gift has been credited to capital reserve. (Note 10).

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

5. Intangible assets – e-Learning Jamaica Project

	Jingle	Logo	Video	Total
	\$	\$	\$	\$
Gross carrying amount	468,600	195,000	560,000	1,223,600
Carrying amount at March 31, 2006	468,600	195,000	560,000	1,223,600
Gross carrying amount	628,600	200,500	560,000	1,389,100
Accumulated depreciation	(11,715)	(4,875)	(112,000)	(128,590)
Carrying amount at March 31, 2007	616,885	195,625	448,000	1,260,510

The carrying amounts for intangible assets for the year included in these financial statements as at March 31, 2007 are reconciled as follows:

	Jingle	Logo	Video	Total
	\$	\$	\$	\$
Acquisitions during 2006	468,600	195,000	560,000	1,223,600
Carrying amount at March 31, 2007	468,600	195,000	560,000	1,223,600
Additions	160,000	5,500	-	165,500
Amortisation	(11,715)	(4,875)	(112,000)	(128,590)
Carrying amount at March 31, 2007	616,885	195,625	448,000	1,260,510

6. Receivable

	2007	2006
	\$	\$
Staff loan	9,999	-
Total	9,999	-

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

7. Prepayments

	<u>2007</u> \$	<u>2006</u> \$
Deposits –		
ACCPAC software	363,829	-
PBX telephone system	638,968	-
	<u>1,002,797</u>	<u>-</u>
Prepaid expense:		
Subscription to Caribbean Knowledge Learning Network	1,559,384	-
Total	<u>2,562,181</u>	<u>-</u>

8. Cash and cash equivalents

	<u>Interest rate</u> % p.a	<u>2007</u> \$	<u>2006</u> \$
Bank of Nova Scotia –			
J\$ Current account		8,655,960	1,028,388
US\$ Current account (US\$30,164)	2.20	2,045,105	-
Petty cash		4,978	4,978
Total		<u>10,706,043</u>	<u>1,033,366</u>

Included in cash and cash equivalents is an amount of \$8,544,348 (2006 - \$440,584) representing funds held for the e-Learning Jamaica Project.

9. Share capital

	<u>2007</u> \$	<u>2006</u> \$
Stated capital		
Authorised, issued and fully paid:		
100 ordinary shares (2006 - \$1 each)	100	100

As of January 2007, under the Jamaican Companies Act 2004, all shares in issue are deemed to be without par value.

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

10. Capital reserve

	<u>2007</u>	<u>2006</u>
	\$	\$
(i) Capital grant	9,285,276	-
(ii) Value of gift	1,938,867	-
Total	11,224,143	-

- (i) Capital grant represents funds received from the GOJ Universal Access Fund to finance the purchase of equipment for the company's use.
- (ii) Gift represents donation received from the International Telecommunications Union to purchase equipment for the company's use.

11. e-Learning Jamaica Project Fund

	<u>2007</u>	<u>2006</u>
	\$	\$
Balance at beginning of year	440,584	-
Transactions for year/period:		
Receipts		
Government grant from the Universal Access Fund	36,542,971	5,000,000
Interest income	18,321	-
Gain on foreign exchange	25,558	-
	36,586,850	5,000,000
Expenditure (Note 16 (ii))	(27,222,576)	(4,559,416)
Net increase for the year/period	9,364,274	440,584
Balance at end of year/period	9,804,858	440,584
The Fund balance is represented by:		
	<u>2007</u>	<u>2006</u>
	\$	\$
Intangible assets (Note 5)	1,260,510	-
Cash and cash equivalents (Note 8)	8,544,348	440,584
Total	9,804,858	440,584

The e-Learning Jamaica Project is being implemented by the company on behalf of GOJ. (Note 1). Funds received are used to finance approved project activities.

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

12. Payables and accruals

	<u>2007</u>	<u>2006</u>
	\$	\$
Accruals	241,682	965,000
Staff costs	1,021,579	-
Statutory deductions	588,274	313,248
Other	387,000	1,749,610
Total	2,238,535	3,027,858

13. Government grants

This represents contributions received from the Government of Jamaica (GOJ) to finance capital and general operating expenses of the company, and expenses incurred in respect of projects the company manages on behalf of GOJ. (Note 1).

14. Caribbean Knowledge Learning Network

	<u>2007</u>	<u>2006</u>
	\$	\$
Income		
Government grant through the Universal Access Fund	5,028,152	-
Expenses		
Subscription	3,118,768	-
Meeting expenses	173,282	-
	3,292,050	-

Caribbean Knowledge Learning Network (CKLN) is a CARICOM/IDB initiative intended to facilitate learning among Caribbean peoples through the use of virtual learning networks. The company is the designated member organization representing Jamaica in CKLN.

15. Surplus for the year/period before allocation

Surplus for the year/period before allocation is stated after charging/(crediting):

	<u>2007</u>	<u>2006</u>
	\$	\$
Directors' emoluments -		
Fees	1,542,500	521,625
Auditors' remuneration	322,500	107,500
Depreciation	118,635	-
Interest income - e-Learning Project	(18,321)	-
Gain on foreign exchange - e-Learning Project	(25,558)	-

c-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

16. Taxation

- (i) The company is exempt from income tax under Section 12 (b) of the Income Tax Act.
- (ii) Taxation recoverable represents withholding tax suffered at source of \$4,580 on interest income earned on its savings account.

17. Expenses by nature

- (i) Total administrative and other operating expenses:

	<u>2007</u>	<u>2006</u>
	\$	\$
Directors' fees	1,542,500	521,625
Maintenance charge	1,241,308	455,158
Auditors' remuneration	322,500	107,500
Depreciation	118,635	-
Employee benefits (Note 18)	17,346,865	2,223,585
Other expenses	3,649,358	1,590,672
Total	24,221,166	4,898,540

- (ii) Total direct e-Learning Jamaica Project expenses:

	<u>2007</u>	<u>2006</u>
	\$	\$
Instructional materials	1,763,313	-
Teacher training	2,425,945	-
Technology infrastructure	22,490,419	-
Amortisation	128,590	-
Promotions	414,309	4,559,416
Total	27,222,576	4,559,416

18. Employee benefits

	<u>2007</u>	<u>2006</u>
	\$	\$
Salaries and related expenses	16,882,254	2,223,585
Medical and other staff benefits	464,611	-
Total	17,346,865	2,223,585

The number of permanent employees at year/period-end was six (6) (2006 – four (4)).

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Notes to financial statements (cont'd)

20. Prior year adjustment

	<u>2006</u> \$
E-Learning Jamaica Project Fund	
- Surplus for the period 2006 transferred to the Fund account	440,584

21. Reconciliation of net surplus and equity for 2006 as previously reported to net surplus and equity for 2006 as restated

	<u>2006</u> \$
(a) Net surplus	
Net surplus for 2006 as previously reported	498,784
Prior year adjustment (Note 20)	(440,584)
Net surplus for 2006 as restated	58,200
(b) Equity	
Equity at March 31, 2006 as previously reported	498,884
Prior year adjustment (Note 20)	(440,584)
Equity at March 31, 2006 as restated	58,300

Additional information

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Auditors' report

To the Directors of
e-Learning Jamaica Company Limited
On Additional Information

The additional information presented on pages 2 and 3 has been taken from the accounting records of the company and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the company for the year ended March 31, 2007.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole although it is not necessary for a fair presentation of the state of the company's affairs as at March 31, 2007 or of the results of its operations or its cash flows for the year then ended.

Mair Russell Grant Thornton



Chartered Accountants

Kingston, Jamaica
July 16, 2009

e-Learning Jamaica Company Limited
 Financial Statements
 Year Ended March 31, 2007

Supporting schedule of expenses

	Year Ended <u>March 31,</u> <u>2007</u> \$	Four Months Ended <u>March 31,</u> <u>2006</u> \$
Administrative and general expenses		
Directors' fees	1,542,500	521,625
Salaries, wages and related expenses	16,882,254	2,223,585
Medical and other staff benefits	464,611	-
Equipment rental	310,473	-
Office expenses	628,507	317,774
Conference and seminars	80,833	5,572
Foreign travel	288,793	283,754
Meeting expenses	510,857	658,836
Stationery	387,939	109,174
Telephone	606,587	31,117
Courier	47,790	-
Maintenance charge	1,241,308	455,158
Audit fees	322,500	107,500
Rent	427,039	177,933
Security	146,250	-
Bank charges	13,363	6,512
Subscriptions	19,108	-
	23,920,712	4,898,540
Promotions		
Advertisement	181,819	43,160
	181,819	43,160
Other operating expenses		
Depreciation	118,635	-
	118,635	-

e-Learning Jamaica Company Limited
Financial Statements
Year Ended March 31, 2007

Schedule of income and expenditure - e-Learning Jamaica Project

		Year Ended <u>March 31,</u> <u>2007</u> \$	Four Months Ended <u>March 31,</u> <u>2006</u> \$
Income			
Government Grant – Universal Access Fund		36,542,971	5,000,000
Interest		18,321	-
Gain on foreign exchange		25,558	-
Total income		36,586,850	5,000,000
Less: Expenditure:			
Instructional materials			
Item bank	1,025,010		-
Lecture series	115,000		-
Materials management	623,303		-
	1,763,313		-
Teaching training			
Methodology training	2,294,767		-
Implementation management	131,178		-
	2,425,945		-
Technology infrastructure			
Computers and other equipment for schools	21,441,547		-
Implementation management	1,048,872		-
Amortisation of intangible assets	128,590		-
	22,619,009		-
Promotions			
Launch	20,000		4,559,416
Public relations	394,309		-
	414,309		4,559,416
Total expenditure		(27,222,576)	(4,559,416)
Net surplus for the year/period		9,364,274	440,584



Mair Russell

Grant Thornton

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