



**e-LEARNING JAMAICA COMPANY
LIMITED**

CHAIRMAN'S REPORT

APRIL 2008-MARCH 2009



THE e-LEARNING JAMAICA COMPANY LIMITED
CHAIRMAN'S REPORT APRIL 2008 TO MARCH 2009

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CHAIRMAN'S REPORT APRIL 2008 TO MARCH 2009

1. BACKGROUND AND OVERVIEW

The e-Learning Jamaica Company Ltd (eLJam) was established in March 2005 as a limited liability company under the Ministry with portfolio responsibility for Telecommunications, to implement e-Learning projects in collaboration with the Ministry of Education (MOE). The Company is managed by a Board of Directors appointed by the portfolio Minister.

Cabinet approval was obtained in June 2005 to implement the initial project targeted at the high schools, with the primary goal to utilize Information and Communication Technologies (ICTs) to contribute to an improvement in the quality of education in the high schools and in the level of passes in the school-leaving CXC CSEC examinations. This project was developed as a joint initiative with the MOE after much consultation with principals and teachers and other stakeholders. Its components include providing digitalised instructional materials for teachers and students, computers and multimedia equipment, and training of teachers in the use of the technology in instructional delivery. An amount of US\$50 million was approved by Cabinet to be accessed from the Universal Access Fund.

The period up to August 2006 was utilised to establish the organisation and the project commenced officially in September 2006 with a 1-year pilot project aimed at testing all the planned procedures and methodologies of the project, identifying best practises and determining the support systems that have to be in place for successful project implementation.

By March 2008, the scope of the project was widened to include the 8 Colleges that train teachers for the high schools, and 1 Independent High School. In addition, based on results from a technology capacity survey conducted by the MOE which became available at that time, the MOE requested that the project include ICT training and certification of all 11,400 teachers and lecturers in the high schools and teachers colleges. However, there were significant delays which added some 12 months to the original project completion date of August 2009 to August 2010.

During the period under review, April 2008 to March 2009, the scope of the project was again widened to include the 5 Community Colleges. In addition, several elements were added or amended to more meaningfully reflect the MOE's vision of a 21st century classroom and to better ensure sustainability. These included the placement of the grade 10 & 11 classrooms on the schools local area network and the provision of additional laptops and multimedia projectors to ensure that all grade 10 & 11 teachers were fully equipped to utilize all aspects of the technology, including the internet, in whole-class delivery.

A major contributor to the sustainability of the project was the decision to provide training to the Masters level to 2 lecturers in each teachers college who would then have the responsibility to continue the training of the lecturers and keep up-to date with the latest technologies and methodologies. Strategies were also put in place to mitigate the delays experienced during the start-up period, including fast tracking of various aspects of the project.

2. PURPOSE AND SCOPE OF PROJECT

The purpose of the project is to utilize current state-of-the-art ICTs in Jamaica's high schools, grades 7-11, to

- ◆ Improve the quality of education
- ◆ Enhance the learning experience
- ◆ Improve the level of passes in the CXC CSEC exam

The project began with 150 educational institutions, but has been increased to 185 educational institutions, as follows

- ◆ 165 public high schools (26 in pilot)
- ◆ 6 public special schools (1 in pilot)
- ◆ 8 teachers colleges that train teachers for high schools (3 in pilot)
- ◆ 1 independent high school (In pilot, materials and training only)
- ◆ 5 community colleges (audio-visual equipment only)

The project covers

- ◆ Grades 7-11 (Grades 10 & 11 in pilot)
- ◆ 11 subjects (English, Maths, Chemistry, Biology, Information Technology, Spanish, Building Technology, Social Studies, Integrated Science, Physics, Geography, 1st 5 in pilot)
- ◆ Over 11,400 teachers and lecturers (2880 in pilot)
- ◆ Over 260,000 students (2006 statistic) (37,344 in pilot)

3. PROJECT COMPONENTS

3.1 Component 1 - Instructional Materials

Acquisition / Development of a comprehensive set of standard ICT-based instructional materials for teachers and students in 11 subject areas:

- i. Teachers Instructional Materials (TIMs)
- ii. Student's Instructional Materials (SIMs)
- iii. Interactive Educational Software (for 'challenging' topics)
- iv. Item Bank (25,000 questions, multiple choice and extended questions)
- v. Video-taped Lecture Series

Media

- | | |
|-----------------------------------|------------------------------|
| ◆ Exciting Text | ◆ Database resources |
| ◆ CD-ROMs | ◆ Interactive Software |
| ◆ DVDs | ◆ Video/Tele Conferencing |
| ◆ Power Point Presentations | ◆ On-line lessons, tutorials |
| ◆ Video-taped lectures | ◆ Chat rooms |
| ◆ Cable TV, 1 channel per subject | ◆ Links to other resources |

Development Methodology

- | | |
|-------------------------------------|---|
| ◆ International Standards | ◆ Expertise in writing instructional material |
| ◆ Best Practices | ◆ Expertise in writing items |
| ◆ Expertise in instructional design | |



- ◆ Knowledge of the technology and how it can be integrated
- ◆ Supervision
- ◆ Quality Assurance

3.2 Component 2 - Technology Infrastructure for Storage / Dissemination / Access

- i. Provision of ICT equipment and related software to schools, including computer networks connecting the remedial lab, library, staff rooms, grades 10&11 classrooms; multimedia equipment,
- ii. Establishment of a **Central Repository for Educational Materials (CREM)** at the MOE to store, reproduce, continuously update, and distribute materials, and to include a web-based repository accessible over the broad-band network
- iii. Upgrade of the Education Management Information System (EMIS) at the MOE to enhance management and administrative capability
- iv. Broad Band Internet Access (to be provided by UAF Co. Ltd)

Technology

- | | |
|-----------------------------------|-------------------------|
| ◆ Desk tops | ◆ Scanners |
| ◆ Lap-tops | ◆ Tape Recorder/Players |
| ◆ Multimedia Projectors & Screens | ◆ Televisions |
| ◆ Intelligent White Boards | ◆ VCR Players |
| ◆ Document Cameras | ◆ Local Area Network |
| ◆ Digital Video Cameras | ◆ Internet Connectivity |
| ◆ DVD/CD Players | |

3.3 Component 3 - Teacher Training

- i. Principals' Awareness and Orientation
- ii. Training of Teachers and Subject Tutors in Teachers Colleges in 3 phases
- iii. Modern methodologies for delivery, change management
- iv. Training and Certification in ICT skills (to international standards)
- v. Integration of ICT into the teaching/learning process (certification to ISTE standards)
- vi. Training of select group of lecturers to Masters level to ensure sustainability

Training Methodology

- | | |
|--|--------------------------------------|
| ◆ 1 & 2 day Orientation Workshops | ◆ Video Conferencing |
| ◆ Evening and Weekend Classes | ◆ 1&1 Onsite and group reinforcement |
| ◆ Mixed Mode - Face-to-face and distance | ◆ Onsite Evaluation |
| ◆ Modules On-line and on CD | |

3.4 Component 4 - Remedial Support

Collaborating with existing remedial interventions providing ICT-based materials and equipment and training of tutors and support personnel

3.5 Component 5 - Continuous Assessment

Introduction of standard examinations across the system at grades 7, 8 & 9 (Grade 11 CSEC and Grade 10 CCSC tests already in place)

3.6 Project Evaluation

- i. Programme / Project Evaluation
- ii. Impact Assessments

Methodology

- i. Desk Reviews
- ii. Formative surveys - questionnaires, interviews, review of school reports
- iii. Summative surveys - questionnaires, interviews, review of school reports
- iv. Examination Results
- v. Attitude Surveys
- vi. Skills Surveys etc

4. STATUS OF PROJECT AS AT MARCH 2009

The project was planned to be implemented in 3 phases:

- i. Phase 1 – Pilot project - September 2006-August 2007
- ii. Phase 2 - September 2007-August 2008
- iii. Phase 3 - September 2008-August 2009

The following outlines some of the challenges experienced, and some of the major strategies put in place to overcome these challenges.

4.1 Challenges and Mitigation Strategies

4.1.1 Challenges

- i. Delays in procurement because of a protest from the bidder on the major equipment contract, delaying the pilot project by 12 months.
- ii. Protracted time to arrive at agreement on the philosophical framework to govern the deployment of materials and computer technology in the schools.
- iii. Unforeseen delays in finalizing the scope of work with the supplier of the computer equipment and networks due to the changed deployment strategy.
- iv. The need to reinstitute the Partners in Learning Agreement (PIL) between the Ministry of Education and Microsoft, in order to obtain budgeted rates for Schools Microsoft software licenses for the schools, further delaying the start-up of manufacture of the computers.
- v. Inordinate delays in the rate of completion of building works at the schools, initially due to pressure of work and other priorities of the MOE Building Officers;
- vi. Inability of the MOE to fund the building and electrical works in the schools after the pilot schools were completed thus affecting the rate of completion of computer network installations in the remaining 150 institutions
- vii. Steep learning curve for local contractors to produce video lessons. However, this was deemed to be necessary in order to build capacity in Jamaica.

4.1.2 Mitigation Strategies

- i. Towards the end of 2007, the decision was taken to fast-track various aspects of the project. By February 2008, audio-visual equipment was delivered to all schools, except for the 5 newly joined community colleges. This included multimedia



projectors and screens, document cameras, video cameras, scanners, television, DVD /CD combos.

- ii. The MOE assigned dedicated Building Officers to the project in March 2008 and strategies were put in place to complete computer and network installation in the pilot schools by end June 2008 and in all 180 schools by August 2009 as had been originally planned. These strategies included:
 - ◆ Identification and fast tracking of schools only requiring electrical works and very little civil works (50 identified as at March 2008).
 - ◆ Focus on completing the schools needing civil works (approx. 35) in regions 1& 6 (where the pilot schools were) and to increase phase 2 schools by 10, moving this to 85.
 - ◆ Maintaining an installation completion rate of 36 schools per quarter.
- iii. However, given the lack of funding from MOE, focus had to be shifted to encouraging the remaining 150 schools to carry out the building and electrical works on their own. By June 2008, 140 schools had indicated how and when they would be able to complete the required infrastructure. As a result, the project was able to maintain and at some times exceed the installation rate, so that at March 2009, it was envisaged that the project would maintain the original completion date of August 2009, for the computer installations and audiovisual equipment.
- iv. In December 2008, MOE undertook to fund the Electrical Consultant to inspect and sign off on the electrical work done by the schools

4.2 Governance and Administration

- i. Initial Board appointed June 2005, resigned September 2007 due to change of Government. New Board appointed December 2007, 1st meeting held March 2008, changed in November 2008 due to change of portfolio Minister. New Board oriented in January and February 2009, Board Committees established, and strategies for completion of project approved
- ii. Twelve (12) of thirteen (13) members of staff remained in place, post of driver not filled due to decision not to acquire a company vehicle
- iii. Server and network upgraded to better support the interim repository for educational materials
- iv. Financial Systems in place, ACCPAC Accounting Software purchased and installed
- v. Short-term Public Relations Consultant contracted in July 2008, developed Comprehensive Public Relations programme and funding proposal, major supplier agreed to some support
- vi. Project Evaluation Consultant selected, baseline survey conducted May to June 2008

4.3 Progress on Instructional Materials Component

- i. Additional Subject Coordinators for the 6 phase 2 subjects in place by February 2009 (Geography, Spanish, Integrated Science, Physics, Social Studies, Building Technology) and scope and sequence finalized

- ii. Subject Advisory Groups (SAG) involving MOE subject experts established for the 6 phase 2 subjects to ensure standards and quality assurance
- iii. Teachers Instructional materials (TIMs) and Students Instructional materials (TIMs) acquired for 4 pilot subjects (except Chemistry), delivered to pilot schools and teachers oriented by April 2008, materials evaluated, and rolled out to additional 150 schools starting March 2009. Chemistry materials acquired for pilot schools. RFP published for 6 phase 2 subjects
- iv. Contracts signed in October 2008 with UWI/JBTE (Chemistry, Biology, English) and UTECH/University of Plymouth (Mathematics and Information Technology) for the development of content for the pilot subjects to be owned by the Government over the long term
- v. Request for expression of interest published for education software
- vi. Focused drive to identify and train item writers resulted in additional 6,600 Items being written bringing the total to over 9,000, placed on CD's and delivered to schools. Also placed in a temporary Moodle-adapted database at e-LJam, logins provided to schools to access as at March 2009 to assist with June examinations
- vii. Instructional Video producers contracted to produce 150 video lectures (50 per pilot subject), 10 English Videos completed
- viii. Instructional Technology Expert on short-term contract beginning March 2008. Specifications and standards for content developed and provided to content development and video production contractors. Also completed the design of the Central Repository for Educational Materials (CREM), recommended the structure for management of the programmatic and technical aspects and developed the specifications for an appropriate Learning Content Management System (LCMS/LMS).

4.4 Progress on Equipment and Network Installation

- i. Building and Electrical Infrastructure works completed in 28 of the 30 pilot schools by April 2008, funded by the MOE in the main. Equipment and Networks installation completed in 120 schools
- ii. Additional Audio-visual equipment delivered to all schools to satisfy the grade 10 & 11 whole-class strategy, also to Community Colleges
- iii. Instructional Technology Expert prepared and presented a cost /benefit analysis for hosting the web-based Central Repository for the materials in February 2009.

4.5 Progress on Teacher Training

- i. Evaluation conducted on the performance of the HEART Trust NTA as the provider for ICT Training and Certification (NCTVET NVQ-J) to the 2880 teachers and lecturers in the pilot schools and contract extended for them to complete the training of the 11,400 teachers and lecturers. As at March 2009, 5139 had been trained, 1429 were in training, of which 2271 were fully certified. In addition 218 of the 360 systems administrators targeted had been trained and 25 of the 360 trainer of trainers



- ii. Cabinet approval received in March 2009 for Mico University College to be contracted to provide training in Technology Integration to 4000 teachers and lecturer,
- iii. In collaboration with the Joint Board of Teacher Education (JBTE), plan developed for training of lecturers to masters level in educational technology, 2 from each of the 8 teachers colleges, using programme offered by University of British Columbia, 9 lecturers accepted and registered in January 2009.

4.6 *Some Implementation Management and Sustainability Strategies*

Much attention continued to be placed on ensuring the integrity of the implementation and the sustainability of the project. During this period under review, such strategies included:

- i. MOU signed with the MOE undertaking to be responsible for standards and quality assurance of materials and provision of building infrastructure at the schools
- ii. Provision of Electrical Consultant by the MOE to ensure the suitability and safety of the electrical installations provided by the schools
- iii. Project Manager employed by e-LJam to validate requirements, assist in hiring contractors, monitor the works and liaise with MOE's building officers in signing off works
- iv. Infrastructure Monitoring Committee established including the e-LJam Technical Committee, and representatives from UAF, MOE Building Office and the MOE School Facility and Infrastructure Team
- v. Suppliers enter into a framework contract, delivering equipment on a predetermined schedule over 2 ½ years, providing the latest technology
- vi. No equipment delivered if schools are not properly prepared to accept in terms of secure space and adequate electrical circuitry.
- vii. Provision made to provide distinctive marking which will identify the equipment being provided by e-LJam in the event of theft
- ix. MOE signed with school principals, where schools commit to ensure proper implementation of the project in the schools, provide a safe and secure environment for the equipment, ensure teachers attend training and utilize the technology in teaching, inter alia
- x. School e-Learning Implementation Committees (SEIMC) established in all schools and colleges to oversee the implementation of the project and ensure buy-in/ownership
- xi. Subject Advisory Groups (SAG) including MOE experts, established to ensure standards and quality assurance in materials acquired and developed
- xii. Instructional Technology Expert advising on standards and specifications for content on various media, and on the structure and operation of the CREM
- xiii. School Coordinator and Implementation officers hired by e-LJam to work closely with and monitor the project implementation in the schools

4.7 Financial Performance

The financial performance of the company reflects the time taken to implement start-up activities and the delays in Project Implementation, where a total of approx J\$1.6 billion had been expended from the inception of the company to end March 2009, as against a budgeted amount of approx. \$5.2 billion. However as at March 2009, contracts valued at over US\$32 million had been signed.

The majority of this expenditure, approx J\$1.2billion, took place during the period under review, against a budgeted amount of J\$2.6billion,

The table below gives the variance in expenditure for the various components of the project.

FINANCIAL PERFORMANCE	BUDGET TO END MARCH 2009	EXPEND. TO END MARCH 2009	VAR.	BUDGET 2008-9	EXPEND. 2008-9	VAR.
	J\$ (000)	J\$ (000)	%	J\$ (000)	J\$ (000)	%
GOVERNANCE & ADMINISTRATION	188,145	129,262	69	92,949	57,703	62
INSTRUCTIONAL MATERIALS	785,970	52,033	7	407,461	43,133	11
TEACHER TRAINING	396,542	113,885	29	306,626	90,236	29
TECHNOLOGY INFRASTRUCTURE	3,577,849	1,314,841	37	1,696,527	1,011,144	60
REMEDIAL ASSESSMENT	49,520	1,645	3	44,225	1,635	4
PROJECT EVALUATION	32,975	2,900	9	32,975	2,900	9
LOANS	6,649	895	13	4,549	806	18
FOREIGN EXCHANGE LOSS	138,000	0	0	0	0	
CAPITAL COSTS				0	10,836	
TOTAL	25,227	17,961	71	8,617	2,180	25
	5,200,877	1,633,422	31	2,593,929	1,220,573	47

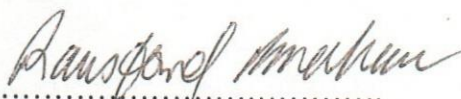
5. SOME LESSONS LEARNED

- i. The importance of collaboration / involvement of stakeholders, schools, MOE, funders, to create buy-in and ownership and provide the necessary policy guidance. The involvement of the MOE 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
- ii. 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 new approaches and have the capacity to act without fear of failure.
- iii. The need to use existing materials, methodologies, know-how to get materials into the schools in the short-term – need not invent the wheel – this will also allow evaluation of the interaction of teachers and students with the electronic and print resources - in general, it is a strategic goal of the project to own materials for open adaptation and dissemination
- v. 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.
 - i. The need to estimate more realistic timeframes for all activities
 - ii. The need for strategy to maintain interest – eg in Item writing
 - iii. The need for strategy to minimize procurement delays
 - iv. The need for experts to be allowed the time to devote to providing critical input – standards, reviews, research, building contractor approvals etc
 - v. The need to ensure that a mechanism exists to ensure full integration of the interventions into the life of the schools
 - vi. The need to ensure a significant period for assimilation, reinforcement and practice in the schools after implementation of the technology prior to the ending of the project

The table below shows the project achievements to March 2009 and plans to March 2010 for the 3 project major components

COMPONENT	ACHIEVEMENTS TO MARCH 2009	TARGETS JANUARY 2009 TO MARCH 2010	ASSUMPTIONS
TECHNOLOGY INFRASTRUCTURE - 185 institutions to benefit from audiovisuals, 180 from computers and networks			
Audio-visual equipment Target 185 institutions	Delivered to all 185 project institutions Additional projectors and screens to all grades 10 & 11 classrooms	2 Whiteboards to all schools by September 2009	Procurement approval process for projectors and whiteboards completed by end March 2009
Computer Equipment Installation Target 180 institutions	Network and computer installation completed in 120 project institutions as at April 9 2009; 113 high schools, 1 special school (Lister Mair Gilby for the Deaf), 6 Teachers Colleges (28 pilot). Advance deliveries of Laptops being made to facilitate use of the multimedia projectors previously supplied, average 11 per school	Remaining 60 installations by September 2009 Lap-tops targeting grades 10& 11 to be delivered by August 2009 – average 11 pers institution	<ul style="list-style-type: none"> - Financing for building and electrical works resolved urgently - 2 MOE building officers always available - schools carry out works on their own as promised - Completion rate - 36 per quarter - Smooth importation including tax waiver from MOF - Speedy response to force majeure
CREM Central Repository for Educational Materials	Interim CREM available to outside access MOE CREM designed by Consultant as planned and hosting options being considered	Implement CREM at MOE	<ul style="list-style-type: none"> - Expeditious decision on structure and management of CREM and availability of funds for CREM implementation - Broad band access provided
INSTRUCTIONAL MATERIALS 181 institutions to benefit			
TIMs and SIMs Teachers and Students Instructional Materials 5 pilot subjects English, Mathematics, IT, Chemistry, Biology 6 other subjects Building Technology, Physics, Geography, Spanish, Integrated Science, Resource	Pilot Subjects (5) <ul style="list-style-type: none"> ▪ Acquired materials for 5 subjects delivered to all 181 schools. ▪ Contract with UWI and UTECH signed, working teams established; materials being site tested Next 6 Subjects Specifications developed for RFP	Pilot Subjects(5) Beginning April 2009, developed materials for each term for Grades 10 & 11 delivered to all 181 schools Next 6 subjects Acquired materials delivered to all 181 schools	<ul style="list-style-type: none"> - Use of pre-qualified suppliers to bid on new subjects - Coordinator pool intact - MOE involvement on timely basis

COMPONENT	ACHIEVEMENTS TO MARCH 2009	TARGETS JANUARY 2009 TO MARCH 2010	ASSUMPTIONS
and Technology			
Educational Software	Specifications developed for RFP. Software samples received from 3 potential suppliers	Software in select schools by September 2009, field evaluation conducted by December 2009. Roll-out to other schools, starting February 2010	
Item Bank Target 22,000	9,000 items written and reviewed, tests developed and placed on interim database, recruitment of new writers commenced	22,000 items written	Aggressive identification of writing talent
Video lessons Target 150, 10 per pilot subject	Field testing commenced on 15 video lessons, much delayed due to steep learning curve of providers, but Jamaican capacity being built	100 videos developed (reduced from 150)	<ul style="list-style-type: none"> - MOE involved from concept stage - Subject Coordinator pool in place
TEACHER TRAINING 180 schools to benefit			
ICT Skill Training and Certification Target 11,000 teachers, 360 System Administrators and 360 trainer of trainers	5,139 teachers trained and 1,429 in training, totalling 6,635, over 2,271 teachers certified 180 System Administrators trained, due to late start by provider	Additional 6,635 teachers trained Additional 90 System Administrators trained	<ul style="list-style-type: none"> ▪ Readiness of school labs to facilitate training ▪ Ability of contractor to administer training island-wide simultaneously
Technology Integration Training 4,000 teachers	Contract approved by Cabinet in March 2009, should commence training in May 2009	2,500 teachers trained	<ul style="list-style-type: none"> ▪ Speedy negotiations with preferred bidder ▪ Incentive in place to attract trainer of trainer concept
Teachers College Intervention to ensure sustainability Target 16 lecturers	Support for 2 lecturers from each college to obtain masters level training from British Colombia University, 11 lecturers commenced on-line training in January 2009, JBTE spearheading	16 Lecturers in training at Masters degree level	Early consensus on professional development strategy for teachers colleges



 Ransford Braham
 CHAIRMAN

e-Learning Jamaica Board of Directors for
April 2008- March 2009

Names	Board Position	STATUS 2008- 2009
Mr. Ransford Braham, (Livingston Alexander & Levy)	Chairman	Reappointed November 3, 2008
Mr. Reginald Budhan, (Ministry of Commerce, Mining and Telecommunications)	Deputy Chair	Reappointed November 3, 2008
Avrill Crawford (CEO/PM)	Director	Reappointed November 3, 2008
Richard Gordon	Director	Reappointed November 3, 2008
Delano Forbes	Director	Resigned September 10, 2008
Fredick Moe	Director	Resigned July 21, 2008
Mark Hall	Director	Resigned October 27 2008
Elizabeth Levy	Director	Not reappointed on New Board November 2008
Mark Reid	Director	Board tenure ended September 2008 Not reappointed on New Board November 2008
Karlene Francis	Director	Appointed March 1, 2008
Trevor Forrest	Director	Appointed November 3, 2008
Andrew Warwar	Director	Appointed November 3, 2008
Gary Campbell	Director	Appointed November 3,2008
Roxanna Harriott	Director	Appointed November 3,2008
Vernon McLeod	Director	Appointed November 3,2008
Jean Hastings	Director	Appointed November 3., 2008
Christopher Reckord	Director	Reappointed November 3,2008
Audrey Sewell	Director	Appointed November 3, 2008
Ray Howell	Director	Appointed November 3, 2008



**e-LEARNING JAMAICA COMPANY
LIMITED**

**Directors Compensation
REPORT**

2008 - 2009

DIRECTORS COMPENSATION

2008/09

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	35,625.00				35,625.00
Director 1	46,106.00				46,106.00
Director 2	16,500.00				16,500.00
Director 3	16,500.00				16,500.00
Director 4	21,750.00				21,750.00
Director 5	20,625.00				20,625.00
Director 6	20,625.00				20,625.00
Director 7	22,500.00				22,500.00
Director 8	12,375.00				12,375.00

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 (\$) Mileage	Non-Cash Benefits (\$)	Total (\$)
CEO/Project Manager	2008/09	4,140,000.00	1,035,000.00	796,500.00				5,971,500.00
Finance & Admin Manager	2008/09	2,760,000.00	690,000.00	796,500.00		19,856.10		4,266,356.10
Education Specialist	2008/09	3,208,000.00	802,125.00	420,000.00		51,115.70		4,481,240.70
Snr. ICT Specialist	2008/09	3,208,000.00	802,125.00	420,000.00		37,879.80		4,468,004.80

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.

Reginald Budhan

**CERTIFIED BY: REGINALD BUDHAN
COMPANY SECRETARY**



**e-LEARNING JAMAICA COMPANY
LIMITED**

**Financial Statements
REPORT**

March 31, 2009



Mair Russell

Grant Thornton

e-Learning Jamaica Company Limited

Financial statements

March 31, 2009



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Independent auditors' report

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 pages 3 to 20, which comprise the balance sheet as at March 31, 2009, 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.

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



Mair Russell

Grant Thornton

Auditors' Responsibility (Cont'd)

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, 2009, 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 Jamaican 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.

Kingston, Jamaica

Mair Russell, Grant Thornton

February 16, 2011


Chartered Accountants


Balance sheet

	Note	2009 \$	2008 \$
Assets			
Non-current assets			
Equipment	(3)	1,318,089,000	314,462,421
Intangible assets	(4)	995,054	1,127,782
		<u>1,319,084,054</u>	<u>315,590,203</u>
Current assets			
Receivables	(5)	1,776,133	1,835,055
Prepayment	(6)	1,747,378	-
Taxation recoverable		122,199	8,382
Bank and cash	(7)	16,306,583	3,175,487
		<u>19,952,293</u>	<u>5,018,924</u>
Total assets		<u>1,339,036,347</u>	<u>320,609,127</u>
Equity			
Capital and reserves			
Share capital	(8)	100	100
Capital reserve	(9)	728,203,444	309,575,775
Accumulated deficit		(15,500,719)	(6,991,616)
Total equity		<u>712,702,825</u>	<u>302,584,259</u>
Liabilities			
Non-current liabilities			
e-Learning Jamaica Project fund	(10)	(4,077,179)	9,883,748
		<u>(4,077,179)</u>	<u>9,883,748</u>
Current liabilities			
Payables and accruals	(11)	630,410,701	8,141,120
		<u>630,410,701</u>	<u>8,141,120</u>
Total liabilities		<u>626,333,522</u>	<u>18,024,868</u>
Total equity and liabilities		<u>1,339,036,347</u>	<u>320,609,127</u>

The notes on the accompanying pages 7 to 20 form an integral part of these financial statements.

Approved for issue by the Board of Directors on February 16, 2011 and signed on its behalf by:


 Ransford Braham) Chairman


 Christopher Reckord) Finance Committee
 Chairman

Income statement

	Note	2009 \$	2008 \$
Income	(2f)		
Government grants –			
Operating income	(12)	50,909,656	34,335,894
e-Learning Jamaica Project	(10 & 12)	143,236,653	29,904,484
		<u>194,146,309</u>	<u>64,240,378</u>
Expenses			
e-Learning Jamaica Project expenses	(10)	(157,197,580)	(30,649,062)
Caribbean Knowledge Learning Network expenses	(13)	-	(1,559,384)
Administrative and general expenses		(54,739,701)	(38,125,948)
Promotion costs		(2,460,794)	(2,363,376)
Other operating expenses		(2,218,264)	(1,981,294)
Deficit for the year before transfers	(14)	(22,470,030)	(10,438,686)
Capital grant			
Capital grant received during the year		418,627,669	277,571,123
Transfer to capital reserve	(9)	(418,627,669)	(277,571,123)
		<u>-</u>	<u>-</u>
Deficit attributable to e-Learning Jamaica Project fund	(10)	13,960,927	744,578
Deficit for the year		<u>(8,509,103)</u>	<u>(9,694,108)</u>

The notes on the accompanying pages 7 to 20 form an integral part of these financial statements.

Statement of changes in equity

	Share Capital \$	Capital Reserve \$	Accumulated Surplus/ (deficit) \$	Total \$
Balance at March 31, 2007 as restated	100	32,004,652	2,702,492	34,707,244
Changes in equity 2008				
Capital grant (Note 9)	-	277,571,123	-	277,571,123
Deficit for year 2008	-	-	(9,694,108)	(9,694,108)
Total recognised income and expenses	-	277,571,123	(9,694,108)	267,877,015
Balance at March 31, 2008	100	309,575,775	(6,991,616)	302,584,259
Changes in equity 2009				
Capital grant (Note 9)	-	418,627,669	-	418,627,669
Deficit for year 2009	-	-	(8,509,103)	(8,509,103)
Total recognised income and expenses	-	418,627,669	(8,509,103)	410,118,566
Balance at March 31, 2009	100	728,203,444	(15,500,719)	712,702,825

The notes on the accompanying pages 7 to 20 form an integral part of these financial statements.

Statement of cash flows

	2009 \$	2008 \$
Cash flows from operating activities:		
Deficit for the year	(8,509,103)	(9,694,108)
Decrease in e-Learning Jamaica Project Fund (Note 10)	(13,960,927)	(744,578)
Adjustments for:		
Depreciation (Note 3)	2,218,264	1,848,567
Amortisation (Note 4)	132,728	132,728
Loss on foreign exchange (net)	10,836,142	-
Interest income	(336,653)	(15,207)
	<u>(9,619,549)</u>	<u>(8,472,598)</u>
Decrease/(increase) in receivables	58,922	(1,825,056)
(Increase)/decrease in prepayments	(1,747,378)	2,562,180
Increase in payables and accruals	<u>611,433,439</u>	<u>5,902,585</u>
Net cash provided by/(used in) operating activities	<u>600,125,434</u>	<u>(1,832,889)</u>
Cash flows from investing activities:		
Purchase of equipment (Note 3)	(1,005,844,843)	(283,280,195)
Interest received (net of withholding tax)	222,836	11,405
Net cash used in investing activities	<u>(1,005,622,007)</u>	<u>(283,268,790)</u>
Cash flows from financing activity:		
Capital grant received (Note 9)	418,627,669	277,571,123
Net cash provided by financing activity	<u>418,627,669</u>	<u>277,571,123</u>
Net increase/(decrease) in cash and cash equivalents	<u>13,131,096</u>	<u>(7,530,556)</u>
Cash and cash equivalents at beginning of year	<u>3,175,487</u>	<u>10,706,043</u>
Cash and cash equivalents at end of year (Note 7)	<u>16,306,583</u>	<u>3,175,487</u>

The notes on the accompanying pages 7 to 20 form an integral part of these financial statements.

Notes to financial statements

1. Identification

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 various subject areas in the education system and 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. Basis of preparation and summary of significant accounting policies

a Overall consideration and basis of preparation

The significant accounting policies that have been used in the preparation of the financial statements are summarised below and have been consistently applied for all the years presented. The measurement bases used are those specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

i Amendments to published standards and interpretations effective in the current year that are relevant to the company's operations

IFRS 7 (Amendment), Financial Instruments: Disclosures. If an entity has reclassified a financial asset in accordance with the Amendment in IAS 39, it shall disclose the amount reclassified into and out of each category and the reason for the reclassification. Additional disclosures are required including details of the carrying amounts and fair values of the financial assets until they are derecognized, in addition to details of fair value gain or loss that would have been recognised in the entity's profit or loss or comprehensive income if the financial assets had not been reclassified.

IAS 39 (Amendment), Financial Instruments: Recognition and Measurement. The Amendment permits the reclassification of financial assets classified as held-for-trading from the fair value through profit or loss category to another category in rare

i Amendments to published standards and interpretations effective in the current year that are relevant to the company's operations (cont'd)

circumstances, or, if the financial assets meets the definition of loans and receivables at the date of reclassification. The standard is not expected to have any significant impact on the company's financial statements.

Financial assets classified as available-for-sale may also be reclassified to loans and receivables if, at the date of reclassification, the financial assets would have been eligible for classification as loans and receivables.

There were no reclassifications for the period as a result of these amendments.

The company has assessed the relevance of the other new standards, amendments and interpretations to existing standards which became effective for periods beginning April 1, 2008. Based on the company's operations, management has determined that those standards, amendments and interpretations do not impact its financial statements.

ii Standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following standards, amendments and interpretations which have not been applied in these financial statements were in issue but not yet effective:

<u>Title</u>	<u>Full title of Standard or Interpretation</u>	<u>Effective for accounting periods beginning on or after</u>
IFRIC 13	Customer Loyalty Programmes	1 July 2008
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009
IFRIC 18	Transfers of Assets from Customers	1 July 2009
IFRS 2	Share-based Payment	1 January 2009
IFRS 3	Business Combinations	1 July 2009
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements	1 January 2009
IAS 23	Borrowing Costs	1 January 2009
IAS 27	Consolidated and Separate Financial Statements	1 July 2009
IAS 28	Investments in Associates	1 July 2009
IAS 31	Interest in Joint Ventures	1 July 2009
IAS 32	Financial Instruments: Presentation	1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement	1 July 2009

Based on the company's current operations, management does not expect any significant impact on the company's financial statements when these standards, amendments and interpretations become effective.

Annual Improvements 2009

The IASB has issued *Improvements for International Financial Reporting Standards 2009*. Most of these are small amendments which become effective in accounting periods beginning on or after January 1, 2009. However, these amendments are not expected to have a material impact on the company's financial statements.

b Critical judgements and sources of estimation uncertainty

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. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Depreciation of property and equipment

Depreciation is provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as disclosed in Note 2(c).

(ii) Intangible assets

Amortisation is provided so as to write off the assets over their expected useful lives and as such the expected useful lives requires estimation and judgement. Details of the estimated useful lives are disclosed in note 2(d).

c Property and equipment

(i) Property and equipment are carried at cost less accumulated depreciation and impairment losses. (Note 2(f)).

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

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 leasehold improvements, equipment, furniture, fixtures and equipment and five years for computers, accessories and software.

No depreciation is charged on furniture, computers and software acquired for schools participating in the e-Learning Project.

(iii) Repairs and renewals.

The costs of repairs and renewals which do not enhance the value of existing assets are written off to the income statement as they are incurred.

d 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.

e 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 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 of the e-Learning Project Fund.

f Revenue

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.

g Financial instruments

A financial instrument is any 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:

Financial assets:

Receivables and bank and cash;

Financial liabilities:

Payables and accruals.

The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

h Cash and cash equivalents

The above are classified as loans and receivables and consist of current and savings account balances maintained with a licensed financial institution and petty cash. They are carried at amortised cost.

i Receivables

Receivable is carried at amortised cost.

j Payables and accruals

Payables are carried at amortised cost.

k Equity

Share capital is determined using the proceeds received for the shares that have been issued including 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 deficit/surplus includes all current and prior period results as disclosed in the income statement.

l Impairment

The company's property and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

3. Property and equipment

The carrying amounts for property and equipment for the years included in these financial statements as at March 31, 2009 are reconciled as follows:

	Leasehold Improvements \$	Furniture, Fixtures & Equipment \$	Computers & Software \$	Total \$
Gross carrying amount				
Balance at April 1, 2008	855,484	12,178,119	303,396,020	316,429,623
Additions	23,475	11,400,791	994,420,577	1,005,844,843
Balance at March 31, 2009	878,959	23,578,910	1,297,816,597	1,322,274,466
Depreciation				
Balance at April 1, 2008	(171,096)	(564,041)	(1,232,065)	(1,967,202)
Depreciation	(85,548)	(711,596)	(1,421,120)	(2,218,264)
Balance at March 31, 2009	(256,644)	(1,275,637)	(2,653,185)	(4,185,466)
Carrying amount at March 31, 2009	622,315	22,303,273	1,295,163,412	1,318,089,000

	Leasehold Improvements \$	Furniture, Fixtures & Equipment \$	Computers & Software \$	Total \$
Gross carrying amount				
Balance at April 1, 2007	855,484	10,456,851	21,837,093	33,149,428
Additions	-	1,721,268	281,558,927	283,280,195
Balance at March 31, 2008	855,484	12,178,119	303,396,020	316,429,623
Depreciation				
Balance at April 1, 2007	(85,548)	(24,772)	(8,315)	(118,635)
Depreciation	(85,548)	(539,269)	(1,223,750)	(1,848,567)
Balance at March 31, 2008	(171,096)	(564,041)	(1,232,065)	(1,967,202)
Carrying amount at March 31, 2008	684,388	11,614,078	302,163,955	314,462,421

- (i) Included in computers and software is equipment with a gross carrying amount of \$1,938,867 which was purchased with funds donated to the company by the International Telecommunications Union in financial year ended March 31, 2007. The value of the gift was credited to capital reserve. (Note 9).
- (ii) Included in property and equipment are furniture, computers and software which were acquired for the e-Learning Project to be given to schools as part of the sustainability objective of the Project. However, up to the date of authorisation of the financial statements the necessary documentation to transfer ownership to the schools had not been effected. The gross carrying amount of equipment for schools is as follows:

	2009 \$	2008 \$
Furniture	14,910,078	5,062,163
Computers and software	1,290,047,091	296,230,290
Total	1,304,957,169	301,292,453

4. Intangible assets – e-Learning Jamaica Project

The carrying amounts for intangible assets for the years included in these financial statements as at March 31, 2009 are reconciled as follows:

	Jingle \$	Logo \$	Video \$	Total \$
Gross carrying amount				
Balance at April 1, 2008	628,600	200,500	560,000	1,389,100
Balance at March 31, 2009	<u>628,600</u>	<u>200,500</u>	<u>560,000</u>	<u>1,389,100</u>
Amortisation				
Balance at April 1, 2008	(27,430)	(9,888)	(224,000)	(261,318)
Charge for the year	(15,715)	(5,013)	(112,000)	(132,728)
Balance at March 31, 2009	<u>(43,145)</u>	<u>(14,901)</u>	<u>(336,000)</u>	<u>(394,046)</u>
Carrying amount at March 31, 2009	<u>585,455</u>	<u>185,599</u>	<u>224,000</u>	<u>995,054</u>
<hr/>				
	Jingle \$	Logo \$	Video \$	Total \$
Gross carrying amount				
Balance at April 1, 2007	628,600	200,500	560,000	1,389,100
Balance at March 31, 2008	<u>628,600</u>	<u>200,500</u>	<u>560,000</u>	<u>1,389,100</u>
Amortisation				
Balance at April 1, 2007	(11,715)	(4,875)	(112,000)	(128,590)
Charge for the year	(15,715)	(5,013)	(112,000)	(132,728)
Balance at March 31, 2008	<u>(27,430)</u>	<u>(9,888)</u>	<u>(224,000)</u>	<u>(261,318)</u>
Carrying amount at March 31, 2008	<u>601,170</u>	<u>190,612</u>	<u>336,000</u>	<u>1,127,782</u>

5. Receivables

	2009 \$	2008 \$
Advances to schools	1,531,133	1,777,605
Staff loans	245,000	57,450
Total	<u>1,776,133</u>	<u>1,835,055</u>

6. Prepayment

	2009 \$	2008 \$
Deposit on furniture for schools	1,747,378	-
Total	<u>1,747,378</u>	<u>-</u>

The above represents deposit paid to E H C Industries Limited for the acquisition of furniture for schools participating in the e-Learning Project.

7. Bank and cash

	Interest rate % per annum	2009 \$	2008 \$
Bank of Nova Scotia Jamaica Limited – J\$ Current account		10,637,442	1,151,773
US\$ Savings account (US\$63,749 (2008 – US\$28,354))		5,662,215	2,015,659
Petty cash		6,926	8,055
Total		16,306,583	3,175,487

Included in the general funds of the company are e-Learning Jamaica Project funds amounting to \$5,763,909 (2008 - \$2,015,659).

8. Share capital

	2009 \$	2008 \$
Authorised: 100 ordinary shares		
Stated capital Issued and fully paid: 100 ordinary shares	100	100

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

9. Capital reserve

	2009 \$	2008 \$
i Capital grant		
Balance at beginning of year	307,636,908	30,065,785
Grant received during year	418,627,669	277,571,123
Balance at end of year	726,264,577	307,636,908
ii Value of gift	1,938,867	1,938,867
Total	728,203,444	309,575,775

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

10. e-Learning Jamaica Project Fund

	2009	2008
	\$	\$
Balance at beginning of year	9,883,748	10,628,326
Transactions for year:		
Receipts		
Government grant from Universal Access Fund	142,900,000	29,679,492
Interest income	336,653	15,207
Gain on foreign exchange	-	209,785
	<u>143,236,653</u>	<u>29,904,484</u>
Expenditure (Note 16 (ii))	<u>(157,197,580)</u>	<u>(30,649,062)</u>
Net decrease for the year	<u>(13,960,927)</u>	<u>(744,578)</u>
Balance at end of year	<u>(4,077,179)</u>	<u>9,883,748</u>

The Fund balance is represented by:

	2009	2008
	\$	\$
Intangible assets (Note 4)	995,054	1,127,782
Due from e-Learning Jamaica Company Limited	-	6,740,307
Foreign exchange losses (net)	<u>(10,836,142)</u>	-
Cash and cash equivalents (Note 7)	<u>5,763,909</u>	<u>2,015,659</u>
Total	<u>(4,077,179)</u>	<u>9,883,748</u>

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.

11. Payables and accruals

	2009	2008
	\$	\$
(i) Foreign payables - e-Learning Project (US\$6,811,977)	605,039,810	-
Accruals	2,535,907	1,668,122
Staff costs	420,607	66,196
Accrued vacation	1,234,904	-
Statutory deductions	729,566	933,926
(ii) Retentions on contracts - e-Learning Project (US\$230,240)	<u>20,449,907</u>	<u>5,472,876</u>
Total	<u>630,410,701</u>	<u>8,141,120</u>

(i) Foreign payables comprise:

	2009	2008
	\$	\$
Dell World Trade (US\$4,296,151)	381,584,132	-
Medianet (US\$1,402,884)	124,604,157	-
HEART Trust/NTA (US\$664,485)	59,019,557	-
Carloug Publishers (US\$165,582)	14,706,993	-
Kingston Bookshop (US\$70,692)	6,278,863	-
Other foreign payables (US\$212,183)	<u>18,846,108</u>	-
Total	<u>605,039,810</u>	<u>-</u>

(ii) Retentions on contracts represent amounts of ten percent (10%) retained from contractors' fees billed to date, for the defects liability period under their contracts.

12. Government grants

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

13. Caribbean Knowledge Learning Network

	2009	2008
	\$	\$
Expenses		
Subscription	-	1,559,384

Caribbean Knowledge Learning Network (CKLN) is a CARICOM/IDB initiative intended to facilitate learning among Caribbean peoples through the use of virtual learning networks. Up to financial year ended March 31, 2008 the company was the designated member organization representing Jamaica in CKLN. Since the company no longer represented Jamaica in CKLN, no expenses were incurred during the year.

14. Deficit for the year

Deficit for the year is stated after charging:

	2009	2008
	\$	\$
Directors' emoluments -		
Fees	166,500	189,375
Executive remuneration (Note 17(ii))	25,583,000	21,617,624
Auditors' remuneration	540,000	494,500
Depreciation and amortisation	2,218,264	1,981,295

15. 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 on interest income earned on its savings account.

16. Expenses by nature

(i) Total administrative and other operating expenses:

	2009	2008
	\$	\$
Directors' fees	166,500	189,375
Rent, maintenance and parking fees	4,448,701	2,376,460
Auditors' remuneration	540,000	494,500
Depreciation and amortisation	2,218,264	1,981,295
Employee benefits (Note 17(i))	46,635,515	31,781,228
Promotion and public education	2,460,794	2,363,376
Other expenses	2,948,985	3,284,384
Total	59,418,759	42,470,618

(ii) Total direct e-Learning Project expenses:

	2009	2008
	\$	\$
Instructional materials	43,194,969	8,210,547
Teacher training	90,217,988	18,570,854
Technology infrastructure in schools	7,607,126	3,799,592
Project evaluation	806,047	68,069
Remedial	1,635,308	-
Continuous assessment	2,900,000	-
Foreign exchange losses	10,836,142	-
Total	157,197,580	30,649,062

17. Employee benefits

(i) Staff Costs

	2009	2008
	\$	\$
Salaries and related expenses	38,898,916	27,529,664
Travelling and subsistence	6,407,651	3,075,284
Medical and other staff benefits	1,328,948	1,176,280
Total	46,635,515	31,781,228

The number of permanent employees at year-end was twelve (12), (2008 – seven (7)).

(ii) Key management personnel

Included in staff costs is executive remuneration as follows:

	2009	2008
	\$	\$
Salaries and related expenses	17,848,000	15,520,000
Gratuity	4,462,000	3,880,000
Travelling	3,273,000	2,217,624
Total	25,583,000	21,617,624

18. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company through the e-Learning Project is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US\$) the company however, maintains a US\$ bank account on behalf of the Project in an attempt to minimise this risk.

At balance sheet date the Project had net liabilities of approximately US\$(6,978,468) (2008 - net asset of US\$28,353) which were subject to foreign exchange rate changes as follows:

Concentrations of currency risk

	2009 US\$	2008 US\$
Financial assets		
- Cash at bank	63,749	28,353
Financial liabilities		
- Payables and accruals	(7,042,217)	-
Total	(6,978,468)	28,353

The above asset/(liabilities) are receivable/(payable) by the Project in United States Dollars (US\$). The exchange rate applicable at balance sheet date was J\$88.82 to US\$1 (2008 - J\$71.09 to US\$1).

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result of the Project for the year and the e-Learning Project Fund balance with regards to the Project's financial assets and financial liabilities and US Dollar to Jamaican (JA) Dollar exchange rate. Only movements between the Jamaican Dollar and US Dollar are considered, as these are the two major currencies of the Project.

The sensitivity analysis is based on the Project's Jamaican dollar financial instruments at balance sheet date.

Effect on results of operations:

If the JA Dollar weakens in the following year by 5% against the US Dollar then this would have the following effect on net results and the Project fund balance, on the basis that all other variables remain constant:

	Rate %	Weakens \$
2010	5	(30,984,398)

If the JA Dollar strengthens against the US Dollar by 2% this would have the following impact on net results and the Project fund balance on the variables remain constant:

	Rate %	Strengthens \$
2010	2	10,421,673

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The company's cash bank balances are subject to interest rate risk. However, the Company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The company and maintains interest-earning bank accounts with licensed financial institutions. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates. (Note 7).

Interest rate sensitivity

Due to the fact that interest earned on the company's interest-earning bank accounts is immaterial, there would be no material impact on the results of the Company's operations as a result of fluctuations in interest rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

The company faces credit risk in respect of its receivables and cash and bank. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and cash equivalents are maintained with licensed financial institutions considered to be stable. Savings and current accounts held at commercial banks are insured under the Jamaica Deposit Insurance Scheme (JDIS).

The maximum credit risk faced by the company is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	2009	2008
	\$	\$
Receivables	1,776,133	1,835,055
Bank and cash	16,311,562	3,175,487
Total	18,087,695	5,010,542

However, for amounts held with commercial banks a total of \$600,000 (2008 - \$600,000) is insured under the JDIS at balance sheet date.

c Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash with a licensed financial institution to meet its liquidity requirements.

The company's financial liabilities comprise payables and accruals. These amounts because of their short-term nature are due within three (3) months after balance sheet date.

19. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at balance sheet date may also be categorised as follows:

	2009	2008
	\$	\$
Current assets		
Loans and receivables (including cash and bank balances)		
Receivables	1,776,133	1,835,055
Bank and cash	16,311,562	3,175,487
Total	18,087,695	5,010,542
Current liabilities		
Financial liabilities measured at amortised cost		
Payables and accruals	630,410,701	8,141,120
Total	630,410,701	8,141,120

The carrying amounts of the above financial assets and liabilities approximate to fair value.

20. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to sustain future development of the business. The company receives budgetary support from GOJ through the Universal Access Fund (UAF) to carry out its mandate. The company expects that it will continue to receive support from the GOJ to support its operations. The Board of Directors review the financial position of the company at regular meetings.

The company is not subject to any externally imposed capital requirements.



Additional information – Auditors' report

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

The additional information presented on pages 22 to 25 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, 2009.

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, 2009 or of company's financial performance, changes in equity or of its cash flows for the year then ended.

Mair Russell Grant Thornton

Mair Russell Grant Thornton
Chartered Accountants

Kingston, Jamaica
February 16, 2011

Additional information – Supporting schedule of expenses

	2009 \$	Restated* 2008 \$
Administrative and general expenses		
Directors' fees	166,500	189,375*
Salaries, wages and related expenses	45,306,567	30,604,948*
Medical and other staff benefits	1,328,948	1,176,280
Rent and parking fees	889,555	582,438
Maintenance	3,559,146	1,794,022
Insurance	145,246	139,648
Office expenses	333,104	299,072
Conference and seminars	68,962	1,104,248
Foreign travel	-	338,060
Meeting expenses	662,923	393,211*
Printing, stationery and software maintenance	840,089	392,153
Telephone	586,434	407,658
Courier	55,508	54,000
Audit fees	540,000	494,500
Security	100,048	64,333
Bank charges	136,424	72,004
Subscriptions	20,247	19,997
	54,739,701	38,125,947
 Promotion costs		
Promotion and public education	2,460,794	2,363,376
	2,460,794	2,363,376
 Other operating expenses		
Amortisation	-	132,728
Depreciation	2,218,264	1,848,567
	2,218,264	1,981,295

* Restated to conform to current year's presentation.

Additional information – Schedule of income and expenditure – e-Learning Jamaica Project

	2009 \$	2008 \$
Income		
Government grant – Universal Access Fund	142,900,000	29,679,492
Interest	336,653	15,207
Gain on foreign exchange	-	209,785
Total income	143,236,653	29,904,484
Less: Expenditure		
Instructional Materials		
Materials development and planning	12,772,217	2,439,010
Instructional manuals for teachers and students - (TIMS and SIMS)	25,562,206	2,130,749
Item bank	1,950,730	692,573
Lecture series	810,911	1,293,350
Materials management	2,098,905	1,654,865
Total (Page 24)	43,194,969	8,210,547
Teaching training		
Methodology training	287,000	418,687*
ICT Training	88,081,755	16,387,007*
Teachers' college intervention	844,013	-
Implementation management	1,005,220	1,765,160
Total (Page 25)	90,217,988	18,570,854
Technology infrastructure in schools		
Schools	4,305,726	1,013,528
Central repository	50,075	17,495
Implementation management	3,251,325	2,768,569
Total (Page 25)	7,607,126	3,799,592
Project evaluation		
Procurement costs	-	68,069
Consultant fees	806,047	-
	806,047	68,069
Continuous assessment (Page 25)	2,900,000	-
Remedial (Page 25)	1,635,308	-
Loss on foreign exchange (Page 25)	10,836,142	-
Total expenditure	157,197,580	(30,649,062)
Net deficit for the year	(13,960,927)	(744,578)

* Restated to conform to current year's presentation.

Additional information – Schedules of expenses – e-Learning Jamaica Project

	2009 \$	2008 \$
Instructional materials		
Materials development & planning		
LCMS Consultant	4,035,047	72,745
Subject coordinators/SAGS	8,737,170	2,366,265
Total (Page 23)	12,772,217	2,439,010
Instructional manuals for teachers and students		
Materials, training and installation	1,144,073	1,372,048
Materials purchased	2,457,018	758,701
Purchase of base materials	17,992,271	-
Customisation writing phase I	3,366,683	-
Content Eval workshops	87,456	-
Teacher orientation workshop	514,705	-
Total (Page 23)	25,562,206	2,130,749
Item bank		
Item writing workshop accommodation	12,500	201,423
Item writing meeting	8,960	-
Item writing payment	1,082,760	424,800
Attendance at workshops	56,000	18,000
Item review payment	790,510	48,350
Total (Page 23)	1,950,730	692,573
Lecture series	810,911	1,293,350
Materials management		
Photocopying	968,400	384,156
Schools e-Learning Implementation Management Committee Meetings (SEIMC)	282,254	821,279
School visits	212,687	17,475
Implementation management meeting expenses	110,384	38,329
Advertisements	288,198	393,626
Implementation officers	148,497	-
Amortisation	88,485	-
Total (Page 23)	2,098,905	1,654,865
Grand total	43,194,969	8,210,547

	2009 \$	2008 \$
Teacher training		
Methodology		
Methodology and integration	-	351,000
Procurement costs	287,000	67,687
Total (Page 23)	287,000	418,687
ICT training		
Consultant fees – HEART/NTA Trust	86,182,086	15,515,513
Needs assessment	341,905	792,649
Certification	769,319	-
Workshops, travelling and subsistence	788,445	78,845
Total (Page 23)	88,081,755	16,387,007
Teachers' college intervention	844,013	-
Implementation management		
Photocopying, printing and stationery	553,010	354,368
Teacher training meetings	48,368	106,204
Procurement - Implementation officers and advertisement	148,497	444,520
SEIMC	126,826	823,470
School visits	40,034	36,598
Amortisation	88,485	-
Total (Page 23)	1,005,220	1,765,160
Grand total (Page 23)	90,217,988	18,570,854
Technology infrastructure		
Schools		
Infrastructure building works	1,138,769	1,013,528
Software microsoft licence	2,904,289	-
Classroom/computer equipment	262,668	-
Total (Page 23)	4,305,726	1,013,528
Central repository	50,075	17,495
Implementation management		
Photocopying, printing and stationery	1,421,652	501,532
Advertisements	598,367	491,879
Technology Infrastructure meetings	95,940	223,912
School visits	510,648	45,668
SEIMC	334,875	1,505,578
Implementation officers	201,358	-
Amortisation	88,485	-
Total (Page 23)	3,251,325	2,768,569
Grand total (Page 23)	7,607,126	3,799,592
Continuous assessment		
Consultant fees	2,900,000	-
Total (Page 23)	2,900,000	-
Remedial		
Procurement costs	185,986	-
Consultant fees	1,369,925	-
Meeting expenses	79,397	-
Total (Page 23)	1,635,308	-

Loss on foreign exchange

The above represents exchange loss arising on the translation of foreign payables totalling US\$6,811,977 and retentions on contracts totalling US\$230,240, which were owing to suppliers at year-end (See note 11, page 15).



Mair Russell

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