



**e-LEARNING JAMAICA COMPANY
LIMITED**

ANNUAL REPORT

APRIL 2010- MARCH 2011



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NAMES OF DIRECTORS

2010 – 2011

Mr. Ransford Braham	Chairman
Mr. Reginald Budham	Deputy Chairman
Miss Roxanna Harriott	Director
Mr. Gary Campbell	Director
Ms. Jean Hastings	Director
Mr. Ray Howell	Director
Mr. Christopher Reckord	Director
Mr. Trevor Forrest	Director
Mr. Richard Gordon	Director
Ms. Audrey Sewell	Director
Mr. Vernon McLeod	Director
Mr. Andrew Warwar	Director

CHAIRMAN'S REPORT APRIL 2010 TO MARCH 2011

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CHAIRMAN'S REPORT APRIL 2010 TO MARCH 2011

1. INTRODUCTION

At the 4th Annual General Meeting held on January 19 2011, the Board of Directors presented to the shareholders a progress report on the activities of the company which outlined the Governance and Administration that was in place, the progress made on the project between, the progress made on the project between July 2009 and December 2010, the Implementation strategies that were being pursued to facilitate full integration and sustainability of the project interventions at the schools, and the plans for completion of the project by March 2012. At that meeting, the Audited Financial Statements for the periods 2007-8 was adopted.

An Extra-ordinary General meeting was held on February 28 2011, to adopt the Audited Financials for the period 2008-9 and in keeping with the request of the shareholders for the Directors to report on the period for which the financials are being presented with an update where necessary, the annual report of the Company was presented for the period April 2008 to March 2009.

This report therefore covers the period April 2010 to March 2011 giving an overview of the main areas of focus and providing details on

- i. the Governance and Administration during the period
- ii. the progress made on the project during the period, and the status of the project at end March 2011
- iii. the strategies that were pursued to ensure effective project implementation, sustainability and institutionalization of the relevant project elements
- iv. plans for the company to March 2012 and beyond

2. OVERVIEW FOR 2010-11

Activities for the period April 2010 to March 2011 were guided by the considerable reduction in the budget as allocated by the MOFP (62.57%), impacting the level of implementation of the technology Infrastructure activities for which no contract was yet in place. As a result, much effort was placed on supporting the schools in the implementation of the project interventions at the school-level.

Meetings were held island wide with Principals to bring them up-to-date on the various aspects of the project and to make them fully aware of the resources that had been provided and how the schools could benefit from their proper use. Most importantly the meetings reinforced their obligations under the MOU signed with e-LJam for ensuring the safety and proper maintenance of those resources - human, technology, materials and intellectual property.

Workshops were also held island wide with subject teachers to ensure full understanding of all the materials that had been provided for the various subjects and how they should be used in instructional delivery - TIMS, SIMS, Video lectures, Items.



Considerable effort was also placed on rolling out the Grade 9 Diagnostic Tests to all high schools, in ensuring a high standard of training delivery by the providers and in supporting the System Administration function at the schools. Much progress was also been made in setting up the framework for the school enrichment programme in 30 selected low-performing schools as part of the Remedial strategy to assist in improvements of literacy and numeracy at the Grade 7 & 8 levels.

The pace of content development continued to be less than satisfactory. However, the project stands by its decision to hire local suppliers, including the UWI and UTECH, in order to develop local expertise in this area, and is convinced that the teething pains are now at an end and the pace should increase considerably going forward.

This slow content development contributed to the approx. 50% underutilization of the \$1.25 billion budget allocation. The other major contributor was the withholding of payment of final amounts to the major equipment supplier due to unsatisfactory performance with respect to the supply of UPS units, pending advice from the Attorney General's Department.

Efforts were made to provide equipment and networks to the 4 additional public high schools for which the building and electrical infrastructure was completed after the installations in the previous schools, and 16 Independent High schools which assist the MOE in accommodating students for CXC for which it has no space. However, this required a variation to the existing contracts and the request for deferring payment to 2011-12 was not approved by MOFP.

Meetings were also held with the Ministry of Education with respect to the handing over of various aspects of the project interventions in order to ensure continuity, and the MOE established a Committee to oversee the activities. No activity was carried out with respect to the 2nd e-learning project in the primary and all-age schools, as e-LJam was still awaiting the policy directive.

3. GOVERNANCE AND ADMINISTRATION

3.1 Portfolio Ministry

During the period under review, the Company continued to report to the Office of the Prime Minister (OPM), Information and Telecommunications portfolio, with the Hon Darryl Vaz as Minister without portfolio, Ms. Onika Miller as Permanent Secretary, and Mrs. Joan Archibald and Ms. Wahkeen Murray as acting Technical Directors.

3.2 Board of Directors

The composition of the Board remained unchanged during this period, and at the end of the Board's tenure in November 2010, they were asked to continue until March 31 2011 in order that they could oversee the completion of the outstanding audit of the Financials for 2008/9 and 2009/10.

3.3 Administration



During this period, all 12 staff members remained in the same positions. Resources required for project implementation continued to be contracted to the project through a competitive bidding process as needed.

This included additional part-time Subject Coordinators for the additional subject areas, bringing the total to nine (9), and summer workers to assist with the marking of the Diagnostic Tests. The Organizational Chart for the period under review is attached at **Appendix 1**.

The additional office space secured adjacent to the original offices continues to provide accommodation for the database staff, the subject coordinators, and the consultants on the Remedial and Continuous Assessment interventions.

3.4 Funding and Financial Accountability

Funds continued to be disbursed from the Consolidated Fund through the OPM to e-LJam. Approx. \$705million was expended during 2010-11, bringing the total expenditure since inception of the project to March 2011 to **US\$ 42.5million** – see breakdown in chart below:

The underutilization of the budget reflects the slow rate of development of the content, the delays in the building infrastructure at the MOE to house the Central Repository thus delaying payment to Dell for the computer equipment, and the withholding of payments of final amounts to Dell for school equipment as safeguard against faulty UPS units supplied to the schools.

EXPENDITURE AS AT MARCH 2011				
COMPONENT	Total Expenditure to March 2010 J\$	Planned Expenditure 2010-2011 J\$	Actual Expenditure 2010-2011 J\$	Total Expenditure to March 2011 J\$
Instructional Materials	108,624,381	177,285,508	60,968,534	169,592,915
Computer Equipment & Networks	1,880,416,166	749,017,901	421,968,856	2,302,385,022
Teacher Training	272,752,080	289,146,532	143,183,541	415,935,621
Remedial	2,815,849	15,532,563	1,027,770	3,843,619
Continuous Assessment	19,103,437	20,337,500	17,511,247	36,614,684
Project Evaluation	5,438,844	3,028,514	2,621,628	8,060,472
Recurrent	202,164,317	85,089,500	57,701,139	259,865,456
CAPITAL	19,720,310	2,416,500	280,920	20,001,230
TOTAL	2,511,035,384	1,341,854,518	705,263,635	3,216,299,019
				US\$42,515,519
Exchange Rate @ 75:1 average 2005-2011				



As indicated previously, the Audited Financials for 2008/9 were adopted at an EGM held on February 28 2010 and forwarded to OPM for submission to Cabinet, while it was expected that the Financials for 2009/10 would be adopted at an EGM to be called as soon as a new Board is in place.

4. PROJECT ACHIEVEMENTS APRIL 2010 TO MARCH 2011 AND PLANS TO MARCH 2012

4.1 Increase In Scope of High School Project

With the addition of the addition of the 16 Independent High schools to the project, the scope of the high school project has now increased to 203 educational institutions, as follows

- ♦ 166 public high schools (26 in pilot)
- ♦ 6 public special schools (1 in pilot)
- ♦ 10 teachers colleges (3 in pilot, 2 audio-visual equipment only)
- ♦ 16 independent high schools (1 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 (37,344 in pilot)

4.2 Technology Deployment Strategy

The Company continued to deploy equipment in a manner to directly impact on:

- Teacher Planning and Organization Capability/Research Capability
- Subject Matter Delivery to include student interaction, group work, individual work
- Student Assessment / Immediate feedback
- Student Self-help
- School Administration
- Individual interactive learning – Remedial

As a consequence the deployment strategy has included the following:

- Remedial/enrichment labs (desktops)
- Presentation kits for teachers in Grade 10&11 classrooms (laptop, multimedia projector and screen)
- Group type mobile lab (laptops)
- Computers for library, resource room (desktops/laptops)
- Computers for staff room (desk tops/laptops)
- Network connectivity and presentation bundles for grades 10 & 11
- Audiovisual equipment (multimedia projectors, document cameras, digital cameras, Interactive white boards)



The average allocation of equipment per School is as follows, with the Independent Schools being regarded as half schools, due to their smaller size:

• Servers	1	• Digital Cameras	2
• Desktops	56	• Televisions	2
• Laptops	16	• DVD/CD Players	3
• Printers	3	• VCR Players	2
• Multimedia projectors	5		
• Document Cameras	4		
• Scanners	2		

4.3 Strategic Focus to March 2011

- i. To ensure total involvement and full adoption of project by and in schools, by increasing the level of implementation support to schools to include a help desk, a comprehensive maintenance strategy, an enhanced web-site, materials workshops, cluster SEIMC meetings, school visits
- ii. To include 16 Independent Schools and 4 additional high schools in all components of the project
- iii. To develop and implement a focused intervention for 30 low-performing schools – to include more frequent cluster meetings, more frequent visits, shorter reporting period, integrated learning software to assist in English, Mathematics and Integrated Science, Volunteer programme
- iv. To complete the delivery of all equipment and networks, including the CREM and ensure school support mechanism fully implemented
- v. To continue to source, develop and deliver TIMs and SIMs for pilot subjects to all schools and colleges and select suppliers and begin development for the remaining six subjects
- vi. To complete all teacher training
- vii. To implement the Remedial/Enrichment Interventions
- viii. To roll out the Grade 9 diagnostic tests in English, Maths and Integrated Science to all schools
- ix. To document project development and implementation processes and develop operation manuals and hold orientation/hand-over sessions with the relevant MOE and school personnel
- x. To framework e-Learning project No 2 targeted at the primary and All-age schools and begin implementation

4.4 Project Status

The chart below gives the project achievement during the period April 2010 to March 2011, and plans to March 2012

COMPONENT	PLANNED APRIL 2010- MARCH 2011	ACTUAL APRIL 2010 - MARCH 2011	TARGETS APRIL 2011 TO MARCH 2012	ASSUMPTIONS
TECHNOLOGY INFRASTRUCTURE - 203 institutions to benefit				



COMPONENT	PLANNED APRIL 2010- MARCH 2011	ACTUAL APRIL 2010 - MARCH 2011	TARGETS APRIL 2011 TO MARCH 2012	ASSUMPTIONS
Audio-visual equipment Target 187 public institutions, 16 independent high schools	Additional projectors and screens to 180 institutions for grade 10&11 classrooms, average 11 per school. (initial set provided to 180 as at March 2010) Basic set to 2 additional Teachers Colleges	Completed as planned	Audiovisuals to 16 additional Independent schools 2 Whiteboards to 166 public schools	Funding available as of April 2011, Cabinet approval by May 2011
Computer Equipment Installation Target 180 public institutions, 16 independent high schools	Additional Laptops to 180 institutions for grade 10&11 classrooms, average 11 per school (initial set provided to 180 as at March 2010) Computer equipment and networks installed in additional 20 schools	Completed as planned Delayed due to budget cut and procurement procedure hitches	Lap-tops for mobile labs to all public high schools Installations in 4 additional public high schools and 16 independent high schools	Funding available as of April 2011, Cabinet approval by May 2011
CREM Central Repository for Educational Materials	CREM fully implemented with programmatic support	Still awaiting completion of infrastructure	CREM fully implemented with programmatic support	Decision on management structure of CREM by MOE Availability of funds to MOE to complete infrastructure Broad band access provided by UAF
INSTRUCTIONAL MATERIALS 198 institutions to benefit				
TIMs and SIMs Teachers and Students Instructional Materials	Acquired materials for 5 of the 6 subjects (none available for Social Studies) (4)	Material obtained for BT, Physics and Spanish, Geography and Integrated Science identified and permission obtained to trial	Trial Geography and Integrated Science Materials and purchase for all schools, if suitable	Use of pre-qualified suppliers to bid on new subjects

Chairman's Report



COMPONENT	PLANNED APRIL 2010- MARCH 2011	ACTUAL APRIL 2010 - MARCH 2011	TARGETS APRIL 2011 TO MARCH 2012	ASSUMPTIONS
5 pilot subjects English, Mathematics, IT, Chemistry, Biology 6 other subjects Building Technology, Physics, Geography, Spanish, Integrated Science, Social Studies	<i>subjects provided as at March 2010)</i> Materials for 1 st 5 subjects developed and delivered to schools (Govt.-owned) <i>(Terms 1, 2 &3 provided for 4 subjects as at March 2010)</i> Materials for remaining 6 subjects under development	Completed for 4 subjects, 5 th delayed by need to curricularize Responses to RFP received and being evaluated	Materials for 5 th subject completed Contracts signed and development in progress	Subject Coordinator pool intact MOE involvement on timely basis
Educational Software	Software provided to 30 low-performing schools and evaluated for possible roll-out to another 100 schools with the need	Suppliers prequalified, strategy for trialling in selected schools agreed	Software trialled by December 2011, delivered to other schools by March 2012	
Item Bank Target 22,000 for grades 10 & 11, (2,000 per subject) 18,000 for grades 7- 9 (1,000 per subject)	Additional 8,000 items written and approved for all subjects for all grades (8,000 approved as at March 2010)	Additional 7,000 items written and reviewed, tests developed and placed on interim database	Additional 15,000 items written and placed on database	Aggressive identification of writing talent
Video lessons Target 110 videos, 10 per pilot subject	Complete production of 10 video lessons for 1 st 5 subjects and identify producers for next 6	10 video lectures completed for 1 st 5 subjects, delivered to schools on DVDs and aired on PBCJ. Producers selected for next 6	10 videos developed for next 6 subjects , delivered to schools and aired on at least 3 cable channels	MOE involved from concept stage Subject Coordinator pool in place
TEACHER TRAINING 198 schools to benefit				
ICT Skill Training and Certification Target 11,400 teachers, 360 System Administrators and	Complete training of teachers, SA's and Trainer of Trainers (10,000 trained as	Training of 11,400 teachers completed, 7,500 teachers certified , 425 System Administrators trained, 250 trainers of trainers	Online system accessed by remaining teachers to gain certification	

Chairman's Report



COMPONENT	PLANNED APRIL 2010- MARCH 2011	ACTUAL APRIL 2010 - MARCH 2011	TARGETS APRIL 2011 TO MARCH 2012	ASSUMPTIONS
360 trainer of trainers	<i>at March 2010)</i>		Train additional 250 SA's within the same contract sum	
Technology Integration Training Target 4,561 teachers	Complete training of 2,000 teachers (2,500 trained as at March 2010)	Training completed as planned. Approval sought for variation to train additional 662 persons, including Education Officers, teachers from Independent schools and trainer of trainers	Train 662 persons and get variation approval for another 2000 teachers	Smooth approval process
Teachers College Intervention to ensure sustainability Target 16 lecturers Support for 2 lecturers from each college to obtain masters level training from British Columbia University, JBTE spearheaded	8 lecturers to complete training	8 lecturers graduated in November 2010 with high grades	Remaining 7 Lecturers to complete training	
REMEDIAL COMPONENT				
Special Schools Target 6 special schools with learning and physical disabilities	Provide special schools with specialised equipment and software	RFP for special technology placed	Procurement and delivery to schools	Smooth procurement process
Technology Enrich- ment programme Target 30 low- performing schools To include Volunteer programme, educa- tional software and special handholding		Consultant hired to develop Specifications and Operational manual for Volunteers pilot programme	Pilot programme implemented and evaluated for impact	
CONTINUOUS ASSESSMENT				
Standard Examinations Target 166 high schools	Roll-out Grade 9 tests to additional schools and include Integrated Science (Conducted in 2009 in English and Maths in 28 pilot schools)	Conducted in 152 schools in 2010, adding Integrated Science	Tests developed for 2011 and 2012 for Grade 9 & 7, administered in June 2011	

Chairman's Report



5. **IMPLEMENTATION CHALLENGES AND MITIGATION STRATEGIES FOR THE PERIOD UNDER REVIEW**

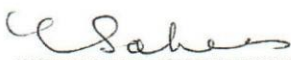
- i. The budget submitted for the 2010-11 period included the required sums to substantially complete the project by August 2010, and document and handover the various aspects to Ministry of Education (MoE) for institutionalization by March 2011. However, the budget was considerably reduced from J\$2.5billion to \$1.3billion, thus forcing the organisation to postpone some of the activities to 20011-12. Attempts were made to obtain approval to start the procurement process with payment deferred to the next financial year, or to use funds allocated to those underutilised budget areas. However, these proved futile
- ii. The project continued to experience considerable delay in the production of instructional materials, teachers and student materials as well as video lectures. However, this was deemed to be necessary in order to build capacity in Jamaica, and in the case of the videos, steps were taken to apprise potential producers of the intricacies and standards required. This resulted in increased participation in this area. In addition, close monitoring has been maintained by the Subject Coordinators with respect to the development of materials by the UWI and UTECH, and the MoE has increased its involvement in the development of standards and quality assurance
- iii. While the Ministry of Education did undertake to source the J\$12million required to contract an Electrical Consultant to scope electrical works and sign off on the work done by the school's electrician and thereby reduce the related risks, funding was only identified for testing in the 50 most vulnerable. It is hoped that the remainder can be facilitated in the financial year 2011-12, as there are indications that faulty grounding and inadequate transformers may have contributed to the demise of some UPS units
- iv. The equipment audit carried out during 2009-10 showed equipment, stolen/not seen by the auditors in 97 schools, particularly laptops, The stolen equipment was valued at approx.US\$116,000. Sessions were held with Principals to underscore their responsibility in this regard and Computer locks are being sourced.
- v. The slow pace of Infrastructural work at the MOE delayed the implementation of the CREM, initially scheduled for completed in July 2010



6. IMPLEMENTATION MANAGEMENT / PROJECT CONTROL / SUSTAINABILITY

During the period under review, considerable attention continued to be placed on ensuring the integrity of the implementation and the sustainability of the project. Some of these strategies include:

- i. Regular meetings with Principals and School e-Learning Implementation Committees (SEIMCS), established in all schools and colleges to oversee the implementation of the project and ensure buy-in/ownership.
- ii. Visits to schools by the Implementation Officers hired to work closely with and monitor implementation of project in schools
- iii. Quarterly reporting by the schools as outlined in the signed MOU.,
- iv. Materials Subject Advisory Groups (SAG), including MOE subject experts, continued to review the materials to assure quality and maintenance of standards.
- v. Strategy developed for special enrichment programme to be implemented in 30 low-performing schools
- vi. Materials Workshops held with subject teachers by the Subject Coordinators to ensure full understanding of all the content provided
- vii. Help desk / Client support system being sourced and maintenance and schools advised of the maintenance and replacement costs after warranty expiration
- viii. Teacher Training Providers encouraged to develop online application of the training programme to ensure ongoing training availability, in addition to the training of trainers and scholarships to 16 lecturers to become the Instructional Technology Lecturer at the Colleges, responsible for ongoing training in the colleges and related schools
- ix. Local providers developing expertise in providing technology solutions to Jamaica's schools – HEART Trust/NTA and Mico University College (Teacher Training), UWI/JBTE and UTECH (teacher and Student materials), CPTC, ZED, Maykela, Orange Valley
- x. Baseline and Formative Evaluations and Technology Utilization and Project Implementation surveys carried out by UWI/JBTE, and used to influence the roll-out and benefit replication of the project
- xi. Documentation and orientation sessions commenced with the MOE with respect to the handing over of various aspects of the project to ensure institutionalization when the project is terminated in March 2012

for 
Ransford Braham
Chairman

FEB 12, 2013
Date

Chairman's Report

DIRECTORS COMPENSATION

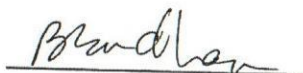
2010/2011

Directors	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable. (\$)	Total (\$)
CHAIRMAN	95,000				95,000
Director 1	157,875				157,875
Director 2	63,250				63,250
Director 3	48,125				48,125
Director 4	57,750				57,750
Director 5	52,250				52,250
Director 6	68,750				68,750
Director 7	38,500				38,500
Director 8	37,125				37,125
Director 9	31,625				31,625

Notes:

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

CERTIFIED BY: REGINALD BUDHAN



COMPANY SECRETARY

SENIOR EXECUTIVE COMPENSATION

Position of Senior Executive	Year	Salary (\$)	Gratuity of Performance Incentive (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) Mileage	Non-cash Benefits	Total (\$)
CEO/Project manager	2010/11	4,140,000.00	1,035,000.00	796,500.00		35,616.00		6,007,116.000
Finance & Admin Manager	2010/11	2,760,000.00	690,000.00	796,500.00				4,246,500.00
Education Specialist	2010/11	3,208,500.00	802,125.00	420,000.00		88,916		4,519,541.00
Snr ICT Specialist	2010/11	3,208,500.00	802,125.00	420,000.00		28,974		4,459,599.00

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

Budhan

COMPANY SECRETARY



Mair Russell
Grant Thornton

e-Learning Jamaica Company Limited

Financial Statements

March 31, 2011



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Mair Russell

Grant Thornton

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 pages 3 to 22, which comprise the statement of financial position as at March 31, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with 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

Partners:
Kenneth L. Lewis CD
Morsia E. Francis
Sixto P. Coy

Associate Partners:
Audrey C. Hoyte
Karen A. Lewis

Chartered Accountants
Member of Grant Thornton International Ltd



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, 2011, 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.

Mair Russell Grant Thornton

Kingston, Jamaica

November 16, 2011

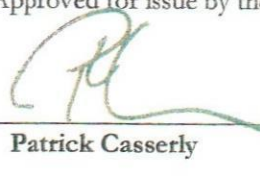
Chartered Accountants


Statement of financial position

	Note	2011 \$	2010 \$
Assets			
Non-current assets			
Property and equipment	(3)	2,238,236,967	1,849,619,293
Intangible assets	(4)	729,598	862,326
		<u>2,238,966,565</u>	<u>1,850,481,619</u>
Current assets			
Receivables	(5)	372,410	756,722
Prepayment	(6)	-	1,747,378
Taxation recoverable		523,490	220,993
Bank and cash	(7)	198,610,945	118,747,114
		<u>199,506,845</u>	<u>121,472,207</u>
Total assets		<u>2,438,473,410</u>	<u>1,971,953,826</u>
Equity			
Capital and reserves			
Share capital	(8)	100	100
Capital reserve	(9)	1,642,894,844	1,264,918,970
Accumulated surplus/(deficit)		462,325,247	412,024,219
Total equity		<u>2,105,220,191</u>	<u>1,676,943,289</u>
Liabilities			
Non-current liabilities			
e-Learning Jamaica Project fund	(10)	75,696,843	77,388,262
		<u>75,696,843</u>	<u>77,388,262</u>
Current liabilities			
Payables and accruals	(11)	257,556,376	217,622,275
		<u>257,556,376</u>	<u>217,622,275</u>
Total liabilities		<u>333,253,219</u>	<u>295,010,537</u>
Total equity and liabilities		<u>2,438,473,410</u>	<u>1,971,953,826</u>

The notes on the accompanying pages 7 to 22 form an integral part of these financial statements.

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


) Chairman
 Patrick Casserly


) Finance Committee -
 Christopher Reckord Chairman

Statement of comprehensive income

	Note	2011 \$	2010 \$
Income	(1)		
Government grants –			
Operating income	(2f & 12)	112,300,732	103,124,777
e-Learning Jamaica Project	(10 & 12)	264,199,110	340,176,100
		<u>376,499,842</u>	<u>443,300,877</u>
Expenses			
e-Learning Jamaica Project expenses	(10)	(265,890,529)	(258,710,659)
Gain/(loss) on foreign exchange		10,631,987	(9,975,872)
Administrative and general expenses		(64,865,387)	(56,916,836)
Promotion and public education		(4,863,494)	(6,185,819)
Other operating expenses		(2,902,810)	(2,166,919)
		<u>48,609,609</u>	<u>109,344,772</u>
Surplus for the year before transfers	(13)	48,609,609	109,344,772
Capital grant			
Capital grant received during the year		377,975,874	936,361,133
Transfer to capital reserve	(9)	(377,975,874)	(536,715,526)
		<u>-</u>	<u>399,645,607</u>
		48,609,609	508,990,379
Deficit /(surplus) attributable to e-Learning Jamaica Project fund	(10)	1,691,419	(81,465,441)
Surplus for the year		<u>50,301,028</u>	<u>427,524,938</u>

The notes on the accompanying pages 7 to 22 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, 2009	100	728,203,444	(15,500,719)	712,702,825
Changes in equity 2010				
Capital grant (Note 9)	-	536,715,526	-	536,715,526
Surplus for year 2010	-	-	427,524,938	427,524,938
Total recognised income and expenses	-	536,715,526	427,524,938	964,240,464
Balance at March 31, 2010	100	1,264,918,970	412,024,219	1,676,943,289
Changes in equity 2011				
Capital grant (Note 9)	-	377,975,874	-	377,975,874
Surplus for year 2011	-	-	50,301,028	50,301,028
Total recognised income and expenses	-	377,975,874	50,301,028	428,276,902
Balance at March 31, 2011	100	1,642,894,844	462,325,247	2,105,220,191

The notes on the accompanying pages 7 to 22 form an integral part of these financial statements.

Statement of cash flows

	Note	2011 \$	2010 \$
Cash flows from operating activities:			
Surplus for the year		50,301,028	427,524,938
(Decrease)/ Increase in e-Learning Jamaica Project fund		(1,691,419)	81,465,441
Adjustments for:			
Depreciation and amortisation	(3)	2,902,810	2,166,919
Amortisation – intangible assets	(4)	132,728	132,728
(Gain)/loss on foreign exchange - foreign payables		(10,631,987)	9,975,872
Interest income	(14)	(1,238,604)	(558,902)
		<u>39,774,556</u>	<u>520,706,996</u>
Decrease in receivables		384,312	1,019,411
Decrease in prepayment		1,747,378	-
Increase/ (decrease) in payables and accruals		<u>50,566,090</u>	<u>(422,764,298)</u>
Net cash provided by operating activities		<u>92,472,336</u>	<u>98,962,109</u>
Cash flows from investing activities:			
Purchase of equipment	(3)	(391,520,484)	(533,697,212)
Interest received (net of withholding tax)		936,105	460,108
Net cash used in investing activities		<u>(390,584,379)</u>	<u>(533,237,104)</u>
Cash flows from financing activity:			
Capital grant received	(9)	377,975,874	536,715,526
Net cash provided by financing activity		<u>377,975,874</u>	<u>536,715,526</u>
Net increase in cash and cash equivalents		<u>79,863,831</u>	<u>102,440,531</u>
Cash and cash equivalents at beginning of year		<u>118,747,114</u>	<u>16,306,583</u>
Cash and cash equivalents at end of year	(7)	<u>198,610,945</u>	<u>118,747,114</u>

The notes on the accompanying pages 7 to 22 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

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

The significant accounting policies that have been used in the preparation of these financial statements are summarised below and have been consistently applied for all the years presented.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

i New and revised standards and interpretations effective during the year:

Certain new and revised standards and interpretations which were in issue came into effect during the financial year. None of these standards and interpretations had any significant effect on the Board's financial statements.

New standards, and interpretations of, and amendments to existing standards that are not yet effective:

At the date of authorisation of the financial statements, certain new and revised standards and interpretations have been issued which are not yet effective and which the company has not early adopted:

- *IFRS 7 Financial Instruments: Disclosures – Transfer of Financial Assets (Amendment)* The amendment is effective for annual reporting periods beginning on or after July 1, 2011. The amendment requires disclosure of information that enable users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities and to evaluate the nature of and risks associated with, the entity's continuing involvement in these derecognized assets. The company is assessing the impact, if any, the amendment will have on the 2013 financial statements.
- *IFRS 7 Financial Instruments: Disclosures* – The standard is amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial statements. Existing disclosures relating to maximum exposure to credit risk, financial effect of collateral held as security and other enhancements in respect of a financial instrument have been amended. Certain disclosures relating to carrying amount of financial assets that are not past due or are not impaired as a result of their terms having been renegotiated and description of collateral held as security for financial assets that are past due have been removed. The amendment is effective for annual reporting periods beginning on or after January 1, 2011. The company is assessing the impact, if any, that these amendments would have on the 2012 financial statements.
- *IFRS 9, Financial Instruments*, is effective for annual reporting periods beginning on or after January 1, 2013. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. It eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, to present all fair value changes from the investment in other comprehensive income. The standard includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39 *Financial Instruments: Recognition and Measurement* on the recognition and de-recognition of financial assets and financial liabilities.

The company is assessing the impact, if any, that the standard will have on the 2014 financial statements.

- *IFRS 11, Joint Arrangements* is effective for periods on or after January 1, 2013. The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The company currently is not involved in any joint arrangement.
- *IFRS 12, Disclosure of Interest in Other Entities* is effective for annual periods beginning on or after January 1, 2013. The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of and risks associated with its interests in other entities and the effects of these interests on its financial position, financial performance and cash flows. The company currently does not have any interest in other entities.

- *IFRS 13 Fair Value Measurement* defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value and is applicable to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value or when disclosure of fair values is provided. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard is effective for annual reporting periods beginning on or after January 1, 2013. The company is assessing the impact, if any, that this standard will have in its 2014 financial statements.
- *IAS 1 Presentation of Financial Statements* – IAS 1 is amended to state that for each component of equity a reconciliation from opening to closing balances is required to be presented in the statement of changes in equity, showing separately changes arising from items recognised in profit or loss, in other comprehensive income and from transactions with owners acting in their capacity as owners. The amendment is effective for annual reporting periods beginning on or after January 1, 2011.

This amendment is unlikely to impact the company's financial statements given the nature of the organization.

- *IAS 19, Employee Benefits* – effective periods beginning on or after January 1, 2013. The amendment requires recognition of changes in the net defined benefit liability/ assets, introduces enhanced disclosures about defined benefit plans and modifies accounting for termination benefits. The company does not currently have a defined benefit plan but is assessing the impact if any, of the other amendments on its 2014 financial statements.
- *IAS 24, Related Party Disclosure, revised* (effective January 1, 2011) introduces changes to the related party disclosure requirements for government-related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure. The company is assessing the impact, if any, the amendment will have on the 2012 financial statements.

Annual Improvements 2010 and 2011

The IASB has issued *Improvements for International Financial Reporting Standards 2010 and 2011*. Most of these are small amendments which become effective in accounting periods beginning on or after July 1, 2010, January 1, 2011 or January 1, 2012. However, these amendments are not expected to have any significant 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(l)).

(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

Statement of comprehensive income 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 statement of financial position 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 Bank and cash

Bank and cash are classified as financial assets measured at amortised cost and consist of cash on hand, current and savings account balances.

i Receivables

Receivables are classified as financial assets measured at amortised cost. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost using the effective interest rate less provision for doubtful debt. A provision for doubtful debt is recognised when there is an indication that the debt is impaired

j Payables and accruals

Payables and accruals are classified as financial liabilities measured at amortised cost. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured 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.

I 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, plant and equipment

The carrying amounts for property and equipment for the years included in these financial statements as at March 31, 2011 are reconciled as follows:

	Leasehold Improvements \$	Furniture, Fixtures & Equipment \$	Computers & Software \$	Total \$
Gross carrying amount				
Balance at April 1, 2010	965,989	282,534,064	1,572,471,625	1,855,971,678
Additions	-	63,247,264	328,273,220	391,520,484
Transfer	-	(44,157,194)	44,157,194	-
Balance at March 31, 2011	965,989	301,624,134	1,944,902,039	2,247,492,162
Depreciation				
Balance at April 1, 2010	(344,540)	(2,142,420)	(3,865,425)	(6,352,385)
Change for year	(96,599)	(889,584)	(1,916,627)	(2,902,810)
Balance at March 31, 2011	(441,139)	(3,032,004)	(5,782,052)	(9,255,195)
Carrying amount at March 31, 2011	524,850	298,592,130	1,939,119,987	2,238,236,967

	Leasehold Improvements \$	Furniture, Fixtures & Equipment \$	Computers & Software \$	Total \$
Gross carrying amount				
Balance at April 1, 2009	878,959	23,578,910	1,297,816,597	1,322,274,466
Additions	87,030	258,955,154	274,655,028	533,697,212
Balance at March 31, 2010	965,989	282,534,064	1,572,471,625	1,855,971,678
Depreciation				
Balance at April 1, 2009	(256,644)	(1,275,637)	(2,653,185)	(4,185,466)
Change for year	(87,896)	(866,783)	(1,212,240)	(2,166,919)
Balance at March 31, 2010	(344,540)	(2,142,420)	(3,865,425)	(6,352,385)
Carrying amount at March 31, 2010	621,449	280,391,644	1,568,606,200	1,849,619,293

- (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:

	2011 \$	2010 \$
Furniture	293,668,511	275,026,322
Computers and software	1,936,312,136	1,564,476,746
Total	2,229,980,647	1,839,503,068

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, 2011 are reconciled as follows:

	Jingle \$	Logo \$	Video \$	Total \$
Gross carrying amount				
Balance at April 1, 2010	628,600	200,500	560,000	1,389,100
Balance at March 31, 2011	628,600	200,500	560,000	1,389,100
Amortisation				
Balance at April 1, 2010	(58,860)	(19,914)	(448,000)	(526,774)
Charge for the year	(15,715)	(5,013)	(112,000)	(132,728)
Balance at March 31, 2011	(74,575)	(24,927)	(560,000)	(659,502)
Carrying amount at March 31, 2011	554,025	175,573	-	729,598

	Jingle \$	Logo \$	Video \$	Total \$
Gross carrying amount				
Balance at April 1, 2009	628,600	200,500	560,000	1,389,100
Balance at March 31, 2010	628,600	200,500	560,000	1,389,100
Amortisation				
Balance at April 1, 2009	(43,145)	(14,901)	(336,000)	(394,046)
Charge for the year	(15,715)	(5,013)	(112,000)	(132,728)
Balance at March 31, 2010	(58,860)	(19,914)	(448,000)	(526,774)
Carrying amount at March 31, 2010	569,740	180,586	112,000	862,326

5. Receivables

	2011 \$	2010 \$
Advances to schools	360,224	552,905
Staff loans	12,186	203,817
Total	372,410	756,722

6. Prepayment

	2011 \$	2010 \$
Deposit on furniture for schools	-	1,747,378
Total	-	1,747,378

The above represented 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	2011 \$	2010 \$
Bank of Nova Scotia Jamaica Limited –			
J\$ Current account		27,334,040	42,214,252
US\$ Savings account (US\$1,997,318 (2010 – US\$855,02))		171,269,979	76,525,936
Petty cash		6,926	6,926
Total		198,610,945	118,747,114

Included in the general funds of the company are e-Learning Jamaica Project funds amounting to \$74,967,245 (2010 - \$76,525,936).

8. Share capital

	2011 \$	2010 \$
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

	2011 \$	2010 \$
i Capital grant		
Balance at beginning of year	1,262,980,103	726,264,577
Transfer from surplus for year	377,975,874	536,715,526
Balance at end of year	1,640,955,977	1,262,980,103
ii Value of gift	1,938,867	1,938,867
Total	1,642,894,844	1,264,918,970

- 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

	2011 \$	2010 \$
Balance at beginning of year	77,388,262	(4,077,179)
Transactions for year:		
Government grant from Universal Access Fund	262,989,126	339,672,325
Interest income	1,209,984	503,775
	264,199,110	340,176,100
Expenditure (Note 16(ii))	(265,890,529)	(258,710,659)
(Decrease) /increase for the year	(1,691,419)	81,465,441
Balance at end of year	75,696,843	77,388,262

The Fund balance is represented by:

	2011 \$	2010 \$
Intangible assets (Note 4)	729,598	862,326
Due to e-Learning Jamaica Company Limited	(96,302,734)	-
Cash and cash equivalents (Note 7)	171,269,979	76,525,936
Total	75,696,843	77,388,262

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. The amount of \$96,302,734 due to the company at the end of the reporting period represents funds received to finance foreign currency liabilities of the company that were deposited to the Project's US\$ savings account as a hedge against foreign exchange rate fluctuation. The above fund balance is represented by cash at back (note 7)

11. Payables and accruals

	2011 \$	2010 \$
(i) Foreign payables - e-Learning Project	211,681,592	174,252,249
Local Payables	19,905,660	12,344,842
Staff costs	748,141	139,659
Statutory deductions	789,338	356,990
(ii) Retentions on contracts - e-Learning Project (US\$284,917(2010 - US\$341,101))	24,431,645	30,528,535
Total	257,556,376	217,622,275

(i) Foreign payables comprise:

Supplier	2011 US\$	2011 J\$	2010 US\$	2010 J\$
Dell World Trade	1,532,659	131,425,509	1,303,461	116,659,760
Medianet	4,166	357,235	292,432	26,172,664
HEART/NTA	154,047	13,209,530	154,047	13,787,207
Carlson Publishers	-	-	-	-
Kingston Bookshop	-	-	-	-
Other foreign Payables	777,718	66,689,318	197,013	17,632,618
Total	2,468,590	211,681,592	1,946,953	174,252,249

(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. Surplus for the year

Surplus for the year is stated after charging:

	2011	2010
	\$	\$
Directors' emoluments -		
Fees	650,250	566,625
Executive remuneration (Note 17(ii))	25,583,000	25,583,000
Auditors' remuneration	600,000	594,000
Depreciation and amortisation	2,243,538	2,166,919

14. Finance income

	2011	2010
	\$	\$
Interest income from cash and cash equivalents	1,209,984	503,775
Interest income on financial assets carried at amortised cost	28,620	55,127
Total	1,238,604	558,902

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:

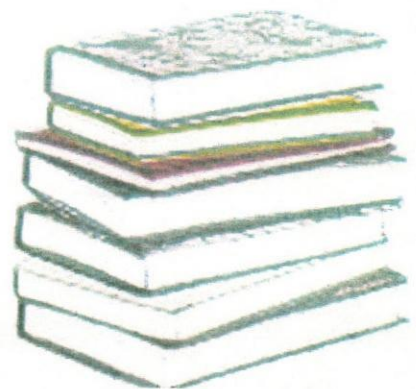
	2011	2010
	\$	\$
Directors' fees	650,250	566,625
Rent, maintenance and parking fees	3,587,559	3,632,265
Auditors' remuneration	600,000	594,000
Depreciation and amortisation	2,902,810	2,166,919
Employee benefits (Note 17(i))	54,424,206	47,617,689
Promotion and public education	4,863,494	6,185,818
Other expenses	5,603,372	4,469,554
Total	72,631,691	65,232,870

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

	2011	2010
	\$	\$
Instructional materials	67,568,314	58,487,643
Teacher training	173,207,675	167,606,749
Technology infrastructure in schools	10,608,942	11,078,250
Project evaluation	3,337,047	3,930,597
Continuous assessment	15,362,262	12,963,216
Remedial	1,561,372	1,180,721
Foreign exchange (gain)/loss	(5,755,083)	3,463,483
Total	265,890,529	258,710,659

e-Learning Jamaica Company Limited

Report on Testing of the Company's
Compliance with Government of
Jamaica Procurement Guidelines during
the period April 1, 2010 to
March 31, 2011





Report of Factual Findings

November 25, 2011

The Directors
e-Learning Jamaica Company Limited
PCJ Building
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Kingston 10

Mair Russell Grant Thornton
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3 Houghton Avenue
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Montego Bay
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Dear Sirs:

In accordance with the terms of reference dated November 1, 2011, that the Company agreed with us, we provide our Report of Factual Findings ("the Report"), with respect to e-Learning Jamaica Company Limited's procurement activities and its compliance with the procurement guidelines of the Government of Jamaica (GOJ) during the period April 1, 2010 to March 31, 2011. The Company requested certain procedures to be carried out in connection with its procurement activities and its compliance with GOJ procurement guidelines.

Objective

Our engagement was a compliance verification which is an engagement to perform certain agreed-upon procedures with regards to the Company's compliance with GOJ procurement guidelines. The objective of this compliance verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

Standards and Ethics

Our engagement was undertaken in accordance with:

- International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial information* as promulgated by the International Federation of Accountants (IFAC);
- The *code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*.

**Use of this Report**

This Report is solely for the purpose set forth in the above objective.

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the Ministry of Finance and the Public Service in connection with the requirements as set out in Ministry of Finance Circular # 21 dated August 10, 2005. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties

The Ministry of Finance and the Public Service (the Ministry) is not a party to the agreement (the terms of reference) between you and us and therefore we do not owe or assume a duty of care to the Ministry, which may rely upon this report of factual findings at its own risk and discretion. The Ministry of Finance and the Public Service can assess for itself the procedures and findings reported by us and draw its own conclusions from the factual findings reported by us.

This Report relates only to the Company's procurement activities and its compliance with the Government of Jamaica Procurement Guidelines specified above and does not extend to any of its financial statements.

Yours sincerely,

CHARTERED ACCOUNTANTS**KLL/dvw****November 25, 2011**

2. Procedures performed and factual findings

We have performed the specific procedures set out in the Programme of Agreed-Upon Procedures for Testing Compliance with the Government of Jamaica Procurement Guidelines promulgated by the Institute of Chartered Accountants of Jamaica (ICAJ). These procedures cover:

1. General Procedures.
2. Procedures to verify the Company's procurement activities relating to procurement management structure.
3. Procedures to verify the Company's procurement activities relating to tendering, award of contracts and procurement expenditure.

We report our factual findings resulting from these procedures below:

Factual Findings

General Procedures

We enquired about the documentation maintained by the Company in respect of procurement policies and procedures. We ascertained from management that the Company had adopted the Government of Jamaica Handbook of Public Sector Procurement Procedures issued November 2008 and up-dated in October 2010 as its manual and had implemented the policies and procedures documented therein.

We conducted interviews with Company personnel involved in the procurement process, reviewed procurement records, awards and minutes of meetings of the procurement committee and thus obtained an understanding of the procurement process of the company, the procedures followed to procure goods and services and the Company's record keeping in respect of the procurement process. Based on our understanding of the Government of Jamaica Procurement Guidelines and of the procurement policies and procedures implemented by the Company, we find that its procurement process, policies and procedures are in keeping with the procurement requirements set out in the Government of Jamaica Procurement Guidelines.

Procedures to Test the Company's Procurement Activities

1. Tendering and Award of Contracts

The Company contracted services during the period for the development and provision of electronic teaching materials and software and for the development of a volunteer operations manual. Contract sums ranged between J\$1.2 and J\$5 Million. As the value of all contracts awarded during the period was less than J\$10 Million each and based on the rules of the OCG, the awards were not required to be submitted to the National Contracts Commission (NCC) for review and endorsement. All contracts awarded were submitted to be reviewed and endorsed by the Procurement Committee, as indicated in the minutes of the meeting of the Procurement Committee.

Tender Documents

We reviewed the tender documents for seven (7) of the twelve (12) contracts awarded by the Company during the period (see Annex 1). Based on our review we found that:

- (i) The Company used selective tendering through advertising under local competitive bidding for notifying potential contractors of the opportunities to bid. The method utilized was appropriate and was in keeping with GOJ procurement guidelines.
- (ii) Tender documents provided to potential contractors included the minimum documents required by GOJ procurement policies and indicated the necessity for registration with the NCC and submission of a valid TCC with the bid and the deadline for submission of proposals. Bids received were evaluated and the evaluation was documented. Evaluations and recommendations for the award of contracts were submitted to the Procurement Committee for review and endorsement, in accordance with the procurement guidelines.

2. Procurement Expenditure

We enquired of management if the Company had a procurement plan. We were informed that there was no formally documented procurement plan. However, the detailed annual budget prepared by the Company included details of goods/services to be procured during the period based on requisitions and recommendations of department heads.

We would suggest that management consider implementing the procurement planning provisions of the procurement guidelines. In particular, ensuring that it submits its annual procurement plan along with its other plans and budget which are to be submitted to the Ministry of Finance as this is a mandatory requirement.

Also, preparing the procurement plan will allow the Company to effectively monitor its procurement process and achievement so that improvements can be implemented in a more timely manner.

Responses from potential contractors for the supply of teaching videos and manuals for individual subjects was low. However, we noted that the Procurement Committee accepted a recommendation from management to apportion the award of contracts among all bidders who responded to allow for efficiency and earlier delivery times. We found this approach met the needs of the Company without breaching GOJ procurement values relating to limits of expenditure. Based on our review we did not see any evidence where procurements were split in order to circumvent the expenditure limits for approval and endorsement of awards recommended.

Annex 1 – Tests on Procurement of Goods and Services

- List of Board Committees
- Quarterly Reports to the Office of the Contractor General

e-Learning Jamaica Company Limited

Test on Procurement of Goods and Services – April 1, 2010 to March 31, 2011

	Contract date	Contract awarded to	Description of goods/service procured	Duration of Contract	Contract sum J\$	Contract sum US\$	Bid#	Contents of tender documents included information required by Procurement Handbook	Procurement Method	Advertising Method	Date of Advertisement	Documentation of receipt of bids seen. Receipt was within deadline	Valid TOC and NCC seen	At least 3 proposals seen	Evaluation of proposal seen	Results of evaluation and recommendation sent to Procurement Committee in tender report	Endorsement of Procurement Committee noted in minutes of meeting	Recommended bidder awarded contract	Correspondence to bidders stating result of the bid seen	Signed contract seen	
1	12/05/2010	Book Merchant Limited	to provide instructional materials for teachers and students (Spanish)	12/05/10-31/7/10		36,067.29	EU2009-1M002	yes	open tender	National Advertisement	17/5/2009	yes	yes	yes	yes	yes	yes	yes	yes	yes	to supply 115 teachers' guides and 115 students textbooks on CD, 31 video programme electronic support and 155 student writing audio and textbook
2	12/05/2010	Book Merchant Limited	to provide instructional materials for teachers and students (building)	12/05/10-31/7/10		469,40.95	EU2009-1M002	yes	open tender	National Advertisement	17/5/2009	yes	yes	yes	yes	yes	yes	yes	yes	yes	to supply 115 teachers' guides and 115 students textbooks on CD, 31 video programme electronic support and 155 student writing audio and textbook
3	23/06/2010	Maley Solutions	to provide instructional Videos - Woods	23/6/10-31/7/11	\$5,000,000		EU2010-V001	yes	Open Tender	National Advertisement	09/03/2010	yes	yes	sole bidder	yes	yes	yes	yes	yes	yes	Contracting the production of videos of 20mins duration each, to provide supplemental instruction to persons preparing for CSEC. The videos are in support of the subjects identified in the bid
4	23/06/2010	Creative Production and Training Centre Ltd	to provide instructional Videos - Geography	23/6/10-31/7/11	\$5,000,000		EU2010-V001	yes	Open Tender	National Advertisement	09/03/2010	yes	no	yes	yes	yes	yes	yes	yes	yes	Contracting the production of videos of 20mins duration each, to provide supplemental instruction to persons preparing for CSEC. The videos are in support of the subjects identified in the bid
5	23/06/2010	ZED Jamaica Ltd	to provide instructional Videos - Physics	23/6/10-31/7/11	\$4,990,000		EU2010-V001	yes	Open Tender	National Advertisement	09/03/2010	yes	yes	sole bidder	yes	yes	yes	yes	yes	yes	Contracting the production of videos of 20mins duration each, to provide supplemental instruction to persons preparing for CSEC. The videos are in support of the subjects identified in the bid
6	23/06/2010	Orange Valley Holdings Ltd	to provide instructional Videos - Social Studies	23/6/10-31/7/11	\$4,100,000		EU2010-V001	yes	Open Tender	National Advertisement	09/03/2010	yes	yes	yes	yes	yes	yes	yes	yes	yes	Deliverable of series of video lessons covering 10 specific topics with accompanying teachers and student guides for grade and (CSEC)
7	05/01/2011	Advantage Marketing Limited	to provide volunteer programme operations manual consultant	period of 4 months	1,204,000.00		EU2010-R001	yes	open tender	National Advertisement	21/4/10-26/4/10	yes	yes	sole bidder	yes	yes	yes	yes	yes	yes	the only bidder that responded to tender as stated in the tender report

** Ex-officio on all Committees

e-LEARNING BOARD COMMITTEES

Updated: July 2 2010

	Board	Finance	Audit	Dis. & Cont. Mon.	IMR	Con. Assess.	Teacher Training	Tech. Infrast.	CRDM	Public Ed.	Proj. Eval.	HRM	Total
Monthly Meeting Dates	3 rd or 4 th Wed @ 7:30am	2 nd or 3 rd Thurs @ 8:00am	Quarterly on 1 st or 2 nd Wed @ 11:00am	Bi-monthly on 2 nd Wed @ 10:30am	Bi-monthly on 1 st Wed @ 3:00pm	1 st Mon @ 3:00pm	Bi-monthly on 2 nd Thurs @ 3:00pm	Bi-monthly on 1 st Thurs @ 1:00pm	1 st Thurs @ 3:00pm	2 nd Wed @ 9:00am	Quarterly on 2 nd Mon @ 11:00am	Adhoc	
Board Members													
Barryford Barryford Chairman**	X	X		X								X	3
Reginald Budhan, Dep. Chair**	X	X			X	Chair					X	X	5
Gary Campbell	X												
Avrill Crawford	X						X	X	X				3
Prevon Forrest	X												
Richard Gordon	X		Chair					Chair	Chair				3
Roxanne Harriet	X		X		X					X	X		3
Jean Hastings	X				Chair	X				X	Chair		5
Ray Howells	X					X			X		X		4
Vernon Mcleod	X	X			X	X	Chair						4
Christopher Reckord	X	Chair						X	X				1
Audrey Sewell	X												3
Andrew Warwar	X		X	Chair						Chair			3
Subtotal	13	4	3	5	4	3	2	3	4	3	4	2	

** Ex-officio on all Committees

e-LEARNING BOARD COMMITTEES

Updated: July 2 2010

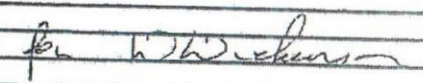
	Board	Finance	Audit	Proc. & Contract Mon.	IMR	Con. Assess.	Teacher Training	Tech. Infrast.	CREM	Public Ed.	Proj. Eval.	HRM	Total
Monthly Meeting Dates	3 rd or 4 th Wed @ 7:30am	2 nd or 3 rd Thurs @ 8:00am	Quarterly on 1 st or 2 nd Wed @ 11:00am	Bi-monthly on 2 nd Wed @ 10:30am	Bi-monthly on 1 st Wed @ 3:00pm	1 st Mon @ 3:00pm	Bi-monthly on 2 nd Thurs @ 3:00pm	Bi-monthly on 1 st Thurs @ 1:00pm	1 st Thurs @ 3:00pm	2 nd Wed @ 9:00am	Quarterly on 2 nd 0 Mon @ 11:00am	Adhoc	
External Members													
Claudette Marshall (MOF)			x										1
Gwendolyn Shepherd (MM&E)		x											1
Lloyd Bennett (MM&E)				x									1
Everold Simms (UAF)								x	x				2
Errol Golding (MOE Tech)				x									1
Debon Panton, (MOE MIS)								x	x				2
Warren Vernon, (MOE MIS)								x					1
Nadine Simms, (MOE CCU)								x					1
Claudette Carter (MOE PDU)									x				1
Barbara Allen (MOE PDD)									x				1
Dr. Yvonne Marshall (MOE CCS)						x			x				2

- Quarterly Reports to the Office of the Contractor General

[illegible]

Annex 1 – Tests on Procurement of Goods and Services

– Quarterly Reports to the Office of the Contractor General

Office of the Contractor-General											
Public Body Contract Awards (J\$275,001 to J\$10,000,000 in Value)											
Quarterly Contract Awards (QCA) Report											
QCA Report submitted to the Contractor General pursuant to Section 4(2)(a) and 4(3) of the Contractor-General Act											
COMPLETE ONLY AFTER READING INSTRUCTIONS IN APPENDIX B . SELECT APPLICABLE PRINT RANGE BEFORE PRINTING											
SECTION 1											
(1) Name of Reporting Public Body		e-Learning Jamaica Company Ltd.									
(2) Reporting Period		3rd Quarter of 2010 (July - September)									
(3) Reporting Date (YYYY-MM-DD)		2010-10-26									
(4) Name, Title & Signature of Certifying Principal or Accounting Officer		Avinil Crawford - CEO/Project Manager 									
APPENDIX A QCA Report REV.5 Issue Date: November 20, 2008											
SECTION 2											
(1) Record #	(2) Contract Award Date (YYYY-MM-DD)	(3) Contract Description	(4) Name of Contractor	(5) Contractor ID	(6) Type of Contract	(7) Contract Value	(8) Principal Site of Contract Performance	(9) Procurement Method	(10) Number of Tenders/ Quotes Requested	(11) Number of Tenders/ Quotes Received	(12) Procurement Committee Approval?
1	2010-08-23	Development of Educational Videos & Teachers Guide - Social Studies	Orange Valley Holdings Ltd.	6269	G	\$4,100,000	e-Learning Office, 36 Trafalgar Rd., Kingston 10	ST	0	2	Y
2	2010-08-23	Development of Educational Videos & Teachers Guide - Building Technology/Woods	Makeyla Solutions	3391	G	\$5,000,000	e-Learning Office, 36 Trafalgar Rd., Kingston 10	ST	0	3	Y
3	2010-08-23	Development of Educational Videos & Teachers Guide - Building Technology/Constructions	Makeyla Solutions	3391	G	\$5,000,000	e-Learning Office, 36 Trafalgar Rd., Kingston 10	ST	0	3	Y
4	2010-08-23	Development of Educational Videos & Teachers Guide - Spanish	Creative Production and Training Centre Ltd.	Gov't Agency	G	\$5,000,000	e-Learning Office, 36 Trafalgar Rd., Kingston 10	ST	0	4	Y
5	2010-08-23	Development of Educational Videos & Teachers Guide - Geography	Creative Production and Training Centre Ltd.	Gov't Agency	G	\$5,000,000	e-Learning Office, 36 Trafalgar Rd., Kingston 10	ST	0	4	Y
6	2010-08-23	Development of Educational Videos & Teachers Guide - Physics	ZED Jamaica Ltd.	2900	G	\$4,990,000	e-Learning Office, 36 Trafalgar Rd., Kingston 10	ST	0	3	Y
7	2010-08-23	Development of Educational Videos & Teachers Guide - Integrated Science	ZED Jamaica Ltd.	2900	G	\$4,990,000	e-Learning Office, 36 Trafalgar Rd., Kingston 10	ST	0	3	Y

- Quarterly Reports to the Office of the Contractor General

[illegible]

- Quarterly Reports to the Office of the Contractor General

[illegible]

Annex 2 – Terms of Reference

– MOF Circular # 21



TERMS OF REFERENCE

EXTERNAL AUDITING SERVICES TO e-LEARNING JAMAICA COMPANY LTD

1.0 Background

The e-Learning Jamaica Company Limited (e-LJam), an agency of Ministry of Education (MOE) is in the process of implementing an e-Learning Project.

The project involves certain interventions aimed at improving the quality of education in the high schools drawing heavily on information and communication technologies.

2.0 Background on Company

e-LJam is a limited liability company incorporated in June 2005, with the following mandate:

- i. To implement an e-Learning Project designed to improve the quality of education in high schools
- ii. To promote the integration of technology in the teaching of the various subject areas in the education system
- iii. To implement various interventions which draw on technology to improve the quality of education throughout the school system

The financial and accounting responsibilities of the directors of e-LJam are laid out in the Articles of Incorporation which are attached for easy reference

4.0 Scope of Work

The Contractor is required to provide External Auditing services to e-LJam to satisfy its business reporting obligations and will report to the shareholders of e-LJam whether in his opinion, e-Learning Jamaica Company Limited is complying with Government Procurement Guidelines. The auditors will carry out test checks on the organisation's procurement activities for the financial period 2010/11, to ensure compliance with Government's procurement rules. This requirement is set out in the guidelines of the Ministry of Finance Circular # 21 dated 10th August 2005. These checks are done to ascertain whether e-Learning Jamaica Company Limited procurement practices are in accordance with the Government of Jamaica Public Sector Procurement Guidelines.

5.0 Output/Deliverables

It is expected that on completion of the procurement audit an independent Audit Report on the compliance of e-Learning Jamaica Company Limited Procurement Activities based on Government of Jamaica's procurement guidelines for the financial period 2010/11 will be presented to the Board of Directors.

6.0 Eligibility

- i. Registered public accountant approved to practice in Jamaica by the Institute of Chartered Accountants of Jamaica and the Public Accountancy Board
- ii. Possess a valid Tax Compliance certificate

Annex 2 – Terms of Reference
– MOF Circular # 21



MINISTRY OF FINANCE AND PLANNING
80 NATIONAL HEROES CIRCLE
KINGSTON 4
JAMAICA

ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE
ADDRESSED TO THE FINANCIAL SECRETARY AND THE
FOLLOWING REFERENCE NUMBER QUOTED: 22/01 ID

Telephone No. 62-28900-10

August 10, 2005

Circular No. 21

File No. 107/022

Division: Public Expenditure Policy Coordination


Permanent Secretaries
Heads of Departments
Chief Executive Officers

Re: Terms of Reference for External Auditors

In the continuing effort to reduce corruption and increase transparency in Government entities, Cabinet in its Decision No. 18/05 dated May 16, 2005 mandated that private external auditors include 'test checks' for compliance with Government's procurement rules in their auditing of public bodies.

With immediate effect, all existing and new terms of reference for the services of external auditors must include a request for compliance review of procurement activities in keeping with the Government of Jamaica procurement guidelines.

Permanent Secretaries, Heads of Departments and Chief Executive Officers should ensure that this circular is brought to the attention of all relevant officers in their ministries/departments/agencies/public bodies.


Colin Bullock
Financial Secretary

63

17. Employee benefits**(i) Staff Costs**

	2011 \$	2010 \$
Salaries and related expenses	46,713,177	38,624,238
Travelling and subsistence	5,537,868	6,692,678
Medical and other staff benefits	2,173,161	2,300,773
Total	54,424,206	47,617,689

The number of permanent employees at year-end was twelve (12), (2010 – twelve (12)).

(ii) Key management personnel

Included in staff costs is executive remuneration as follows:

	2011 \$	2010 \$
Salaries and related expenses	17,848,000	17,848,000
Gratuity	4,462,000	4,462,000
Travelling	3,273,000	3,273,000
Total	25,583,000	25,583,000

18. Operating Lease

The company occupies premises under an operating lease. The lease is renewed is on a bi-annual basis. Future minimum lease payments are as follows:

	Not later than 1 year
March 31, 2012	3,550,022
March 31, 2011	3,587,559

Lease payments recognized as expense during the year amounted to \$3,587,559 (2010- \$3,632,265). This represents minimum lease payments. No sub-lease payments or contingent rent payments were made or received. No sub-lease income was earned as the premises are used exclusively by the company.

19. Commitments

At the end of the reporting period there were commitments totalling US\$628,282 (2010 - US\$7,661,196) and J\$9,059,256 (2010 - J\$23,739,552) as follows:

	Foreign Payable Contracts 2011 US\$	Local Payable Contracts 2011 J\$	Foreign Payable Contracts 2010 US\$	Local Payable Contracts 2010 J\$
Equipment	-	-	6,832,112	236,068
Promotion and public education	-	230,600	-	248,293
Instructional materials	351,923	793,609	232,796	2,372,379
Technology infrastructure	-	-	-	767,194
Project evaluation	-	3,337,047	-	3,337,047
Assessment	-	4,698,000	-	16,778,571
Training	276,359	-	596,288	-
Total	628,282	9,059,256	7,661,196	23,739,552

20. 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 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 in an attempt to minimise this risk.

At the end of the reporting period the company had net liabilities of approximately US\$756,189 (2010 - US\$1,433,015) which were subject to foreign exchange rate changes as follows:

Concentrations of currency risk

	2011 US\$	2010 US\$
Financial assets		
- Cash at bank	1,997,318	855,038
Financial liabilities		
- Payables and accruals	(2,753,507)	(2,288,053)
Total	(756,189)	(1,433,015)

The above asset/(liabilities) are receivable/(payable) by the company in United States Dollars (US\$). The exchange rate applicable at the end of the reporting period is J\$85.75 to US\$1 (2010 - J\$89.50 to US\$1).

Foreign currency sensitivity

The following table illustrates the sensitivity of the net results of the company/Project with regards to its financial assets and financial liabilities and US dollar to Jamaican dollar exchange rate charges. Only movements between the Jamaican dollar and US dollar are considered, as these are the two major currencies of the company.

The sensitivity analysis is based on foreign currency financial instruments existing at the end of the reporting period.

Effect on results from operations:

If the JA Dollar weakens by 5% (2010 – 5%) against the US Dollar then this would have the following effect on net results and equity in the next twelve months, on the basis that all other variables remain constant.

	Rate %	Weakens \$
2011	5	(3,242,160)
2010	5	(6,419,907)

If the JA Dollar strengthens against the US Dollar by 5% (2010 – 2%) this would have the following impact on net results and equity in the next twelve months on the basis that all other variables remain constant:

	Rate %	Strengthens \$
2011	5	3,242,160
2010	5	6,419,907

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 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 maintains an interest-earning bank account with a licensed financial institution. Interest rate on the interest-earning bank account is not fixed but is 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 account 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 cash equivalents. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and cash equivalents are maintained with a licensed financial institution

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 end of the reporting period, as summarised below:

	2011 \$	2010 \$
Receivables	372,410	756,722
Bank and cash	198,610,945	118,747,114
Total	198,983,355	119,503,836

However, for amounts held with commercial banks a total of \$600,000 (2010 - \$600,000) is insured under the JDIS at the end of the reporting period.

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 the end of the reporting period.

21. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at the end of the reporting period may also be categorised as follows:

	2011 \$	2010 \$
Financial assets measured at amortised cost		
Current assets		
Receivables	372,410	756,722
Bank and cash	198,610,945	118,747,114
Total	198,983,355	119,503,836
Financial liabilities measured at amortised cost		
Current liabilities		
Payables and accruals	257,556,376	217,622,275
Total	257,556,376	217,622,275

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

22. 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 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 24 to 27 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, 2011.

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, 2011 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
November 16, 2011

Additional information – Supporting schedule of expenses

	2011	2010
	\$	\$
Administrative and general expenses		
Directors' fees	650,250	566,625
Salaries, wages and related expenses	52,251,045	45,316,916
Medical and other staff benefits	2,173,161	2,300,773
Rent and parking fees	822,675	811,675
Maintenance	2,764,884	2,820,590
Insurance	122,272	121,232
Office expenses	813,259	788,477
Foreign travel	482,526	-
Conference and seminars	1,744,730	1,066,766
Meeting expenses	1,136,400	926,102
Printing, stationery and software maintenance	349,922	494,309
Telephone	569,996	651,610
Courier	104,090	104,710
Audit fees	600,000	594,000
Security	75,350	89,450
Bank charges	150,585	231,439
Subscriptions	54,242	32,162
	<u>64,865,387</u>	<u>56,916,836</u>
Promotion costs		
Promotion and public education	4,863,494	6,185,818
	<u>4,863,494</u>	<u>6,185,818</u>
Other operating expenses		
Depreciation	2,902,810	2,166,919
	<u>2,902,810</u>	<u>2,166,919</u>

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

	2011 \$	2010 \$
Income		
Government grant – Universal Access Fund	262,989,126	339,672,325
Interest	1,209,984	503,775
Total income	<u>264,199,110</u>	<u>340,176,100</u>
Less: Expenditure		
Instructional Materials		
Materials development and planning	16,564,483	16,455,312
Instructional manuals for teachers and students - (TIMS and SIMS)	32,436,851	20,428,324
Item bank	8,781,146	8,315,250
Lecture series	4,689,425	7,909,210
Materials management	5,096,409	5,379,547
Total (Page 26)	<u>67,568,314</u>	<u>58,487,643</u>
Teaching training		
Methodology training	135,402,295	64,514,229
ICT Training	24,649,468	92,145,457
Teachers' college intervention	8,858,535	6,724,586
Implementation management	4,297,377	4,222,477
Total (Page 27)	<u>173,207,675</u>	<u>167,606,749</u>
Technology infrastructure in schools		
Schools	2,887,944	4,291,516
Central repository	143,350	-
Implementation management	7,577,648	6,786,734
Total (Page 27)	<u>10,608,942</u>	<u>11,078,250</u>
Project evaluation		
Consultant fees	3,337,047	3,930,597
Total	<u>3,337,047</u>	<u>3,930,597</u>
Continuous assessment (Page 27)	15,362,262	12,963,216
Remedial (Page 27)	1,561,372	1,180,721
(gain)/loss on foreign exchange (Page 27)	<u>(5,755,083)</u>	<u>3,463,483</u>
Total expenditure	<u>265,890,529</u>	<u>258,710,659</u>
(Deficit)/surplus for year	<u>(1,691,419)</u>	<u>81,465,441</u>

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

	2011 \$	2010 \$
Instructional materials		
Materials development & planning		
LCMS Consultant	-	144,756
Subject coordinators/SAGS	16,564,483	16,310,556
Total (Page 25)	16,564,483	16,455,312
Instructional manuals for teachers and students		
Materials, training and installation	2,748,850	64,958
Materials purchased	4,374,175	511,993
Purchase of base materials	5,333,447	476,609
Customisation writing phase I	19,925,349	18,490,442
Content Eval workshops	55,030	884,322
Total (Page 25)	32,436,851	20,428,324
Item bank		
Item writing workshop accommodation	-	43,450
Item writing meeting	-	25,000
Item writing payment	3,792,946	3,707,050
Item review payment	4,988,200	4,539,750
Total (Page 25)	8,781,146	8,315,250
Lecture series (Page 25)	4,689,425	7,909,210
Materials management		
Photocopying	1,457,821	2,278,430
Schools e-Learning Implementation Management Committee Meetings (SEIMC)	1,329,611	1,113,662
School visits	22,784	-
Implementation management meeting expenses	136,710	172,141
Advertisements	-	143,916
Implementation officers	2,149,483	1,671,398
Total (Page 25)	5,096,409	5,379,547
Grand total (Page 25)	67,568,314	58,487,643
Teacher training		
Methodology		
Methodology and integration	135,402,295	64,514,229
Total (Page 25)	135,402,295	64,514,229
ICT training		
Consultant fees – HEART/NTA Trust	21,318,069	78,391,871
Needs assessment	-	30,000
Certification	35,500	1,349,779
Workshops, travelling and subsistence – current year	2,644,005	4,858,988
– prior year	-	5,850,000
Recognition Function	651,894	1,664,819
Total (Page 25)	24,649,468	92,145,457
Teachers' college intervention (Page 25)	8,858,535	6,724,586

	2011 \$	2010 \$
Implementation management		
Photocopying, printing and stationery	766,674	1,178,801
Teacher training meetings and workshops	(7,412)	328,725
Procurement - Implementation officers and advertisement	2,194,714	1,752,634
SEIMC	1,343,401	910,230
School visits	-	52,087
Total (Page 25)	4,297,377	4,222,477
Grand total (Page 25)	173,207,675	167,606,749
Technology infrastructure		
Schools		
Infrastructure building works	307,044	1,619,116
Software Microsoft licence	2,580,900	2,672,400
Total (Page 25)	2,887,944	4,291,516
Central repository (Page 25)	143,350	-
Implementation management		
Photocopying, printing and stationery	3,473,279	1,812,042
Advertisements	234,286	59,004
Technology Infrastructure meetings	142,895	145,859
School visits	94,379	1,370,609
SEIMC	1,408,472	1,678,428
Implementation officers	2,091,609	1,588,064
Amortisation	132,728	132,728
Total (Page 25)	7,577,648	6,786,734
Grand total (Page 25)	10,608,942	11,078,250
Continuous assessment		
Consultant fees	15,362,262	12,963,216
Total (Page 25)	15,362,262	12,963,216
Remedial		
Procurement costs	161,370	18,282
Consultant fees	840,000	1,145,059
Meeting expenses	560,002	17,380
Total (Page 25)	1,561,372	1,180,721

(Gain)/loss on foreign exchange

(Gain)/loss on foreign exchange primarily represents (gain)/loss arising on the translation of the balance of the US\$ savings account at the closing exchange rate of J\$85.75 to US\$1 (89.50 to US\$1)

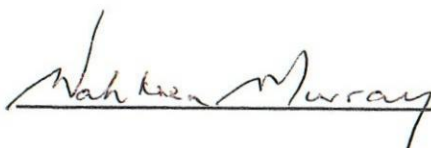
SENIOR EXECUTIVE COMPENSATION

Position of Senior Executive	Year	Salary (\$)	Gratuity of Performance Incentive (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) Mileage	Non-cash Benefits	Total (\$)
CEO/Project manager	2012/13	4,429,800.00	1,107,450.00	975,720.00		5,984.00		6,518,954.00
Finance & Admin Manager	2012/13	2,953,200.00	738,300.00	975,720.00		1,620.00		4,668,840.00
Education Specialist	2012/13	3,433,095.00	858,273.75	514,500.00		-		4,805,868.75
Snr ICT Specialist	2012/13	3,433,095.00	858,273.75	514,500.00		31,585.00		4,837,453.75

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: WAHKEEN MURRAY



COMPANY SECRETARY



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3. DORECTOR'S COMPENSATION
4. AUDITED FINANCIAL STATEMENTS
5. PROCUREMENT AUDIT



NAMES OF DIRECTORS

2011 – 2012

Mr. Patrick Casserly	Chairman
Mr. Trevor Forrest	Deputy Chairman
Mr. Reginald Budhan	Director
Mrs. Avrill Crawford	CEO/Project Manager
Mr. Richard Gordon	Director
Miss Roxanna Harriott	Director
Ms. Tova Hamilton	Director
Ms. Jean Hastings	Director
Mr. Ray Howell	Director
Ms. Wahkeen Murray	Director
Mr. Christopher Reckord	Director
Mr. Yohan Stephenson	Director
Mr. Warren Vernon	Director



March 2012 – December 2012

Mrs. Yvonne McCala Sobers	Chairman
Dr. David McBean	Deputy Chairman
Ms. Audrey Budhi	Director
Ms. Rachael-Leigh Thompson	Director
Dr. Christine Walters	Director
Mrs. Lisa Lewis	Director
Mr. Lloyd Lovindeer	Director
Dr. Stacey-Ann Wilson	Director
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2010 – 2011

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Mr. Reginald Budham	Deputy Chairman
Miss Roxanna Harriott	Director
Mr. Gary Campbell	Director
Ms. Jean Hastings	Director
Mr. Ray Howell	Director
Mr. Christopher Reckord	Director
Mr. Trevor Forrest	Director
Mr. Richard Gordon	Director
Ms. Audrey Sewell	Director
Mr. Vernon McLeod	Director
Mr. Andrew Warwar	Director



**e-LEARNING JAMAICA COMPANY
LIMITED**

ANNUAL REPORT

APRIL 2010- MARCH 2011