



**e-LEARNING JAMAICA COMPANY LIMITED**

**CHAIRMAN'S ANNUAL REPORT**

**APRIL 2012 -MARCH 2013**



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## NAMES OF DIRECTORS

2012 – 2013

Mrs. Yvonne McCalla Sobers	Chairman
Dr. David McBean	Deputy Chairman
Ms. Audrey Budhi	Director
Ms. Fae Ellington	Director
Mrs. Elaine Foster-Allen	Director
Mr. Lloyd Lovindeer	Director
Ms. Wahkeen Murray	Director
Mr. Christopher Reckord	Director
Ms. Rachel-Leigh Thompson	Director
Dr. Christine Walters	Director
Mrs. Lisa Lewis	Director
Dr. Stacey-Ann Wilson	Director
Ms. Jean Hastings	Director
Mrs. Avrill Crawford	CEO/Project Manager



**THE e-LEARNING JAMAICA COMPANY LIMITED**  
**ANNUAL REPORT APRIL 2012 TO MARCH 2013**

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## 1. BACKGROUND

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

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

The period up to August 2006 was utilised to establish the organisation in 30 of the initially targeted 150 education institutions and the project commenced officially in September 2006 with a 1-year pilot project aimed at testing all the planned procedures and methodologies of the project, identifying best practises and determining the support systems that have to be in place for successful project implementation.

By March 2008, the scope of the project was widened to include the 8 Colleges that train teachers for the high schools, and 1 Independent High School. In addition, based on results from a technology capacity survey conducted by the MOE which became available at that time, the MOE requested that the project include ICT training and certification of all 11,400 teachers and lecturers in the high schools and teachers colleges. However, there were significant delays which added some 12 months to the original project completion date of August 2009 and strategies were put in place during this period to mitigate these delays, including fast tracking of various aspects of the project so that the original timeframe for completing the equipment installation could still be met, while extending the timeline for the remaining aspects to March 2011.

By March 2010, the scope of the project was again widened to include the 5 Community Colleges and 16 independent high schools that assist in placement of students from the GSAT and GNAT examinations, bringing the total number of institutions to 203. In addition, several elements were added or amended to more meaningfully reflect the MOE's vision of a 21<sup>st</sup> century classroom and to better ensure sustainability. These included the placement of the grade 10 & 11 classrooms on the schools local area network and the provision of additional laptops and multimedia projectors to ensure that all grade 10 & 11 teachers were fully equipped to utilize all aspects of the technology, including the internet, in whole-class delivery. In 2011, interactive whiteboard technology was also agreed as a whole-class strategy.





The technology portfolio was moved to the Office of the Prime Minister (OPM) in 2008 and the 3rd Board of Directors appointed to November 2010 was asked to continue to March 2011. A new Board was appointed in April 2011.

As a result of the Public Sector restructuring recommendations, e-LJam was relocated to the MOE in June 2011, but moved back to the technology ministry, the Ministry of Science, Technology, Energy and Mining (MSTEM) in January 2012, and a new Board appointed in February 2012.

The focus of the company during this period was in completing the High School Project for handover to the MOE by March 2013 and to develop a 2nd project for the primary, all age and junior high schools.

## 2. THE HIGH SCHOOL PROJECT

### 2.1. Purpose and Scope

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

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

The project began with 150 educational institutions, but has been increased to 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*)
- ♦ 16 independent high school (*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, 1<sup>st</sup> 5 in pilot*)
- ♦ Over 11,400 teachers and lecturers (*2880 in pilot*)
- ♦ Over 260,000 students per year (*37,344 in pilot*)

### 2.2 Project Components

#### **Component 1 - Instructional Materials**

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

- 2.1.1. Teachers Instructional Materials (TIMs)
- 2.1.2. Student's Instructional Materials (SIMs)
- 2.1.3. Interactive Educational Software to improve literacy and numeracy
- 2.1.4. Item Bank (25,000 questions, multiple choice and extended questions)
- 2.1.5. Video-taped Lecture Series (for 'challenging' topics)

### Media

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

### Development Methodology

- ◆ International Standards
- ◆ Best Practices
- ◆ Expertise in instructional design
- ◆ Expertise in writing instructional material
- ◆ Expertise in writing items
- ◆ Knowledge of the technology and how it can be integrated
- ◆ Supervision
- ◆ Quality Assurance

### **Component 2 - Technology Infrastructure for Storage / Dissemination / Access**

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

### Technology

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

### **Component 3 - Teacher Training**

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





#### Training Methodology

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

#### **Component 4 - Remedial Support**

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

#### **Component 5 - Continuous Assessment**

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

#### **Project Evaluation**

- i. Baseline Surveys
- ii. Programme / Project Implementation Evaluation
- iii. Impact Assessments

#### Methodology

- ◆ Desk Reviews
- ◆ Formative surveys - questionnaires, interviews, review of school reports
- ◆ Summative surveys - questionnaires, interviews, review of school reports
- ◆ Examination Results
- ◆ Attitude Surveys
- ◆ Skills Surveys etc

### **3. CHALLENGES AND MITIGATION STRATEGIES FROM INCEPTION TO MARCH 2013**

The project was planned to be implemented in 3 phases:

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

The following outlines some of the challenges experienced to March 2013 and some of the major strategies put in place to overcome these challenges.

#### **3.1 Challenges to March 2013**

- i. Delays in procurement because of a protest from the bidder on the major equipment contract, delaying the pilot project by 12 months
- ii. Protracted time to arrive at agreement on the philosophical framework to govern the deployment of materials and computer technology in the school.



- iii. Unforeseen delays in finalizing the scope of work with the supplier of the computer equipment and networks due to the changed deployment strategy.
- iv. The need to reinstitute the Partners in Learning Agreement (PIL) between the Ministry of Education and Microsoft, in order to obtain budgeted rates for Schools Microsoft software licenses for the schools, further delaying the start-up of manufacture of the computers.
- v. Inordinate delays in the rate of completion of building works at the schools during the pilot of the project, initially due to pressure of work and other priorities of the MOE Building Officers.
- vi. Inability of the MOE to fund the building and electrical works in the schools after the pilot schools were completed thus affecting the rate of completion of computer network installations in the remaining 150 institutions.
- vii. Steep learning curve for local contractors to produce video lessons. However, this was deemed to be necessary in order to build capacity in Jamaica.
- viii. Lack of clarity as to whether the then UAF mandate supported the provision of certain technologies, such as interactive whiteboards, as well as teacher training, resulting in inordinate delays in submission of procurement requests for approvals.
- ix. Considerable delay in the production of teachers and students instructional materials as well as video lectures as extra care was taken in ensuring the integrity of the process and the usefulness of the materials produced.
- x. The slow pace of infrastructural work at the MOE continued to delay the implementation of the CREM, initially scheduled for completion in July 2010.
- xi. Faulty UPS units supplied by the contractor hampering the efficient running of the school network.
- xii. Less than due care being taken by some schools in securing and tracking equipment resulting in substantial losses being reported during the inventory audits undertaken in 2011 and 2012.
- xiii. Inordinate delays in some procurement processes, exacerbated by the movement between Ministries (3 in the 2011)

### **3.2. Mitigation Strategies to March 2013**

- i. Towards the end of 2007, the decision was taken to fast-track various aspects of the project. By February 2008, audio-visual equipment was delivered to all schools, except for the 5 newly joined community colleges. This included multimedia projectors and screens, document cameras, video cameras, scanners, television, DVD /CD combos.
- ii. The MOE assigned dedicated Building Officers to the project in March 2008 and strategies were put in place to complete computer and network installation in the pilot schools by end June 2008 and in all 180 schools by August 2009 as had been originally planned. These strategies included:
  - ♦ Identification and fast tracking of schools only requiring electrical works and very little civil works (50 identified as at March 2008).
  - ♦ Focus on completing the schools needing civil works (approx. 35) in regions 1& 6 (where the pilot schools were) and to increase phase 2 schools by 10, moving this to 85.
  - ♦ Maintaining an installation completion rate of 36 schools per quarter.
- iii. However, given the lack of funding from MOE, focus had to be shifted to encouraging the remaining 150 schools to carry out the building and





electrical works on their own. By June 2008, 140 schools had indicated how and when they would be able to complete the required infrastructure. As a result, the project was able to maintain and at some times exceed the installation rate, and was able to meet the original completion date of August 2009, for the computer installations and audiovisual equipment.

- iv. In December 2008, MOE undertook to fund the Electrical Consultant to inspect and sign off on the electrical work done by the schools, particularly those with faulty UPS units. This was completed by September 2009.
- v. Faulty UPS units were replaced or repaired satisfactorily by the supplier during 2010 to 2011. However, it is still necessary that the Electrical Consultant be hired to inspect the remaining schools, especially where there are indications that faulty grounding and inadequate transformers may have contributed to the demise of some UPS units
- vi. Sessions were held with Principals and Bursars, to underscore their responsibility with respect to securing and safeguarding the use of the equipment, resulting in replacement of equipment by some schools
- vii. Computer locks were sourced and delivered to the schools during 2011 to further assist in safe-guarding the equipment
- viii. In early 2012, the decision was taken to identify alternate hosting services to the MOE for the Central Repository from the MOE

#### **4. ACHIEVEMENTS ON THE HIGH SCHOOL PROJECT MARCH 2012 - 2013**

##### **4.1 Overview**

The strategic plan for the Company during this period included the completion and handover of the high school project to the MOE, and completion of the design and approval of a primary school project.

However, the completion of the high school project did not materialise, mainly due to delays experienced in the procurement processes, the slow pace of the building infrastructure at MOE to house the Central Repository, and the slow pace of content development.

The MOE requested that e-LJam defer the handover of those element that were completed until they were in a better position to take on the functions and bear the cost of sustaining the intervention. As a consequence, e-LJam renewed the insurance coverage for the equipment and continued to provide full support to the school principals, teachers and School e-Learning Implementation Management Committee (SEIMCs).

In addition, the MOE asked the Board to consider partnering with the MOE in a business venture which would include taking over aspects of the Media Services Unit (the Unit targeted to take over the Content Management Function of the project), and establishing a publishing arm to exploit the marketability of content developed by both entities, the proceeds of which would be shared with the MOE.

The development of the primary schools project was significantly curtailed as the MOE was in the process of developing an ICT in Education Policy which was needed to give policy direction to the project. In addition the MOE was in the process of revising the primary schools curriculum which was to be piloted in September 2013 for 1 year, and so they requested that the project be deferred until both these matters were completed.



These setbacks contributed to the approx. 80% underutilization of the \$1.66 billion budget allocation, and the eventual reduction in allocation in the Supplementary Estimates of Expenditure.

Meetings continued to be 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. Regular meetings were also held with the School e-Learning Implementation Management Committee (SEIMCs) to get reports on the implementation and assist in finding solutions for problems arising.

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 CXC developed 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.

The Technology Enrichment programme in 30 selected low-performing schools to assist in improvements in literacy and numeracy at the Grade 7 & 8 levels was fully implemented and evaluated.

#### **4.2 Governance and Administration**

- i. During the period under review, the Ministry of Science, Technology, Energy and Mining (MSTEM) continued to have portfolio responsibility for e-LJam, having been transferred to the Ministry in January 2012.
- ii. The Board appointed by the new Administration began formally operating in March 2012 under the Chairmanship of Mrs. Yvonne McCalla Sobers, as the previous Board was asked to continue until end February 2012, in order to oversee the adoption of the audited Financial Statements for 2008-2009.
- iii. At its Retreat in March 2013, the Board amended its Mandate, Mission and Vision to encompass the wider range of clients reflected in the mandate of the Company approved by Cabinet in May 2005. The amendment was accepted by the Hon. Minister of MSTEM.
- iv. During this period, all 12 staff members remained in the same positions. Resources required for project implementation continued to be contracted to the project as needed, through a competitive bidding process.
- v. The additional office space secured adjacent to the original offices was reconfigured to house the Finance and Administration Department as well as the database staff.

#### **4.3 Progress on Instructional Materials Component**

- i. Contracts were entered into for the purchase of TIMs and SIMs for the second set of 6 subjects, Geography, Spanish, Integrated Science, Physics, Social Studies and Building Technology, except for teachers guides for Spanish which were being sourced by the MOE Spanish department.



- ii. Work continued on the development and delivery of TIMs and SIMs for the remaining 6 subjects. The contract for IT was transferred from UTECH to UWI, all expected to be completed by September 2013.
- iii. Video lectures were completed for Spanish and Geography, others expected to be completed by December 2013.
- iv. Over 23,000 items (test questions) were written and approved covering all 11 subjects and grades 7-11, provided on DVDs to all project schools and placed on e-LJam web-site. Item Bank used by students to revise for CXC CSEC examinations since 2009.

#### **4.4 Progress on Equipment and Network Installation**

- i. Computer network installation was completed in 16 Independent Schools and 4 additional public high schools and mobile netbook kits delivered to all schools in the project as planned.
- ii. Due to protracted delays in obtaining NCC and Cabinet approval due mainly to changes in portfolio Ministry, tenders for the interactive white-boards had to be re-done, on the advice of NCC.
- iii. Discussions commenced with Fiscal Services for temporary relocation of the CREM as the MOE was still unable to provide appropriate hosting services. A Consultant was hired to determine the functional requirements for an integrated LCMS/SMS platform.

#### **4.5 Progress on Teacher Training**

- i. Additional 120 Systems Administrators trained by the HEART Trust /NTA as planned.
- ii. NCC submission for Technology Integration Teacher Training for additional 2000 teachers retained by MSTEM awaiting evaluation of previous training.
- iii. Instructional Technology Officers trained by the project to Masters level in Education technology, renamed Educational Technologists, continued to assist with the development of training courses for both pre-service and in-service teachers, formed an Association EdTech Jamaica, and held an inaugural Education Symposium

#### **4.6 Progress on Remedial Component**

- i. Agreement reached with UWI Centre for Disabilities to source special equipment and software to special schools for the learning and physically disabled, contract negotiation commenced.
- ii. Evaluation was conducted on the Technology Enrichment intervention in the 30 low-performing schools to assist in improving the literacy and numeracy skills of students at Grade 7 and 8. Results showed significant impact, but software expensive. To be passed to MOE to inform future interventions.

#### **4.7 Progress on the Continuous Assessment Component**

Diagnostic tests in English, Maths, Integrated Science and Social Studies again administered at the Grade 7 and 9 levels, 176 schools participated, marking and analysis carried out in record time utilising software loaded on the scanners provided to the schools by the project



#### **4.8 Other Achievements**

- i. Documentation of project development and implementation processes commenced but orientation/hand-over sessions stalled due to personnel changes at the MOE and the eventual request for the transfer to be deferred until the Ministry improved its capacity and capability to fully support the interventions.
- ii. Legal work completed to transfer the assets of the project to MOE by deed of gift, awaiting update of school inventory based on the 2011 audit.
- iii. With regard to the e-Learning project No 2 targeted at the Primary and All-age schools, initial reviews and research were carried out, but the decision was taken to postpone the development of the project until MOE completed the ICT in Education Policy and the piloting of the primary curriculum.

#### **4.9 Some Implementation Management and Sustainability Strategies**

Much attention continued to be placed on ensuring the integrity of the implementation and the sustainability of the project. Such strategies include:

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



have the responsibility to continue the training of the lecturers and keep up-to date with the latest technologies and methodologies.

- xiii. Quarterly reporting by the schools as outlined in the signed MOU
- xiv. Materials Subject Advisory Groups (SAG), including MOE subject experts, continued to review the materials to assure quality and maintenance of standards
- xv. Materials Workshops held with subject teachers by the Subject Coordinators to ensure full understanding of all the content provided
- xvi. Asset Management Software installed in all schools
- xvii. Help desk / Client support system sourced and schools advised of the maintenance and replacement costs after warranty expiration
- xviii. 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
- xix. 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
- xx. 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
- xxi. 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 2013

#### **4.10 Financial Performance**

- i. Funds continued to be disbursed from the Consolidated Fund through the portfolio Ministry to e-LJam. Approx. J\$364million was expended during 2012-13, bringing the total expenditure since inception of the project to March 2013 to J\$4.19 billion or US\$52million at an average rate of exchange of J\$81.94:US\$1 from 2005 to 2013
- ii. e-LJam requested approx. J\$1million for the period and this was subsequently reduced in the supplementary estimates to J\$381,247,000. The underutilization of the budget continued to reflect 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 inordinate delays experienced in the procurement process.

The following chart gives the breakdown of expenditure from project inception to date.



<b>e-LJAM EXPENDITURE AS AT MARCH 2013</b>				
<b>COMPONENT</b>	<b>Total Expenditure to March 2012</b>	<b>Planned Expenditure 2012-2013</b>	<b>Actual Expenditure 2012-2013</b>	<b>Total Expenditure to March 2013</b>
	<b>J\$</b>	<b>J\$</b>	<b>J\$</b>	<b>J\$</b>
Instructional Materials	261,440,915	308,250,000	68,432,000	329,872,915
Computer Equipment & Networks	2,584,925,022	427,489,000	114,249,000	2,699,174,022
Teacher Training	466,098,621	64,143,000	45,937,000	512,035,621
Remedial	27,141,619	50,901,070	19,796,000	97,838,689
Continuous Assessment	59,215,684	32,750,000	17,027,000	76,242,684
School Implementation	15,128,000	81,990,000	21,873,000	37,001,000
Project Evaluation	4,044,000	4,060,000	333,705	4,377,705
Primary School Project Design	0	30,417,000	0	0
Recurrent	338,684,456	86,739,000	75,495,000	414,179,456
Capital	22,771,630	2,349,000	1,109,000	23,880,630
<b>TOTAL</b>	<b>3,779,449,947</b>	<b>1,089,088,070</b>	<b>364,251,705</b>	<b>4,194,602,722</b>
	<b>US\$47,334,322.83</b>			<b>US\$51,191,148.675</b>
Exchange Rate @ 81.94 average 2005 - 2013				

## 5. SOME LESSONS LEARNED

- i. The importance of collaboration / involvement of stakeholders, schools, MOE, funders, to create buy-in and ownership and provide the necessary policy guidance. The involvement of the MOE through a Memorandum of Understanding is yielding benefits of access to the experience of the Ministry's technical staff. The School Committees will ensure the timely involvement and accountability of the school leadership.
- ii. The need for continuous research and refinement and flexibility- nothing cast in stone - especially in the pilot phase, it is desirable to have the will to try out new approaches and have the capacity to act without fear of failure.
- iii. The need to use existing materials, methodologies, know-how to get materials into the schools in the short-term - need not invent the wheel - this will also allow evaluation of the interaction of teachers and students with the electronic and print resources - in general, it is a strategic goal of the project to own materials for open adaptation and dissemination.



- v. The need to maintain focus on learning rather than technology. There is a concern that schools may be more interested in the capital acquisition than in the pursuit of project goals and objectives.
- vi. The need to estimate more realistic timeframes for all activities.
- vii. The need for strategy to maintain interest – e.g. in Item writing.
- viii. The need for strategy to minimize procurement delays .
- ix. The need for experts to be allowed the time to devote to providing critical input – standards, reviews, research, building contractor approvals etc.
- x. The need to ensure that a mechanism exists to ensure full integration of the interventions into the life of the schools.
- xi. The need to ensure a significant period for assimilation, reinforcement and practice in the schools after implementation of the technology prior to the ending of the project.

## **6. MEDIUM TO LONG TERM FOCUS**

It is planned to develop and implement a Tablets in Schools Project during the next 4-5 years (over 1000 schools, over 600,000 children), beginning with the pilot project in September 2013.

## **7. PROGRAMMES AND TARGETS FOR FINANCIAL YEAR 2013/2014**

The financial year 2013-14 will see the completion of the high school project and hand over of the relevant components for institutionalisation and full operation by the MOE. This will include evaluation of the project at a policy level and recommendation for policy revision where relevant, the assignment of leadership and identification of component counterpart resources, scoping and budgeting of sustainability strategies and knowledge transfer at all levels.

The opportunity will also be taken to train the librarians in the Jamaica Library Service, to support the high school students in accessing content on the central repository when they attend the libraries outside of regular school time, and to pursue the possibilities for establishing a digital production arm that would market and sell content resources developed by the MOE and e-LJam, through a merger with the MSU of the MOE.

The remaining activities for the high school project have therefore been broken down into two main sub-components:

- i. Completion of the outstanding activities in the High School Project, including
  - a. Training of Librarians in the Jamaica Library Service, island-wide
  - b. Determination of feasibility of establishing a Digital Production arm
- ii. Handover of relevant completed components of the High School Project

e-LJam will also commence a pilot project in September 2013, that will provide approximately 30,000 tablets to students and teachers in 37 to 40 pre-primary, primary and secondary schools island wide, selected based on the need for improved performance. The project will also provide other e-learning technologies, internet connectivity, relevant e-content, and the training of teachers, instructors and facilitators at the various access points in the surrounding neighbourhood of the selected schools.





e-LJam will partner with the Universal Service Fund (USF), the Jamaica Library Service (JLS), the Child Development Agency (CDA), the Jamaica Foundation for Life-long Learning (JFLl), the Social Development Commission (SDC) and other Ministries, Agencies, NGOs, and other stakeholders in incorporating the schools, colleges, libraries, community access points and other places of learning in the neighbourhood of the chosen schools to ensure

- i. Increased access to e-learning material.
- ii. Increased use of technology in carrying out daily activities, moving towards digital citizenship.

A handwritten signature in black ink, appearing to read 'Yvonne McCalla Sobers'.

.....  
**Yvonne McCalla Sobers**  
**Chairman**

28/3/14  
.....  
**Date**

## DIRECTORS COMPENSATION

2012/2013

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
CHAIRMAN	128,500.00				128,500.00
DIRECTOR 1	68,000.00				68,000.00
DIRECTOR 2	46,000.00				46,000.00
DIRECTOR 3	33,000.00				33,000.00
DIRECTOR 4	48,000.00				48,000.00



DIRECTOR 5	64,500.00					64,500.00
DIRECTOR 6	20,000.00					20,000.00
DIRECTOR 7	22,000.00					22,000.00
DIRECTOR 8	44,000.00					44,000.00
DIRECTOR 9	70,000.00					70,000.00

DIRECTOR 10	49,500.00					49,500.00
DIRECTOR 11	57,000.00					57,000.00
DIRECTOR 12	53,500.00					53,500.00
DIRECTOR 13	7,500.00					7,500.00

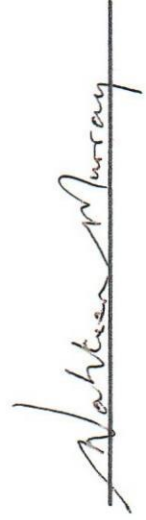
**Total**

**711,500.00**

**Notes**

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

**CERTIFIED BY: WAHKEEN MURRAY**





## SENIOR EXECUTIVE COMPENSATION

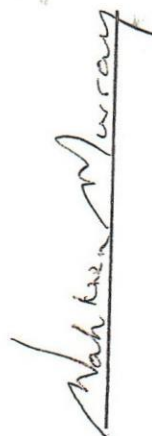
Position of Senior Executive	Year	Salary (\$)	Gratuity of Performance Incentive (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) Mileage	Non-cash Benefits	Total (\$)
CEO/Project manager	2012/13	4,429,800.00	1,107,450.00	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



**e-LEARNING JAMAICA COMPANY LIMITED**

**YEAR ENDED MARCH 31, 2013**

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Statement of Comprehensive Income	3
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Statement of Cash Flows	5
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Project Expenses	3





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Page 1.1

## **INDEPENDENT AUDITORS' REPORT**

To the members of

**e-LEARNING JAMAICA COMPANY LIMITED**

### **Report on the financial statements**

We have audited the financial statements of E-Learning Jamaica Company Limited (the Company) set out on Pages 2 to 29, which comprise the statement of financial position as at March 31, 2013, the statement of comprehensive income, the statement of changes in equity and the 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 of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and requirements of the Companies Act, 2004 of Jamaica and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on the 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 auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fagan E. Calvert, Audley L. Gordon

An Independent Correspondent Firm to  
Deloitte Touche Tohmatsu Limited

**Report on the financial statements (Cont'd)**

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on additional requirements of the Companies Act, 2004 of Jamaica**

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 therewith and give the information required in the manner so required.

*Calvert Gordon Associates*  
Chartered Accountants

Kingston, Jamaica  
September 4, 2013

## e-LEARNING JAMAICA COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2013

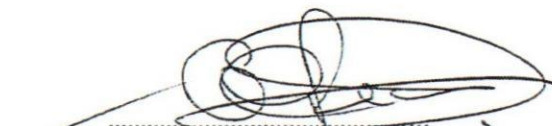
	<u>Notes</u>	<u>2013</u> \$'000	<u>2012</u> \$'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property and equipment	5	7,928	6,819
Intangible assets	6	<u>688</u>	<u>709</u>
<b>Total non-current assets</b>		<u>8,616</u>	<u>7,528</u>
<b>Current assets</b>			
Receivables	7	662	530
Resale agreements	8	60,018	56,282
Taxation recoverable		732	633
Cash and bank	9	<u>353,291</u>	<u>127,128</u>
<b>Total current assets</b>		<u>414,703</u>	<u>184,573</u>
<b>Total assets</b>		<u>423,319</u>	<u>192,101</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' equity</b>			
Share capital	10	-	-
Accumulated surplus		<u>66,422</u>	<u>49,133</u>
<b>Total shareholders' equity</b>		<u>66,422</u>	<u>49,133</u>
<b>Non-current liabilities</b>			
e-Learning Jamaica Project fund	11	<u>220,722</u>	<u>35,941</u>
<b>Total non-current liabilities</b>		<u>220,722</u>	<u>35,941</u>
<b>Current liabilities</b>			
Payables and accruals	12	<u>136,175</u>	<u>107,027</u>
<b>Total current liabilities</b>		<u>136,175</u>	<u>107,027</u>
<b>Total equity and liabilities</b>		<u>423,319</u>	<u>192,101</u>

The Notes on Pages 6 to 29 form an integral part of the Financial Statements.

The financial statements on Pages 2 to 29 were approved and authorised for issue by the Board of Directors on September 4, 2013 and are signed on its behalf by:



Director



Director



## e-LEARNING JAMAICA COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2013

	<u>Notes</u>	<u>2013</u> \$'000	<u>2012</u> \$'000
Income			
Government grants:			
Operating income	13	92,530	78,603
e-Learning Jamaica project	11,13	<u>401,283</u>	<u>173,396</u>
Total grants		493,813	251,999
Other income		<u>2,128</u>	<u>5</u>
		<u>495,941</u>	<u>252,004</u>
Expenses			
e-Learning Jamaica project expenses	11,18	(193,489)	(213,152)
(Loss) Gain on foreign exchange		( 1,874)	( 4,564)
Administrative and general expenses		( 68,472)	( 71,832)
Promotion and public education		( 5,505)	( 2,942)
Other operating expenses		<u>( 1,518)</u>	<u>( 2,791)</u>
		<u>(270,858)</u>	<u>(295,281)</u>
Surplus (Deficit) for the year before transfers	14	<u>225,083</u>	<u>( 43,277)</u>
Capital grant			
Capital grant received during the year		71,470	448,576
Transfer to capital reserve		<u>( 71,470)</u>	<u>(448,576)</u>
		<u>-</u>	<u>-</u>
		225,083	( 43,277)
(Surplus) Deficit attributable to e-Learning Jamaica project fund	11	<u>(207,794)</u>	<u>39,756</u>
<b>SURPLUS (DEFICIT) AND</b>			
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<u>17,289</u>	<u>( 3,521)</u>

The Notes on Pages 6 to 29 form an integral part of the Financial Statements.

## e-LEARNING JAMAICA COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2013

	Share <u>Capital</u> \$'000	Accumulated Surplus (Deficit) \$'000	<u>Total</u> \$'000
Balance at April 1, 2011	-	52,654	52,654
Deficit and total comprehensive loss for the year	<u>-</u>	( <u>3,521</u> )	( <u>3,521</u> )
Balance at March 31, 2012	-	49,133	49,133
Surplus and total comprehensive income for the year	<u>-</u>	<u>17,289</u>	<u>17,289</u>
Balance at March 31, 2013	<u>-</u>	<u>66,422</u>	<u>66,422</u>

The Notes on Pages 6 to 29 form an integral part of the Financial Statements.

## e-LEARNING JAMAICA COMPANY LIMITED

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013

	<u>Notes</u>	<u>2013</u> \$'000	<u>2012</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) for the year		17,289	( 3,521)
Increase (Decrease) in e-Learning Jamaica Project fund	11(b)	184,781	( 39,756)
Adjustments to reconcile surplus for the year to net cash: provided by operating activities			
Depreciation of property and equipment	5	1,497	2,770
Amortisation of intangible assets	6	21	21
Net foreign exchange gain (loss)		1,874	4,564
Interest income	15	( 4,165)	( 1,723)
		201,297	( 37,645)
Movements in working capital			
Increase in receivables		( 132)	( 158)
Increase (decrease) in payables and accruals		<u>27,273</u>	<u>(155,094)</u>
Net cash provided by (used in) operations		228,438	(192,897)
Interest received		3,229	1,080
Income tax paid		( 99)	( 109)
Net cash provided by (used in) operating activities		<u>231,568</u>	<u>(191,926)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in resale agreements		( 2,799)	( 55,639)
Addition to property and equipment	5	( 2,606)	(287,723)
Transfers from property and equipment	5	-	<u>15,229</u>
Cash used in investing activities		( 5,405)	<u>(328,133)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital grant received		-	<u>448,576</u>
Net cash provided by financing activities		-	<u>448,576</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		226,163	( 71,483)
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<u>127,128</u>	<u>198,611</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	9	<u>353,291</u>	<u>127,128</u>

The Notes on Pages 6 to 29 form an integral part of the Financial Statements.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 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 99% by the Accountant-General of Jamaica and 1% by the Permanent Secretary of the Parent Ministry, 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 Service Fund (USF) (formerly the Universal Access Fund).

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

## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards and Interpretations affecting presentation and disclosures in the current period (and/or prior periods)

There were no Standards and Interpretations that were applied in the year that affected the presentation and disclosures in these financial statements.

Standards and Interpretations affecting the reported financial performance and/or financial position

There were no Standards and Interpretations that were applicable in the year that affected reported financial performance and/or financial position.

*Standards and Interpretations adopted with no effect on financial statements*

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

Effective for annual periods  
beginning on or after

Amendments to Standards

IAS 12	Income Taxes – limited scope amendment (recovery of underlying assets)	January 1, 2012
IAS 27 and IFRS 3	Amendments arising from May 2010 Annual Improvements to IFRS	July 1, 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards	
	- Replacement of fixed dates for certain exceptions with the date of transition to IFRS	July 1, 2011
	- Additional exemption for entities ceasing to suffer from severe hyperinflation	July 1, 2011
IFRS 7	Financial Instruments: Disclosures	
	- Amendments enhancing disclosures about transfers of financial assets	July 1, 2011

## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

*Standards and interpretations in issue not yet effective*

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not effective for the financial period being reported on:

		Effective for annual periods <u>beginning on or after</u>
<u>New and Revised Standards</u>		
IAS 1, 16, 32, 34 and IFRS 1	Amendment arising from 2009 - 2011 Annual Improvements to IFRS	January 1, 2013
IAS 1	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 1, 2012
IAS 19	Employee Benefits – Amended standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 1, 2013
IAS 27	Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements	January 1, 2013
IAS 28	Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures	January 1, 2013
IAS 32	Financial Instruments: - Amendments to application guidance on the offsetting of financial assets and financial liabilities	January 1, 2014
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment for Government loan with a below-market rate of interest when transitioning to IFRS	July 1, 2013
IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about offsetting financial assets and financial liabilities - Amendments requiring disclosures about the initial application of IFRS 9	January 1, 2013 January 1, 2015 (or otherwise when IFRS 9 is first applied)
IFRS 9	Financial Instruments: Classification and Measurement of financial assets	January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint Arrangements	January 1, 2013
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurement	January 1, 2013
<u>New and Revised Interpretations</u>		
IFRIC 20	Stripping costs in the Production Phase of a Surface Mine	January 1, 2013



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

New and Revised Standards and Interpretations in issue not yet effective that are relevant

The Board of Directors and management have assessed the impact of all the new and revised Standards and Interpretations in issue not yet effective and have concluded that the following are relevant to the operations of the company:

- Annual Improvements to IFRS 2009 – 2011 Cycle issued in May 2012

The Annual Improvements to IFRS 2009 – 2011 Cycle include a number of amendments to various IFRS. The amendments are effective for annual periods beginning on or after January 1, 2013. Amendments to IFRS include:

- amendments to IAS 16 *Property, Plant and Equipment*; and
- amendments to IAS 32 *Financial Instruments: Presentation*

Amendments to IAS 16

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. The Directors anticipate that the amendments to IAS 16 will have no effect on the company's financial statements.

Amendments to IAS 32

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 *Income Taxes*. The Directors anticipate that the amendments to IAS 32 will have no effect on the company's financial statements.

- IAS 1 *Presentation of Financial Statements*

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

- IAS 19 *Employee Benefits*

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on the plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013 and require retrospective application with certain exceptions. The directors and management anticipate that the amendments to IAS 19 will be adopted in the company's financial statements for the annual period beginning April 1, 2013. The directors do not anticipate that the amendments will have a significant effect on the company's financial statements.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

New and Revised Standards and Interpretations in issue not yet effective that are relevant (Cont'd)

- *Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures*

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after January 1, 2014, with retrospective application required. The directors do not anticipate that the amendments will have a significant effect on the company's financial statements.

- *IFRS 9 Financial Instruments*

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss as presented in profit or loss.

The directors and management anticipate that IFRS 9 will be adopted in the company's financial statements for the annual period beginning April 1, 2015 and that the application of IFRS 9 may impact the amounts reported in respect of the company's financial assets and liabilities. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the likely impact.



**e-LEARNING JAMAICA COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2013****3 SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

The Company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and with the requirements of the Companies Act, 2004 of Jamaica.

**Basis of preparation**

The financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below and have been consistently applied.

**Furniture and equipment**

All furniture and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at historical cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of furniture and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of furniture and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

**Impairment of tangible assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**Financial instruments**

Financial instruments include transactions that give rise to both financial assets and financial liabilities.

Financial assets of the Company include any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
  - (i) to receive cash or another financial asset from another entity; or
  - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Company.

Financial liabilities of the Company include any liability that is a contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The fair values of financial instruments are discussed in Note 20. Listed below are the Company's financial assets and liabilities and the specific accounting policies relating to each:

**Financial assets**

Financial assets are recognised and derecognised on trade date where the purchase or sale of the instrument is under a contract whose terms require delivery of the instrument within the timeframe established by regulation or convention in the market place.

The Company's financial assets are classified as 'loans and receivables' with the classification being based on the nature and purpose of the financial asset and is determined at the time of initial recognition.

**(a) Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial assets, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

The Company's portfolio of loans and receivables comprise receivables, resale agreements and cash at bank.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## Financial instruments (Cont'd)

*Financial assets (Cont'd)*(b) *Resale agreements*

Securities purchased under agreements to resell them on a specified future date and at a specified price ("resale agreements") are accounted for as short-term collateralised lending classified as loans and receivables (see Note 3(a)) and the underlying asset is not recognised in the Company's financial statements.

The difference between the purchase price and the amount receivable on resale is recognised as interest income over the term of the agreement using the effective interest method. It is the policy of the Company to obtain possession of collateral with a market value equal to, or in excess of, the principal amount loaned and interest to be earned.

(c) *Cash and cash equivalents*

Cash comprises cash on hand and in banks. Cash equivalents are short-term highly liquid instruments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term commitments rather than for investments or other purposes.

(d) *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate (See Effective interest method above).

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return of a similar financial asset. Such impairment loss will not be reversed in subsequent periods.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## Financial instruments (Cont'd)

*Financial assets (Cont'd)*(d) *Impairment of financial assets (Cont'd)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously provided for reduce the amount of the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. Recoveries of amounts previously written off are credited to income.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(e) *Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Company retains control), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

*Financial liabilities and equity instruments*Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## Financial instruments (Cont'd)

*Financial liabilities and equity instruments (Cont'd)*Financial liabilities

These are classified as "other financial liabilities".

Financial liabilities are initially measured at fair value, net of transaction costs (where applicable). They are subsequently re-measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short-term liabilities when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate transaction costs and other premiums and discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company's financial liabilities comprise amounts due to e-Learning Jamaica Project Fund and payables.

(a) *Related party balances and transactions*

A party is related to the Company if:

- (i) directly, or indirectly through one or more intermediaries, the party:
  - controls, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the Company; or
  - has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

Intergroup transactions are recorded at normal group rates and have no specific terms of repayment.

(b) *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Employee benefits***Leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave for services rendered by employees up to the end of the reporting period.

**e-LEARNING JAMAICA COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2013****3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**Government Grants**

Revenue in respect of Government Grants are recognised when received.

**Interest income**

Interest revenue is recognised when it is probable that the economic benefit will flow to the Company and the amount of revenue can be measured reliably.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Foreign currencies**

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, are recorded at the rates of exchange prevailing on the dates of those transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing when the fair value was determined. Non-monetary items that are measured in terms of historical costs in foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

*Critical judgments in applying accounting policies*

Management believes there are no judgements made that had a significant effect on the amounts recognised in the financial statements.

*Key sources of estimation uncertainties*

Management believes there were no key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## 5 PROPERTY AND EQUIPMENT

	Leasehold Improvements \$'000	Furniture, Fixtures, and Equipment (Office) \$'000	Computers and Software (Office) \$'000	Totals \$'000
<b>At cost</b>				
April 1, 2011	966	9,394	8,430	18,790
Additions	-	25	29	54
March 31, 2012	966	9,419	8,459	18,844
Additions	-	1,075	1,531	2,606
March 31, 2013	966	10,494	9,990	21,450
<b>Depreciation</b>				
April 1, 2011	441	3,032	5,782	9,255
Charge for year	97	995	1,678	2,770
March 31, 2012	538	4,027	7,460	12,025
Charge for year	96	933	468	1,497
March 31, 2013	634	4,960	7,928	13,522
<b>Net Book Value</b>				
March 31, 2013	332	5,534	2,062	7,928
March 31, 2012	428	5,392	999	6,819

The following useful lives are used in the calculation of depreciation:

Leasehold improvements	10 years
Furniture, fixtures, and equipment	10 years
Computers and software	5 years

## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 5 PROPERTY AND EQUIPMENT (Cont'd)

Included in computers and software is equipment with a gross carrying amount of \$1.939 (2011: \$1.939) 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 12).

## 6 INTANGIBLE ASSETS – e-LEARNING JAMAICA PROJECT

The carrying amounts for intangible assets for the years included in these financial statements as at March 31, 2012 are reconciled as follows:

	<u>Jingle</u> \$'000	<u>Logo</u> \$'000	<u>Video</u> \$'000	<u>Total</u> \$'000
<b>At cost</b>				
Balance at April 1, 2012 and March 31, 2013	<u>630</u>	<u>200</u>	<u>560</u>	<u>1,390</u>
<b>Accumulated amortization</b>				
Balance at April 1, 2011	75	25	560	660
Charge for year	<u>16</u>	<u>5</u>	<u>-</u>	<u>21</u>
Balance at March 31, 2012	91	30	560	681
Charge for year	<u>16</u>	<u>5</u>	<u>-</u>	<u>21</u>
Balance at March 31, 2013	<u>107</u>	<u>35</u>	<u>560</u>	<u>702</u>
<b>Carrying amount</b>				
As at March 31, 2013	<u>523</u>	<u>165</u>	<u>-</u>	<u>688</u>
As at March 31, 2012	<u>539</u>	<u>170</u>	<u>-</u>	<u>709</u>

## 7 RECEIVABLES

	<u>2013</u> \$'000	<u>2012</u> \$'000
Advances to schools	97	362
Staff loans	538	168
Prepayment	<u>27</u>	<u>-</u>
	<u>662</u>	<u>530</u>

## 8 RESALE AGREEMENTS

	<u>2013</u> \$'000	<u>2012</u> \$'000
Government of Jamaica – Local Registered Stock	58,438	55,639
Interest receivable	<u>1,580</u>	<u>643</u>
	<u>60,018</u>	<u>56,282</u>

These securities mature within one to three months after year end with interest rates of 6.7% (2012:6.30%) per annum.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 9 CASH AND CASH EQUIVALENTS

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Cash and cash equivalents comprise:		
Bank of Nova Scotia Jamaica Limited –		
J\$ current account	271,857	80,883
US\$ savings account (US\$0.823 million (2012: US\$0.530 million))	81,427	46,238
Petty cash	<u>7</u>	<u>7</u>
	<u>353,291</u>	<u>127,128</u>

Cash at bank attracts interest at 0% per annum (2012: 0% per annum) on deposit held in Jamaican dollars (J\$) and 0.37% per annum (2012: 0.30% per annum) on deposit held in United States dollars (US\$).

Included in the general funds of the Company are e-Learning Jamaica Project funds amounting to \$184.78 million (2012: \$35.94 million).

## 10 SHARE CAPITAL

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Stated capital		
Issued and fully paid – April 1 and March 31*		
100 ordinary shares	<u>-</u>	<u>-</u>

Because of rounding to the nearest thousand, the carrying value of ordinary shares in the amount of \$100 is not reflected.

The total authorised number of ordinary shares is 100 shares (2012: 100). The Company has one class of shares which carry no right to fixed income.

## 11 E-LEARNING JAMAICA PROJECT FUND

## (a) Computers, software, furniture, fixtures and equipment - Schools

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
At Cost:		
April 1	2,501,142	2,228,702
Addition	94,483	287,669
Transfers	<u>-</u>	<u>( 15,229)</u>
Balance at July 31	2,595,625	2,501,142
Financed by Grant from GOJ Universal Service Fund (formerly the Universal Access Fund)	<u>(2,595,625)</u>	<u>(2,501,142)</u>
	<u>-</u>	<u>-</u>

These represent items of computers, software, furniture, fixtures and equipment acquired by the company from grants received from the Government of Jamaica (GOJ) Universal Service Fund (formerly the Universal Access Fund). These assets were distributed to various schools island wide participating in the e-Learning project.

## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 11 E-LEARNING JAMAICA PROJECT FUND (Cont'd)

## (b) Project expenses

The project has incurred expenditure other than for capital items included in (a) above as follows:

	<u>Instructional Materials</u> \$'000	<u>Teacher Training</u> \$'000	<u>Continuous Assessment</u> \$'000	<u>Other</u> \$'000	<u>Totals</u> \$'000
April 1, 2011	126,056	340,815	28,325	29,405	524,601
Expensed for the year	<u>97,460</u>	<u>54,658</u>	<u>22,601</u>	<u>38,433</u>	<u>213,152</u>
Cumulative as at March 31, 2012	223,516	395,473	50,926	67,838	737,753
Expense for the year	<u>73,751</u>	<u>51,132</u>	<u>17,027</u>	<u>51,579</u>	<u>193,489</u>
Cumulative as at March 31, 2013	<u>297,267</u>	<u>446,605</u>	<u>67,953</u>	<u>119,417</u>	<u>931,242</u>

Included in Instructional Material is an amount of \$217.29 million (2012: \$179.12 million) relating to instructional manuals for teachers and students (TIMS and SIMS), video lecture series and item bank developed for eleven subject areas for which the copyright has been obtained.

## (c) Project fund

	<u>2013</u> \$'000	<u>2012</u> \$'000
Balance at beginning of the year	<u>35,941</u>	<u>75,697</u>
Transactions for year:		
Government grant from Universal Service Fund (formerly the Universal Access Fund)	397,150	171,678
Interest income	<u>4,133</u>	<u>1,718</u>
	401,283	173,396
Expenditure (Note 18 (ii))	<u>(193,489)</u>	<u>(213,152)</u>
	207,794	( 39,756)
Unpaid capital expenditure	<u>( 23,013)</u>	<u>-</u>
Increase (Decrease) for the year	<u>184,781</u>	<u>( 39,756)</u>
Balance at end of the year	<u>220,722</u>	<u>35,941</u>



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 11 E-LEARNING JAMAICA PROJECT FUND (Cont'd)

## (c) Project fund (Cont'd)

The Fund balance is represented by:

	<u>2013</u> \$'000	<u>2012</u> \$'000
Intangible assets (Note 6)	688	709
Due from (to) e-Learning Jamaica Company Limited	78,589	( 67,288)
Resale Agreement (Note 8)	60,018	56,282
Cash and cash equivalents (Note 9)	<u>81,427</u>	<u>46,238</u>
	<u>220,722</u>	<u>35,941</u>

The e-Learning Jamaica Project is being implemented by the Company on behalf of GOJ. (Note 1). Funds received are used to finance approved project activities. The amount of \$78.59 million (2012: \$67.29 million) due from (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 bank (Note 9).

## 12 PAYABLES AND ACCRUALS

	<u>2013</u> \$'000	<u>2012</u> \$'000
Foreign payables – e-Learning project (Note 12 (i))	67,072	44,831
Local payables	10,505	14,501
Accruals	11,846	11,097
Staff costs	906	1,013
Statutory deductions	2,572	1,266
Retentions on contracts – e-Learning project (US\$438 (2012: US\$393) (Note 12 (ii)))	<u>43,274</u>	<u>34,319</u>
Total	<u>136,175</u>	<u>107,027</u>

## (i) Foreign payables comprise:

	<u>2013</u> US\$'000	<u>2013</u> J\$'000	<u>2012</u> US\$'000	<u>2012</u> J\$'000
Supplier				
The Mico Foundation	332	32,831	-	-
Dell World Trade	3	297	-	-
Medianet	3	297	29	2,527
HEART NTA	82	8,109	123	10,756
Other foreign payables	<u>260</u>	<u>25,538</u>	<u>362</u>	<u>31,548</u>
Total	<u>680</u>	<u>67,072</u>	<u>514</u>	<u>44,831</u>

## (ii) Retentions on contracts represents amounts of ten per cent (10%) retained from contractors' fees billed to date for the defects liability period under their contracts.

## 13 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).

## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 14 SURPLUS (DEFICIT) FOR THE YEAR

The following are among the items charged in arriving at the surplus (deficit) for the year:

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Directors' emoluments:		
Fees	712	417
Executive remuneration (Note 18)	25,430	26,060
Auditors' remuneration	695	867
Depreciation and amortisation	1,578	2,790

## 15 OTHER INCOME

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Interest income on staff loans	32	5
Other income	<u>2,096</u>	<u>-</u>
	<u>2,128</u>	<u>5</u>

## 16 TAXATION

There is no current tax charge as the Company is exempt from income tax under Section 12 (b) of the Income Tax Act.

## 17 RELATED PARTY TRANSACTIONS

Key management compensation is as follows:

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Salaries and related expenses	17,769	18,578
Gratuity	4,442	4,644
Travelling	<u>3,219</u>	<u>2,838</u>
	<u>25,430</u>	<u>26,060</u>



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 18 EXPENSES BY NATURE

(i) Total administrative and other operating expenses:

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Directors' fees	712	417
Rent, maintenance and parking fees	3,952	3,925
Auditors' remuneration	695	867
Staff costs (Note 20)	59,943	61,764
Other expenses	<u>3,170</u>	<u>4,859</u>
	68,472	71,832
Promotion and public education	5,505	2,942
Depreciation and amortisation	<u>1,518</u>	<u>2,791</u>
	<u>75,495</u>	<u>77,565</u>

(ii) Total direct e-Learning Project expenses:

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Instructional materials	73,751	97,460
Teacher training	51,132	54,658
Technology infrastructure in schools	31,449	15,121
Project evaluation	334	14
Continuous assessment	17,027	22,601
Remedial	<u>19,796</u>	<u>23,298</u>
	<u>193,489</u>	<u>213,152</u>

## 19 STAFF COSTS

The aggregate costs of employees were as follows:

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and related expenses	48,803	52,752
Travelling and subsistence	6,006	6,370
Medical and other staff benefits	<u>3,134</u>	<u>2,642</u>
	<u>57,943</u>	<u>61,764</u>

## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 20 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

*Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	2013 \$'000	2012 \$'000
<b>Financial Assets</b> (at amortised cost)		
Current assets		
Resale agreements	60,018	56,282
Receivables (excluding prepayments)	635	530
Cash and bank	<u>353,291</u>	<u>127,128</u>
Total	<u>413,944</u>	<u>183,940</u>
<b>Financial Liabilities</b> (at amortised cost)		
Due to e-Learning Jamaica Project Fund	220,722	35,941
Payables (excluding accruals)	<u>124,329</u>	<u>95,930</u>
Total	<u>345,051</u>	<u>131,871</u>

**Financial risk management policies and objectives**

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The board provides principles for overall risk management, as well as policies covering specific areas, such as market risk (including foreign currency risk, interest rate risk, and other price risk) credit risk and other liquidity risk.

**(a) Market risk**

Market 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 security or its issuer or factors affecting all securities traded in the market. Except in respect of foreign currencies, as disclosed in Note (21 (a)(i)) below the Company has no exposure to market risk.

There has been no change to the Company's exposure to market risks or the manner in which they are managed.



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 20 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## Financial risk management policies and objectives (Continued)

## (a) Market risk (Continued)

Exposures are measured using sensitivity analyses indicated below.

## (i) Foreign exchange risk management

The Company undertakes certain transactions denominated in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuations.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management consistently monitors the Company's exposure in this regard.

The following balances held in United States dollars are included in these financial statements at the end of the reporting period:

	Assets		Liabilities		Net Liabilities	
	2013	2012	2013	2013	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
JMD	81,427	46,238	110,346	79,150	28,919	32,912

Foreign currency sensitivity

The following table details the sensitivity to a 1% revaluation and 10% devaluation (2012: 0.5% revaluation and devaluation) in the Jamaican dollar against the relevant foreign currencies. The rates above the are sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates in the short term. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the percentage change in foreign currency rates above.

If the Jamaican dollar strengthens by 1% or weakens by 10% (2012: strengthens or weakens by 0.5%) against the relevant foreign currency, profit or loss will decrease or increase by:

The movements in sensitivity are mainly attributable to the exposure outstanding on bank balances and payables in the respective foreign currency at year end in the Company.

	Revaluation				Devaluation			
	%	2013	%	2012	%	2013	%	2012
		J\$'000		J\$'000		J\$'000		J\$'000
Profit or loss	+1	289	+0.5	165	-10	2,892	-0.5	165

Management of foreign currency risk

Management manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 20 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## Financial risk management policies and objectives (Continued)

## (a) Market risk (Continued)

## (i) Interest rate risk management

Interest rate risk is the potential that the value of a financial instrument will fluctuate due to changes in market interest rates as a result of cash flow or fair value interest rate risk. Financial instruments subject to fixed interest rates are exposed to fair value interest rate risk while those subject to floating interest rates are exposed to cash flow risk.

Included in the table are the Company's financial assets and financial liabilities at carrying amounts categorised by the earlier of contractual repricing or maturity date.

The following tables summarise the Company's exposure to interest rate risks:

	2013				
	Terms to Maturity				
	Within	1 – 3	3 – 12	Non-interest	Total
	1 Month	Months	Months	Bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Receivables	-	-	501	134	635
Resale agreements	-	60,018	-	-	60,018
Cash and bank balances	<u>81,427</u>	<u>-</u>	<u>-</u>	<u>271,864</u>	<u>353,291</u>
Total assets	<u>81,427</u>	<u>60,018</u>	<u>501</u>	<u>271,998</u>	<u>413,944</u>
Due to e-Learning Jamaica Project Fund	-	-	-	220,722	220,722
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,329</u>	<u>124,329</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>345,051</u>	<u>345,051</u>
Interest rate sensitivity gap	<u>81,427</u>	<u>60,018</u>	<u>501</u>	<u>( 73,053)</u>	<u>68,893</u>
Cumulative gap	<u>81,427</u>	<u>141,445</u>	<u>141,946</u>	<u>68,893</u>	<u>-</u>



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 20 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## Financial risk management policies and objectives (Continued)

## (b) Market risk (Continued)

## (i) Interest rate risk management (Continued)

	2012				
	Terms to Maturity				
	Within 1 Month	1 – 3 Months	3 – 12 Months	Non-interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Receivables	-	-	167	363	530
Resale agreements	-	56,282	-	-	56,282
Cash and bank balances	<u>46,238</u>	<u>-</u>	<u>-</u>	<u>80,890</u>	<u>127,128</u>
Total assets	<u>46,238</u>	<u>56,282</u>	<u>167</u>	<u>81,253</u>	<u>183,940</u>
Due to e-Learning Jamaica Project Fund	-	-	-	35,941	35,941
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,930</u>	<u>95,930</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,871</u>	<u>131,871</u>
Interest rate sensitivity	<u>46,238</u>	<u>56,282</u>	<u>167</u>	( <u>50,618</u> )	<u>52,069</u>
Cumulative gap	<u>46,238</u>	<u>102,520</u>	<u>102,687</u>	<u>52,069</u>	<u>-</u>

## (b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Financial assets that potentially subject the Company to concentration of credit risk consist principally of cash at bank, receivables and resale agreements. The maximum exposure to credit risk is the amount of approximately \$413.944 million (2012: \$183.940 million) disclosed under 'categories of financial instruments' above and the Company holds no collateral in this regard. The directors believe that the credit risks associated with these financial instruments are minimal.

In respect of resale agreements, collateral is held for all resale agreements.

In respect of cash and bank balances, the Company minimises the risk by limiting its obligations to major banks. The carrying amount of cash and bank deposits (excluding cash in hand) totaling \$353.28 million (2012: \$127.121 million) at year end represents the Company's minimum exposure to this class of financial asset.

Receivables are inclusive of staff loans which are repaid by way of salary deductions.

## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 20 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## Financial risk management policies and objectives (Continued)

## (c) Liquidity risk management

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in meeting commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities. The Company manages its liquidity risk by continuously monitoring future cash flows.

The following tables detail the Company's remaining contractual undiscounted payments to maturity for its financial liabilities with agreed repayment periods where applicable. The tables have been drawn up based on the undiscounted cash flows of financial liabilities. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	2013				Total \$'000
	Within 1 Month \$'000	1 – 3 Months \$'000	3 – 12 Months \$'000	1 – 5 Years \$'000	
<b>Assets</b>					
Receivables	-	-	655	-	655
Resale agreements	-	60,405	-	-	60,405
Cash and bank balances	<u>353,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,291</u>
Total financial assets	<u>353,291</u>	<u>60,405</u>	<u>655</u>	<u>-</u>	<u>414,351</u>
Due to e-Learning Jamaica Project Fund	-	-	-	220,722	220,722
Accounts payable	<u>3,477</u>	<u>-</u>	<u>120,852</u>	<u>-</u>	<u>124,329</u>
Total financial liabilities	<u>3,477</u>	<u>-</u>	<u>120,852</u>	<u>220,722</u>	<u>345,051</u>



## e-LEARNING JAMAICA COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

## 20 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## Financial risk management policies and objectives (Continued)

## (c) Liquidity risk management (Continued)

	2012				Total \$'000
	Within 1 Month \$'000	1 – 3 Months \$'000	3 – 12 Months \$'000	1 – 5 Years \$'000	
<b>Assets</b>					
Receivables	-	-	530	-	530
Resale agreements	-	56,580	-	-	56,580
Cash and bank balances	<u>127,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,267</u>
Total financial assets	<u>127,267</u>	<u>56,580</u>	<u>530</u>	<u>-</u>	<u>184,377</u>
Due to e-Learning Jamaica Project Fund	-	-	-	35,941	35,941
Accounts payable	<u>2,279</u>	<u>-</u>	<u>93,651</u>	<u>-</u>	<u>95,930</u>
Total financial liabilities	<u>2,279</u>	<u>-</u>	<u>93,651</u>	<u>35,941</u>	<u>131,871</u>

## (d) Fair value of financial assets and financial liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available for the financial assets and liabilities of the Company, fair values in the financial statements have been presented using various estimation techniques based on market conditions existing at the end of the reporting period. Generally, judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Company would realise in a current market exchange.

The following methods and assumptions have been used in determining the fair values of financial assets and financial liabilities:

- (i) The carrying values of cash and bank balances, receivables, payables and due to e-Learning Jamaica reflect the appropriate fair values because of the short-term maturity of these instruments.
- (ii) The fair value of amounts due to e-Learning Jamaica cannot be determined as these amounts have no set terms of repayment. The fair values have been assumed to be the amounts payable on demand (the carrying value).

Fair value measurements recognised in the Statement of Financial Position

There were no financial instruments that were measured at fair value subsequent to initial recognition.

**e-LEARNING JAMAICA COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2013****21 OPERATING LEASE MANAGEMENT**

The Company occupies office space under an operating lease with lease term of two years.

At the end of the reporting period, future minimum lease payments are as follows:

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Within one year	3,550	3,550

Lease payments recognised as expense during the year amounted to \$3,441,558 (2012: \$3,391,066).

**22 COMMITMENTS**

At the end of the reporting period the Company has commitments totaling US\$689,005 (2012: US\$894,205) and J\$5.533 million (2012: J\$Nil).



ADDITIONAL INFORMATION

**REPORT TO THE DIRECTORS OF**

**e-LEARNING JAMAICA COMPANY LIMITED**

**ON**

**ADDITIONAL INFORMATION**

Our examination of the financial statements of the Company for the year ended March 31, 2013, was intended primarily for the purpose of formulating an opinion on those financial statements taken as a whole. The additional information presented in pages 2 and 3 has been taken from the accounting and other records of the Company and is not necessary to give a true and fair view of the financial position of the Company, or its financial performance and cash flows for the year then ended. Such information has not been subjected to sufficient tests and other auditing procedures to enable us to express an opinion as to the fairness of all the details included therein, and accordingly we do not express an opinion on the additional information.

*Calvert Gordon Associate*  
Chartered Accountants

Kingston, Jamaica,  
September 4, 2013



## e-LEARNING JAMAICA COMPANY LIMITED

## ADMINISTRATIVE EXPENSES

YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Administrative and general expenses</b>		
Directors' fees	712	417
Salaries, wages and related expenses	54,809	59,122
Medical and other staff benefits	3,134	2,642
Rent and parking fees	949	1,033
Maintenance	3,003	2,892
Insurance	-	119
Office expenses	2,227	1,725
Conference and seminars	551	1,003
Meeting expenses	999	421
Printing, stationery and software maintenance	405	409
Telephone	596	550
Courier	128	107
Audit fees	695	867
Legal fees	-	244
Security	88	86
Bank charges	94	109
Subscription	<u>82</u>	<u>86</u>
	<u>68,472</u>	<u>71,832</u>
<b>Promotion costs</b>		
Promotion and public education	<u>5,505</u>	<u>2,942</u>
<b>Other operating expenses</b>		
Depreciation on property and equipment	1,497	2,770
Amortisation on intangible assets	<u>21</u>	<u>21</u>
	<u>1,518</u>	<u>2,791</u>
	<u>75,495</u>	<u>77,565</u>

## e-LEARNING JAMAICA COMPANY LIMITED

## PROJECT EXPENSES

YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Instructional materials</b>		
<b>Materials development and planning</b>		
Training and implementation	35	-
Standard specification Phases I and II	4,318	2,574
Subject coordinators/SAGS	<u>17,312</u>	<u>18,782</u>
	<u>21,665</u>	<u>21,356</u>
<b>Instructional manuals for teachers and students</b>		
Materials, training and installation	8,314	17,177
Materials purchased	1,350	6,899
Purchase of base materials	-	2,090
Customisation writing Phases I and II	<u>19,040</u>	<u>11,894</u>
	<u>28,704</u>	<u>38,060</u>
<b>Item bank</b>		
Item writing workshop accommodation	-	146
Item writing payment	4,069	6,589
Item review payment	<u>3,157</u>	<u>7,063</u>
	<u>7,226</u>	<u>13,798</u>
<b>Lecture series</b>	<u>2,246</u>	<u>12,737</u>
<b>Materials management</b>		
Photocopying	4,747	3,042
Schools e-Learning Implementation Management Committee Meetings (SEIMC)	69	2,300
Delivery to schools	245	-
Implementation management meeting expenses	52	268
Advertisements	192	26
Evaluation and monitoring	3,547	2,561
Implementation officers	<u>5,058</u>	<u>3,312</u>
	<u>13,910</u>	<u>11,509</u>
<b>Total Instructional materials</b>	<u>73,751</u>	<u>97,460</u>



**e-LEARNING JAMAICA COMPANY LIMITED****PROJECT EXPENSES****YEAR ENDED MARCH 31, 2013**

	<u>2013</u> \$'000	<u>2012</u> \$'000
<b>Teacher training</b>		
<b>Methodology</b>		
Methodology and integration	<u>32,974</u>	<u>22,863</u>
	<u>32,974</u>	<u>22,863</u>
<b>ICT training</b>		
Consultant fees – HEART/NTA Trust	5,360	21,286
Workshops, travelling and subsistence - current year	41	43
Recognition function	<u>-</u>	<u>21</u>
	<u>5,401</u>	<u>21,350</u>
<b>Teachers' college intervention</b>	<u>4,318</u>	<u>4,923</u>
<b>Implementation management</b>		
Photocopying, printing and stationery	1,385	1,027
Teacher training meetings and workshops	1,859	-
Procurement - Implementation officers and advertisement	5,099	3,248
SEIMC	<u>96</u>	<u>1,247</u>
	<u>8,439</u>	<u>5,522</u>
<b>Total Teacher training</b>	<u>51,132</u>	<u>54,658</u>
<b>Technology infrastructure</b>		
<b>Schools</b>		
Infrastructure building works	-	227
Software Microsoft licence	<u>3,626</u>	<u>947</u>
	<u>3,626</u>	<u>1,174</u>
<b>Central repository</b>	<u>-</u>	<u>30</u>
<b>Total Technology infrastructure b/f</b>	<u>3,626</u>	<u>1,204</u>

## e-LEARNING JAMAICA COMPANY LIMITED

## PROJECT EXPENSES

YEAR ENDED MARCH 31, 2013

	<u>2013</u> \$'000	<u>2012</u> \$'000
<b>Total Technology infrastructure c/f</b>	<u>3,626</u>	<u>1,204</u>
<b>Implementation management</b>		
Technology plan workshops	219	573
Photocopying, printing and stationery	5,994	5,198
Advertisements	239	901
Insurance	9,077	1,704
Technology infrastructure meetings	84	297
School visits	711	223
SEIMC meetings	35	1,812
Implementation officer	5,016	3,209
Audit equipment/materials	<u>6,448</u>	<u>-</u>
	<u>27,823</u>	<u>13,917</u>
<b>Total Technology infrastructure</b>	<u>31,449</u>	<u>15,121</u>
<b>Project evaluation</b>		
Other expenses	<u>334</u>	<u>14</u>
<b>Total Project evaluation</b>	<u>334</u>	<u>14</u>
<b>Continuous assessment</b>		
Meeting expenses	5	368
Procurement cost	1,518	1,645
Consultant fees	<u>15,504</u>	<u>20,588</u>
<b>Total Continuous assessment</b>	<u>17,027</u>	<u>22,601</u>
<b>Remedial</b>		
Volunteer programme	17,375	19,946
Training/maintenance support	1,064	2,063
Procurement costs	1,018	141
Consultant fees	-	532
Meeting expenses	<u>339</u>	<u>616</u>
<b>Total Remedial</b>	<u>19,796</u>	<u>23,298</u>



**E-LEARNING JAMAICA COMPANY LIMITED**

**REPORT FOR COMPLIANCE WITH  
THE GOVERNMENT OF JAMAICA PROCUREMENT GUIDELINES**

**FOR PERIOD APRIL 1, 2012 TO MARCH 31, 2013**

**REPORT OF FACTUAL FINDINGS**



Suite 110 City Centre Building  
P.O. Box 60, Montego Bay  
Jamaica, W.I.  
Tel: 876 952 4713- 4  
Fax 876 979 0246

7 West Avenue  
P.O. Box 13, Kingston 4  
Jamaica, W.I.  
Tel: 876 922 6825  
Fax 876 922 7673

## Report of Factual Findings

The Directors  
e-Learning Jamaica Company Limited  
PCJ Building – Ground Floor  
36 Trafalgar Road  
KINGSTON 10

Dear Sirs:

In accordance with the terms of reference dated July 3, 2013 that you agreed with us, we provide our Report of Factual Findings. You requested certain procedures to be carried out in connection with your Compliance with the Government of Jamaica Procurement Guidelines during the period April 1, 2012 to March 31, 2013, in accordance with the guidelines of the Ministry to Finance Circular # 21 dated August 10, 2005.

### *Objective*

Our engagement was a compliance verification which is an engagement to perform certain agreed-upon procedures with regard to the Compliance with the Government of Jamaica 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 the 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).

### *Procedures Performed*

As requested, the procedures performed were as follows:

1. We inquired about the procurement policies that are in place for the procurement of goods and services and ascertain from management that the company utilizes the Government of Jamaica Procurement Guidelines manual and evidence of the implementation of the policies therein.
2. We inquired of management that a Procurement Committee has been established and determine whether it is operating in accordance with the Government of Jamaica Procurement Guidelines.
3. We reviewed minutes of Committee meetings held throughout the period of being reviewed.
4. We reviewed the quarterly reports submitted to the Office of the Contractor General to ensure they are completed in accordance with the Government of Jamaica Procurement Guidelines and were submitted on a timely basis.

Fagan E. Calvert, Audley L. Gordon

An Independent Correspondent Firm to  
Deloitte Touche Tohmatsu Limited



5. We obtained a listing of all contracts for procurement of goods and services in excess of J\$250,000.

We examined tender documents for five (5) contracts to ascertain the following:

- Whether procurement was by limited tender procedures from qualified National Contracts Commission (NCC) registered contractors.
  - That all bidders had a valid Tax Compliance Certificate (TCC)
  - Contractors submitted tender securities (Where applicable)
  - That proposals received met the requirements as stipulated in the tender documents submitted by the company.
  - That advertisement was done through the appropriate medium based on the value of the contract in accordance with the Government of Jamaica Procurement guidelines.
6. We reviewed documentation to ascertain that the receiving and opening of tenders was done as stipulated in the tender documents and in accordance with the Government of Jamaica Procurement Guidelines.
7. We reviewed the contract awarding and authority to accept tender process and ensure this is done in accordance with the Government of Jamaica Procurement Guidelines.

#### *Sources of Information*

We performed our procedures on the basis of information provided to us by you, response to specific questions asked by us, information obtained / extracted from your records.

#### *Factual Findings*

With respect to items 1 through 7 above, no exceptions were noted. The procurement procedures carried out by e- Learning Jamaica Limited during the period April 1, 2012 to March 31, 2013 were in accordance with the Government of Jamaica Procurement Guidelines.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the factual findings in connection with the Company's compliance with the Government of Jamaica Procurement Guidelines.

Had we performed additional procedures or had we performed an audit or review of the financial statements of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

#### *Use of this Report*

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

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the appropriate Government Agencies. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

*Calvert Gordon Associates*  
Chartered Accountants

Kingston, Jamaica  
September 4, 2013

**e-LEARNING JAMAICA COMPANY  
LIMITED**

**INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2013**

**(With Additional Information)**