

The Global E-Schools and Communities
Initiative Limited

Reports and Financial Statements
for the year ended
30 June 2009

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Brendan Tuohy
Aidan Eames
Aruna Sundararajan

COMPANY SECRETARY

Geraldine Etchingham

COMPANY NUMBER

389160

REGISTERED CHARITY NUMBER

CHY 16137

REGISTERED OFFICE

14 St. Stephen's Green
Dublin 2

AUDITORS

Deloitte & Touche
Chartered Accountants
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

BANKERS

Bank of Ireland
College Green
Dublin 2

SOLICITORS

Hayes Solicitors
Lavery House
Earlsfort Terrace
Dublin 2

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

DIRECTORS' REPORT

The Directors present their annual report, together with the audited financial statements, for the year ended 30 June 2009.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

GeSCI is a non-profit organisation and a registered charity. GeSCI was founded by the UN ICT Task Force, which identified education as an area in critical need of development. GeSCI was granted a mandate to provide demand-driven assistance to developing countries seeking to harness the potential of ICTs increase access to and to improve the quality and effectiveness of education.

GeSCI's vision is a *Knowledge Society for All*. Our mission is to advise, support and work with Ministries of Education in the developing world to make informed strategic choices and decisions about ICTs in education.

During the year, GeSCI's new *Strategic Plan 2009-2011* was approved by its members and donors. The Strategic Plan sets out GeSCI's operations at three levels:

- Global: GeSCI was originally designed as a global organisation with the understanding that integrating ICTs in Education was a challenge for many developing countries around the world and that the challenges were in many cases similar. During the last few years, GeSCI has gained an important role in the global policy dialogue on ICT4E.
- Regional: Regional programmes allow GeSCI to work with, support and share its knowledge and expertise with a wider group of countries. They promote collective, collaborative and peer-to-peer support and knowledge sharing between countries. The *African Knowledge Exchange (AKE)* programme is now a well recognised knowledge sharing event in Africa.
- Local: Country programmes involve direct advisory engagement with developing country Ministries of Education on a system-wide basis to provide high quality strategic advice and support.

During the year to 30th June 2009, we continued our country programmes in Ghana and Rwanda. Programmes in Bolivia and India were concluded. At a regional level, the Africa Knowledge Exchange was expanded to include 15 countries and preliminary work was carried out on the feasibility of establishing regional programmes in Asia and LAC (Latin America and Caribbean). Work continued in developing partnerships and dialogue at a global level and we signed a Letter of Intent with UNESCO to collaborate further on knowledge societies and education. In addition, we established a research programme to address common challenges and knowledge gaps related to ICT in education.

In the coming year, programmes will continue in accordance with the *Strategic Plan 2009-2011* and with available funds.

REVIEW OF FINANCIAL PERFORMANCE AND RESULTS FOR THE YEAR

GeSCI is funded by the governments of Ireland, Sweden, Switzerland and Finland. Funds are disbursed through a UNICEF Trust Account that has been established specifically for GeSCI. Funds are received from donors throughout the year and are subsequently expended on GeSCI programmes in accordance with the requirements of the programmes and available funds.

The financial results for the year are as follows:

	2009
	€
Net income from donors	1,687,949
Expenditure during the year	(1,762,763)
Net utilisation of funds	(74,814)
Opening funds at 1 July 2008	646,682
Closing funds at 30 June 2009	571,868

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW OF FINANCIAL PERFORMANCE AND RESULTS FOR THE YEAR (CONTINUED)

Funds available at the start of the financial year were €646,682. Gross income from donors was €1,687,949 Total expenditure for the year was €1,762,763 so there was a net utilisation of funds of €74,814. No charge to taxation arises due to the charitable status of the company. Funds available at 30th June 2009 were €571,868. These funds are required to finance the activities of the organisation until new funds are received from donors in 2009/2010.

RISKS AND UNCERTAINTIES

As with any organisation involved in development work, there are a number of risks and uncertainties which could limit GeSCI's ability to carry out its mission effectively. The risks include continuity of funding from our donors and continued support from our development partners in achieving our shared objectives. At a programme level, GeSCI manages these risks and uncertainties through regular internal programme reporting and through internal and external evaluations of its programmes. At a financial level, GeSCI manages risks and uncertainties through budgeting and planning to ensure that the organisation utilises its available resources effectively.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

DIRECTORS

The directors who held office during the year are listed on page 2. At the Annual General Meeting on 30 October 2008 all of the directors retired and were re-appointed.

BOOKS OF ACCOUNT

To ensure that proper books and accounting records are kept in accordance with Section 202 Companies Act, 1990, the company has employed appropriately qualified accounting personnel and has maintained appropriate computerised accounting systems. The books of account are located at 14 St. Stephen's Green, Dublin 2.

AUDITORS

The Auditors, Deloitte & Touche, Chartered Accountants, continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

Brendan Tuohy
Director

Aidan Eames
Director

Date: 25 September 2009

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED
(A company limited by guarantee and not having a share capital)**

We have audited the financial statements of The Global E-Schools and Communities Initiative Limited for the year ended 30 June 2009 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the financial statements, as set out in the Statement of Directors' Responsibilities in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations, 1992. We also report to you whether in our opinion: proper books of account have been kept by the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the company's balance sheet and income and expenditure account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED
(A company limited by guarantee and not having a share capital)**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the company as at 30 June 2009 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet and its profit and the income and expenditure account are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin

Date: 25 September 2009

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Companies: Group Accounts) Regulations, 1992.

ACCOUNTING CONVENTION

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

CONSOLIDATION

The company is exempt from the requirement to prepare consolidated financial statements by virtue of Regulation 7 of the European Communities (Companies: Group Accounts) Regulations, 1992. Consequently, these financial statements deal with the results and financial position of the company as a single entity only.

INCOME

Grant income is accounted for when receipt is certain. Interest income is recognised in the period in which it is earned.

TANGIBLE ASSETS

Tangible fixed assets are recorded at cost.

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Office equipment	20% Straight line
Computer equipment	33 $\frac{1}{3}$ % Straight line
Fixtures and fittings	20% Straight line

A full period's depreciation is charged in the accounting period of acquisition and none in the accounting period of disposal.

PENSION SCHEME CONTRIBUTIONS

Future retirement benefits for employees are funded by contributions to a defined contribution scheme, by the company. Payments are made to a pension trust which is financially separate from the company, and are charged to the income and expenditure account in the period in which they become payable.

FOREIGN CURRENCIES

Transactions are recorded at the rates of exchange ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign exchange profits and losses are dealt with in the income and expenditure account in the year in which they occur.

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Notes</i>	2009 €	2008 €
INCOME	<i>1</i>	1,687,949	2,679,037
Expenditure		(1,762,763)	(2,067,910)
NET (EXPENDITURE)/INCOME BEFORE TAXATION	<i>3</i>	<u>(74,814)</u>	<u>611,127</u>
Taxation	<i>4</i>	-	-
NET (EXPENDITURE)/INCOME AFTER TAXATION	<i>8</i>	<u><u>(74,814)</u></u>	<u><u>611,127</u></u>

There are no recognised gains or losses other than the net (expenditure)/income arising from continuing operations disclosed above.

The financial statements were approved by the Board of Directors on 25 September 2009 and signed on its behalf by:

Brendan Tuohy
Director

Aidan Eames
Director

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

BALANCE SHEET AS AT 30 JUNE 2009

	<i>Notes</i>	2009 €	2008 €
FIXED ASSETS			
Tangible assets	5	28,417	46,750
CURRENT ASSETS			
Debtors	6	56,374	865,728
Cash at bank and in hand		649,173	37,360
		705,547	903,088
CREDITORS: (Amounts falling due within one year)	7	(162,096)	(303,156)
NET CURRENT ASSETS		543,451	599,932
NET ASSETS		571,868	646,682
FINANCED BY:			
Accumulated funds	8	571,868	646,682

The financial statements were approved by the Board of Directors on 25 September 2009 and signed on its behalf by:

Brendan Tuohy
Director

Aidan Eames
Director

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. **INCOME**

Income primarily represents grant aid paid to The Global E-Schools and Communities Initiative Limited.

2. **EMPLOYEES AND REMUNERATION**

Number of employees:

The average number of persons employed by the company during the year was as follows:

	2009	2008
	No.	No.
Republic of Ireland	6	6
Overseas	7	9
	<u>13</u>	<u>15</u>

The aggregate payroll costs of these persons were as follows:

	2009	2008
	€	€
Wages and salaries:		
- Republic of Ireland	416,672	481,612
- Overseas	348,893	475,891
Social welfare costs	45,525	38,970
Pension scheme contributions	32,299	51,952
	<u>843,389</u>	<u>1,048,425</u>

3. **NET (EXPENDITURE)/INCOME BEFORE TAXATION**

	2009	2008
	€	€

Net (expenditure)/income before taxation is stated after charging:

Depreciation	18,499	35,610
Directors' remuneration	-	-
Auditors' remuneration	7,865	9,000
	<u> </u>	<u> </u>
And after crediting:		
Interest income	4,802	-
	<u> </u>	<u> </u>

4. **TAXATION**

No charge to taxation arises due to the charitable status of the company.

THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

5. TANGIBLE ASSETS	Office equipment €	Computer equipment €	Fixtures & fittings €	Total €
Cost:				
At 1 July 2008	36,337	121,571	4,150	162,058
Additions	352	834	-	1,186
Disposals	-	(91,412)	-	(91,412)
At 30 June 2009	36,689	30,993	4,150	71,832
Depreciation:				
At 1 July 2008	13,203	100,445	1,660	115,308
Charge for year	7,338	10,331	830	18,499
Charge on disposals	-	(90,392)	-	(90,392)
At 30 June 2009	20,541	20,384	2,490	43,415
Net book values:				
At 30 June 2009	16,148	10,609	1,660	28,417
At 30 June 2008	23,134	21,126	2,490	46,750

6. DEBTORS (Amounts falling due within one year)	2009 €	2008 €
Grant aid receivable	5,166	849,506
Other receivables	29,113	8,826
Prepayments	22,095	7,396
	56,374	865,728

7. CREDITORS: (Amounts falling due within one year)	2009 €	2008 €
Trade creditors	30,181	110,595
Taxation and social welfare	28,640	17,755
Accruals	103,275	174,806
	162,096	303,156

Taxation and social welfare comprises the following:

PAYE/PRSI	28,640	17,755
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THE GLOBAL E-SCHOOLS AND COMMUNITIES INITIATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (continued)

8. ACCUMULATED FUNDS

	2009 €	2008 €
Balance at beginning of year	646,682	35,555
Net (expenditure)/income for year	(74,814)	611,127
Balance at end of year	<u>571,868</u>	<u>646,682</u>

9. CONSTITUTION

The Global E-Schools and Communities Initiative Limited is a company limited by guarantee and not having a share capital. Every member of the company undertakes, if necessary on a winding up during the time they are a member or within one year after they cease to be a member, to contribute to the assets of the company an amount not exceeding €1.

The company is prohibited by its constitution from distributing any of its reserves by way of a dividend or otherwise to its members.

10. PENSION COMMITMENTS

The company operates a defined contribution pension scheme covering certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The company made contributions of €16,301 during the year (2008: €29,282). There is an amount due at 30 June 2009 of €5,986 (2008: €4,584).

In addition, the company provides pension allowances to certain overseas employees. The company paid or accrued pension allowances of €15,998 (2008: €22,670) for overseas employees during the year. There is an amount due at 30 June 2009 of €7,227 (2008: €5,205).

11. RELATED UNDERTAKINGS

In March 2008, the Global E-Schools and Communities Initiative Limited registered its Kenyan operations as a Non-Governmental Organisation under Kenya's National NGO Co-ordination Act 1990. This organisation is under the management and control of the company and is therefore considered to be a subsidiary company. During the year GeSCI Ireland disbursed €337,867 (2008: €296,253) to fund GeSCI Kenya operations.