

ANNUAL REPORT

beginning of financial year: 01.01.2021

end of the financial year: 31.12.2021

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Management report

e-Governance Academy (eGA) is an independent mission-based non-profit organisation, brought into existence by the United Nations Development Programme, Open Society Institute and the Government of Estonia in 2002.

eGA inspires, trains and advises public sector leaders, officials and stakeholders in using information technology to increase government efficiency and transparency and improve democratic processes. Additionally, in cooperation with companies eGA assists foreign governments in the design, selection and implementation of e-solutions.

We have worked with more than 250 organizations from more than 138 countries and regions. We are playing key role in e-government and digital transformation policy planning and implementation including the formation of the lead organisations responsible for developing a nation's interoperability framework and related legal and technical framework development and management.

We have extensive experience in the development of e-governance in transitional societies, particularly in Central and Eastern Europe, the Balkans, Asia and Africa. In addition, eGA has excellent cooperation with countries of the European Union (Austria, Belgium, Faroe Islands (Denmark), Finland, Germany, and The Netherlands). In Estonia the focus of the Academy has been on the development of open government at both the government and local government level.

eGA is a member of the Estonian Roundtable for Development Cooperation and the Network of Estonian Non-Profit Organisations. In carrying out its activities, eGA follows the Code of Ethics of Estonian non-profit organisations.

eGA's Annual Year Report is audited by an internationally recognised audit firm, currently BDO Eesti AS, project audits are carried out by KPMG Baltics AS and Ernst & Young Baltic AS, eGA has ISO 9001:2015 certificate and has established an internal audit function carried out by Grant Thornton Baltic OÜ.

Altogether in 2021 eGA had 28 staff members converted to full time equivalent, working under employment contracts and we continued our co-operation with external experts and lecturers, as we have done in previous years.

During the year 2021 e-Governance Academy has actively supported governments to make digital transformations.

In Ukraine, we finalised implementation of the Trembita secure data exchange system, which forms the basis of the most popular e-services and connects more than 90 authorities and local governments. So far, it has handled more than one billion data transactions. Within the EU4DigitalUA project, we continue to contribute to the improvement of the efficiency and security of public service delivery in Ukraine.

In Kyrgyzstan, we started as a lead partner on the European Union-financed twinning project, in partnership with Haus from Finland, and CSI-Piemonte from Italy, to support authorities in managing the digital development of Kyrgyzstan.

In 2021, we witnessed globally several significant cyberattacks. The new normality demands proper cybersecurity to keep cyberspace secure and e-services accessible. We are glad to assist governments together with donors like USAID and the European Union Agency for Cybersecurity (ENISA). Also, we are continuing to assess countries' cybersecurity statuses and capabilities with the National Cyber Security Index (NCSI) which presents trends governments follow, the best practices they use, and the gaps that should be analysed and filled.

Organisationally, one of the highlights of 2021 was the establishment of a subsidiary in Jamaica, the e-Governance Academy for the Caribbean (EGA4C), to strengthen our presence in the Caribbean, Central and South America, and support digital transformation, transparency, and openness in this region. This company will make Estonia's and eGA's experience and knowledge more accessible to countries in the region.

We lead 58 projects in 40 countries and conducted hundreds of hours of consultations and seminars on-site and online. In short: we were available for our partners and customers.

We believe in scientific achievement. Solutions in science and technology have made digital governance possible. And with the help of science and digital technologies, but also with human wisdom and ingenuity, we will overcome the COVID-19 pandemic.

The growing expectations of citizens mean better services are required of governments. The next-level public services should be highly automated, proactive, and easy to use for everyone. In Estonia, we call it "seamless government." To explore the challenges and opportunities governments and societies will face while moving to this next level,

e-Governance Conference, May 10-12, 2022.

Financial ratios calculated based on the financial results of 2021:

	2021	2020
Current Ratio	1,17	1,31
Profit Margin	0,02	0,03
Return on Assets (ROA)	0,03	0,06
Return on Equity (ROE)	0,16	0,23
Current Ratio = current assets / current liabilities		
Profit Margin = net profit / net turnover		
ROA = net profit / assets		
ROE = net profit / equity		

Events after the reporting date:

The spread of the coronavirus (Covid-19) in the world and in Estonia has also characterized 2021.

eGA projects have stayed on schedule despite the crisis, we have had more activities in projects due to travel restrictions. Finding good partners in the target countries has become more and more important for us, but in 2021 we have already succeeded to continue with the on-the-spot visits to the target countries.

We have also developed a platform for conducting e-learning, so we can continue our training activities even when attendants can not travel.

The war started by the Russian Federation on February 24, 2022 in Ukraine also affected our ongoing projects in Ukraine. However, the projects were not paused but we had to re-profile the projects in cooperation with the donors. Some activities were put on hold but majority of the project work continued and activities are moving forward. The local core team in Ukraine also continued to work.

In the first half of 2022, we have launched several more projects in Ukraine, so Ukraine is still an important target country for e-Governance Academy.

For further information regarding our activities, please visit our website: www.ega.ee

Hannes Astok

Executive Director and Chairman of the Management Board

The annual accounts

Statement of financial position

(In Euros)

	31.12.2021	31.12.2020	Note
Assets			
Current assets			
Cash and cash equivalents	3 436 977	2 122 980	2
Receivables and prepayments	1 787 512	648 959	3
Total current assets	5 224 489	2 771 939	
Non-current assets			
Investments in subsidiaries and associates	31 676	31 676	5
Receivables and prepayments	19 820	16 570	3
Property, plant and equipment	70 352	54 098	6
Total non-current assets	121 848	102 344	
Total assets	5 346 337	2 874 283	
Liabilities and net assets			
Liabilities			
Current liabilities			
Payables and prepayments	1 614 249	382 022	8
Grants with special terms	2 834 431	1 733 915	10
Total current liabilities	4 448 680	2 115 937	
Total liabilities	4 448 680	2 115 937	
Net assets			
Foundation/Issued capital	383	383	
Accumulated surpluses (deficits) from previous periods	757 963	586 544	
Surplus (deficit) for the period	139 311	171 419	
Total net assets	897 657	758 346	
Total liabilities and net assets	5 346 337	2 874 283	

Statement of revenues and expenses

(In Euros)

	2021	2020	Note
Revenue			
Grants and donations	3 629 911	3 668 489	11
Business income	2 167 854	2 076 054	12
Other income	204 023	88 895	13
Total revenue	6 001 788	5 833 438	
Expenses			
Direct cost of projects financed by grants for special purposes	-3 629 871	-3 676 726	14
Other operating expense	-1 177 312	-1 201 912	15
Employee expense	-1 065 642	-686 623	16
Depreciation and impairment loss (reversal)	-28 493	-19 254	6
Total expenses	-5 901 318	-5 584 515	
Surplus (deficit) from operating activities	100 470	248 923	
Interest income	86	199	
Interest expenses	-2 676	-2 270	
Other financial income and expense	41 431	-75 433	
Net surplus (deficit) for the period	139 311	171 419	

Statement of cash flows

(In Euros)

	2021	2020	Note
Cash flows from operating activities			
Surplus (deficit) from operating activities	100 470	248 923	
Adjustments			
Depreciation and impairment loss (reversal)	28 493	19 254	6
Other adjustments	35	1 329	6
Total adjustments	28 528	20 583	
Adjustments for operating receivables and prepayments	-1 133 042	409 593	
Adjustments for operating liabilities and prepayments	1 232 228	-364 326	
Interest received	86	199	
Interest paid	-2 676	-2 270	
Proceeds from grants with special terms	1 100 516	-1 710 392	
Other cash flows from operating activities	0	344 714	
Total cash flows from operating activities	1 326 110	-1 052 976	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-44 783	-37 005	6
Other cash payments to acquire associates	0	-31 676	5
Other cash outflows from investing activities	-8 762	0	5
Total cash flows from investing activities	-53 545	-68 681	
Total cash flows	1 272 565	-1 121 657	
Cash and cash equivalents at beginning of period	2 122 980	3 320 070	2
Change in cash and cash equivalents	1 272 565	-1 121 657	
Effect on exchange rate changes on cash and cash equivalents	41 432	-75 433	
Cash and cash equivalents at end of period	3 436 977	2 122 980	2

Statement of changes in net assets

(In Euros)

			Total net assets
	Foundation/Issued capital	Accumulated surpluses deficits from previous period	
31.12.2019	383	586 544	586 927
Net surplus (deficit) for the period		171 419	171 419
31.12.2020	383	757 963	758 346
Net surplus (deficit) for the period		139 311	139 311
31.12.2021	383	897 274	897 657

Notes

Note 1 Accounting policies

General information

Basis of preparation

The annual financial statements of e-Governance Academy (E-riigi Akadeemia Sihtasutus, hereafter also referred to as 'the foundation') have been prepared in accordance with the Accounting Act of the Republic of Estonia and Estonian Financial Reporting Standard. The main requirements of good accounting practice are established in the Accounting Act of Estonia and more specific guidance is provided in the standards issued by the Estonian Accounting Standard Board.

The financial statements have been prepared on the historical cost basis unless described otherwise in these accounting policies. The financial statements are presented in euros.

In the preparation of the annual accounts, an exception to the Accounting Act § 29 (4) has been used on the basis of which a consolidating entity is exempted from the preparation of the annual report of a consolidation group if the balance sheet total of the consolidated entities does not exceed 5% of the balance sheet total of the consolidating entity and the sales revenue does not exceed 5% of the consolidated revenue from the sale of the unit.

Financial assets

Financial assets comprise cash, short-term investments in financial assets, trade receivables and other current and non-current receivables. When a financial asset is recognised initially, it is measured at its cost, which is the fair value of the consideration given for it. The initial cost of a financial asset comprises all transaction charges directly attributable to its acquisition.

Purchases and sales of financial assets are consistently recognised at the settlement date, i.e. at the date the assets are transferred to or by the foundation.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current accounts, demand deposits, term deposits with a short maturity (less than three months) and units in money market funds that are not subject to a material risk of changes in market value.

Presentation of the statement of cash flows

Cash flows from operating activities are reported using the indirect method – the net cash flow from operating activities is determined by adjusting surplus or deficit on operating activities for the effects of non-cash items and changes in operating receivables and payables. Cash flows from investing and financing activities are reported using the direct method.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

A transaction in a foreign currency is recorded by applying the exchange rate of the European Central Bank of the date of the transaction. At the reporting date, foreign currency monetary items are translated to euros using the closing exchange rates of the European Central Bank. Exchange gains and losses arising on translation are recognised in the statement of financial performance.

Shares of subsidiaries and associates

Investments in subsidiaries and associates are accounted for using the cost method. An investment in an associate is initially recognized at cost, being the fair value of the consideration given and the expense directly attributable to the acquisition.

Receivables and prepayments

Trade receivables

Trade receivables comprise short-term receivables acquired in the ordinary course of the foundation's activities. Trade receivables are measured at their amortised cost (i.e. at nominal value less any repayments and impairment losses).

A trade receivable denominated in a foreign currency is recorded initially by applying the exchange rate of the European Central Bank of the date of the transaction. At the reporting date, foreign currency trade receivables are translated to euros using the exchange rates of the European Central Bank ruling at that date.

Trade receivables are assessed for impairment on an individual basis, i.e. the collectibility of each amount due under an invoice or a contract

is assessed separately. When individual assessment is not practicable due to the large number of items involved, only significant receivables are assessed for impairment on an individual basis. The rest of the receivables are assessed for impairment collectively by reference to the foundation's historical experience with uncollectible items. Recovery of doubtful (impaired) receivables written down in a prior period is recognised by reducing expenses from doubtful receivables. Trade receivables whose collection is doubtful are recognised as expenses in accordance with the provisions of the Accounting Act.

Other receivables

All other receivables (accrued income, loans provided and other current and non-current receivables) except for items acquired for resale are measured at their amortised cost.

As a rule, the amortised cost of a current receivable is equal to its nominal value (less any impairment losses). Therefore, a current receivable is carried in the statement of financial position in the amount that is expected to be collectible. A non-current receivable is recognised initially at the fair value of the consideration receivable. In subsequent periods, it is measured and interest income is charged on it using the effective interest rate method. Receivables acquired for resale are measured at their fair value.

Plant, property and equipment and intangible assets

Non-current assets

In line with the materiality concept, an asset is recognised as non-current if its cost exceeds 600 euros and estimated useful life extends beyond a year.

An item of property, plant and equipment is recognised initially at its cost, which comprises its purchase price (including import duties and other non-refundable taxes) and other direct costs incurred in bringing the asset to the location and condition necessary. After initial recognition, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and any impairment losses. Items of property, plant and equipment are depreciated over their estimated useful lives using the straight-line method.

In the statement of financial position, non-current assets are classified in line with the format provided in the Accounting Act. The foundation has the following classes of non-current assets:

- Property, plant and equipment, which comprises computers and equipment and other fixtures and fittings.

Where an item of property, plant and equipment consists of parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives. Where the recoverable amount of an item of property, plant and equipment (i.e. the higher of its net selling price and value in use) declines below its carrying amount, the asset is written down to its recoverable amount.

Minimal acquisition cost 600 EUR

Depreciation of fixed assets is calculated by usually using the following depreciation rates:

- Computing equipment, 33%, 3 years
- Business equipment 33%, 3 years
- Furniture 10%, 10 years

In justified cases, different depreciation rates may be applied.

Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the foundation. All other leases are classified as operating leases.

The foundation as a lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge (interest expense) and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. A leased asset is depreciated similarly to assets that are owned. When it is not sufficiently certain that the lessee will acquire the asset by the end of the lease term, the leased asset is depreciated over the shorter of its lease term and estimated useful life.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Financial liabilities

Financial liabilities comprise trade payables, accrued expenses and other current and non-current payables and borrowings. When a financial liability is recognized initially, it is measured at its cost which is the fair value of the consideration received for it. The initial cost of a financial liability comprises all transaction charges directly attributable to its acquisition. After initial recognition, financial liabilities are measured at their amortized cost.

A financial liability is removed from the statement of financial position when it is discharged or cancelled or expires.

Grants and donations

The activities of e-Governance Academy are financed to a significant extent with grants and transfers.

In the statement of financial performance, the item Grants and transfers comprises specific-purpose grants and transfers – for example, the transfers received for carrying out the development cooperation projects of the Ministry of Foreign Affairs, the grants provided by SIDA, USAID, European Commission and other organizations; and specific-purpose grants and transfers received from other organizations and persons.

The cash received for a project is recognized in the statement of financial position as a liability (deferred income), which is taken to revenue in proportion to the expenses incurred in the reporting period in respect of the same project or at the rate of execution of the project. When a financed activity (project) ends, the foundation has to submit to the provider of the specific-purpose grant (the donor) a report on the use of funds received. As a rule, the amount of a grant that remains unused is returned.

When the expenses of a project funded with a specific-purpose grant are incurred in the eligibility period and meet the eligibility rules but the cash to be provided by the donor has not yet been received, the expenses are recognized as project expenses in the period in which they are incurred and are taken to revenue in the same amount in accordance with the principle of matching revenues and expenses. An amount of the same size is recognized as a receivable until cash is received from the donor.

Grants are recognized as income on a systematic basis over the periods in which the foundation recognizes as expenses the costs for which the grants are intended to compensate. A grant received for compensating for expenses incurred in previous periods or which do not have any attaching conditions that have to be complied with in the future are recognized as income in the period in which the grant was provided. A grant is not recognized as income until there is reasonable assurance that the foundation will comply with the conditions attaching to the grant and the grant proceeds become receivable. In the statement of cash flows, specific-purpose grants are reported using the indirect method.

Other income comprises other project-based funding provided by donors for specific-purpose projects or training. The cash received for a project is recognized in the statement of financial position as a liability (deferred income), which is taken to revenue in proportion to the expenses incurred in the reporting period in respect of the same project or at the rate of execution of the project. Other income comprises mainly financing for short-term projects and training events.

Revenue recognition

Revenue from trading activities comprises income generated by economic activities. The item also includes successful bids for public procurement projects, short-term consulting revenue and revenue from services that support the foundation's statutory activities.

Related parties

A related party is a person or a company that is related to e-Governance Academy to such an extent that transactions between them may be conducted on terms other than market terms.

Related parties include:

- 1) the founders;
- 2) the members of the executive and higher governing bodies; and
- 3) companies under the control or significant influence of all of the above persons.

Holiday pay reserve

The cost of holiday pay is recognized in the period in which the liability arises. The holiday pay reserve is adjusted once a year - the

reporting year

at the end. The holiday pay earned is recognized as an expense in the income statement and is recognized in the balance sheet.

Events after the reporting period

The financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date (31 December 2021) and the date on which the financial statements were authorized for issue but are related to the reporting or prior periods. Subsequent events that are indicative of conditions that arose after the reporting date but which will have a significant effect on the result of the next financial year are disclosed in the notes to the financial statements.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2021	31.12.2020
Cash on hand, EUR	1 785	2 545
Cash on hand, foreign currencies	2 965	4 325
Cash at bank, EUR	2 937 559	1 186 833
Cash at bank, foreign currencies	494 668	929 277
Total cash and cash equivalents	3 436 977	2 122 980

Note 3 Receivables and prepayments

(In Euros)

	31.12.2021	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	1 620 438	1 620 438		
Tax prepayments and receivables	14 660	14 660		4
Other receivables	152 414	152 414		
Accrued income	152 414	152 414		
Total receivables and prepayments	1 807 332	1 787 512	19 820	
	31.12.2020	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	401 702	401 702		
Accounts receivables	401 702	401 702		
Tax prepayments and receivables	26 041	26 041		4
Other receivables	221 216	221 216		
Accrued income	221 216	221 216		
Prepayments	0	0		
Deferred expenses	0	0		
Total receivables and prepayments	665 529	648 959	16 570	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2021		31.12.2020	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	12 877	0	24 582	0
Personal income tax	0	28 042	0	18 577
Fringe benefit income tax	0	2 261	0	667
Social tax	0	51 169	0	32 534
Contributions to mandatory funded pension	0	2 222	0	1 520
Unemployment insurance tax	0	2 657	0	1 754
Interest	0	64	0	0
Other tax prepayments and liabilities	0	14	0	14
Prepayment account balance	1 783		1 459	
Total tax prepayments and liabilities	14 660	86 429	26 041	55 066

See also Notes 3 and 8

Note 5 Investments in subsidiaries and associates

(In Euros)

	31.12.2021	31.12.2020
Shares of associates	31 676	31 676
Total investments in subsidiaries and associates	31 676	31 676

Digital Governance Academy Asia-Pacific Co. Ltd. (D-GAP), established in Japan in cooperation with Mitsubishi UFJ Research and Consulting Co., Ltd. (60% of shares), e-Governance Academy (40% of shares).

In June 14, 2021 e-Governance Academy established a subsidiary "E-Governance Academy for the Caribbean Limited" in Jamaica. The subsidiary belongs 100% to E-Governance Academy. No equity contribution has been made on the establishment of the subsidiary due to the legal form of the organization set up (Company Limited by Guarantee and Not Having a Share Capital) not requiring this.

In 2021, the e-government Academy allocated operating support grant to the subsidiary in the amount of 8761.32 EUR. Operating grant awarded during the reporting period of 2021, is recorded in the balance sheet under "Receivables and prepayments" and described also in Note 17.

Note 6 Property, plant and equipment

(In Euros)

			Total
	Computers and computer systems	Other property, plant and equipment	
31.12.2020			
Carried at cost	118 956	50 003	168 959
Accumulated depreciation	-66 125	-48 736	-114 861
Residual cost	52 831	1 267	54 098
Acquisitions and additions	44 783	0	44 783
Depreciation	-19 404	-9 125	-28 529
Reclassifications	-41 085	41 085	0
31.12.2021			
Carried at cost	91 130	107 115	198 245
Accumulated depreciation	-54 005	-73 888	-127 893
Residual cost	37 125	33 227	70 352

Reclassification: A classification error has been identified in the notes to the fixed assets during the reporting period.

In this regard, the furniture amounts 57 122 (cost) and -16,027 (accumulated depreciation) totaling EUR 41,085 were reclassified and removed from "Computers and computer systems" to "Other property, plant and equipment".

Note 7 Operating lease

(In Euros)

Accounting entity as lessee

	2021	2020
Operating lease expenses	182 430	182 150

Operating lease costs include rent for office equipment, office equipment and furniture, and rent for general office space.

Note 8 Payables and prepayments

(In Euros)

	31.12.2021	Within 12 months	Note
Trade payables	305 470	305 470	
Employee payables	118 659	118 659	9
Tax payables	86 429	86 429	4
Other payables	228	228	
Other accrued expenses	228	228	
Prepayments received	1 028 287	1 028 287	
Deferred income	1 028 287	1 028 287	
Total payables and prepayments	1 614 249	1 614 249	
	31.12.2020	Within 12 months	Note
Trade payables	200 686	200 686	
Employee payables	91 868	91 868	9
Tax payables	55 066	55 066	4
Other payables	1 919	1 919	
Other accrued expenses	1 919	1 919	
Prepayments received	32 483	32 483	
Deferred income	32 483	32 483	
Total payables and prepayments	382 022	382 022	

Note 9 Employee payables

(In Euros)

	31.12.2021	31.12.2020	Note
Vacation pay liability	59 363	46 526	
Salaries payable	58 058	44 557	
Other payables to employees	1 238	785	
Total employee payables	118 659	91 868	8

Note 10 Grants with special terms

(In Euros)

	31.12.2019		Received	Repaid	Recognized in statement of revenues and expenses	31.12.2020	
	Receivables	Liabilities				Receivables	Liabilities
Grants for operating expenses							
Grants for operating expense	352 506	3 444 307	1 804 662	-9 340	-3 668 489	189 731	1 733 915
Total grants for operating expenses	352 506	3 444 307	1 804 662	-9 340	-3 668 489	189 731	1 733 915
Total grants	352 506	3 444 307	1 804 662	-9 340	-3 668 489	189 731	1 733 915
	31.12.2020		Received	Repaid	Recognized in statement of revenues and expenses	31.12.2021	
	Receivables	Liabilities				Receivables	Liabilities
Grants for operating expenses							
Grants for operating expense	189 731	1 733 915	4 644 376		-3 629 911	103 680	2 834 431
Total grants for operating expenses	189 731	1 733 915	4 644 376		-3 629 911	103 680	2 834 431
Total grants	189 731	1 733 915	4 644 376		-3 629 911	103 680	2 834 431

Receivables from financiers are included under other receivables and Grants and Donations (Note 11)

Contingent liabilities related to grants (see Note 18)

2021

454 365 Grants from Ministry of Foreign Affairs of the Republic of Estonia
 1 954 050 Grants and transfers European Commission
 7 461 Other government Grants and transfers
 1 170 086 Grants and transfers SIDA
 43 948 Grants and transfers USAID
 3,629,911

2020

451 564 Grants Ministry of Foreign Affairs of the Republic of Estonia
 24 894 Grants and transfers UNDP
 326 070 Grants and transfers Commission
 22 618 Grants and transfers
 2 792 116 Grants and transfers SIDA
 51 227 Grants and transfers USAID
 3,668,489

Note 11 Grants and donations

(In Euros)

	2021	2020	Note
Grants and donations related to income	28 500	36 000	
Specific-purpose grants and transfers for carrying out projects	3 601 411	3 632 489	
Total grants and donations	3 629 911	3 668 489	
Provision from state budget	454 365	451 566	
Other specific-purpose grants	3 147 046	3 216 923	

Monetary and non-monetary grants and donations			
	2021	2020	Note
Monetary grant	14 033	16 515	13
Total grants and donations	14 033	16 515	

Note 12 Business income

(In Euros)

	2021	2020
Consultancy: Foreign Public Authority	757 965	1 357 328
Consultancy: International Organizations	1 213 775	616 487
Other business activities	196 114	102 239
Total business income	2 167 854	2 076 054

Note 13 Other income

(In Euros)

	2021	2020	Note
Statutory training activities	186 816	63 966	
Donations	14 033	16 515	11
Other	3 174	8 414	
Total other operating income	204 023	88 895	

Note 14 Direct expenses of projects financed by grants and donations (In Euros)

	2021	2020	Note
Transportation expense	0	1 573	
Office expense	230 152	175 765	
Travel expense	105 087	39 451	
Training expense	1 883	0	
Labor expense	1 414 262	1 110 615	16
Expenses on visas	0	4 675	
Training participants' accommodation expenses	1 878 487	2 344 647	
Other project/training execution expenses			
Total direct expenses of projects financed by grants and donations	3 629 871	3 676 726	

Note 15 Miscellaneous operating expenses (In Euros)

	2021	2020
Leases	45 731	55 912
Energy	6 917	5 080
Electricity	3 646	2 623
Heat energy	3 271	2 457
Water supply services	65	58
Miscellaneous office expenses	120 185	86 685
Travel expense	112 574	65 994
Training expense	1 021	6 146
Sub-contracted experts and technical implementation	780 383	905 109
Expenditure on organizing training and project events	43 920	39 248
Other	66 516	37 680
Total miscellaneous operating expenses	1 177 312	1 201 912

Note 16 Labor expense (In Euros)

	2021	2020
Wage and salary expense	2 050 570	1 457 950
Social security taxes	429 334	339 287
Total labor expense	2 479 904	1 797 237
Thereof disclosed as direct expenses of projects financed by grants and donations	1 414 262	1 110 615
Average number of employees in full time equivalent units	28	25

The average number of employees 28 working for e-Governance Academy (includes, also 3 members of the Management Board working under

a contract of a Member of the Management Board.)

An additional 40 people (experts and lecturers) contributed to our activities on the basis of subcontracting agreements, and an additional 20 people worked in Ukraine under the FOP service agreements.

Remuneration and other significant benefits calculated for the executive and senior management (incl. one founding member) are also reflected in Note 17 Related parties.

Note 17 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2021	31.12.2020
Receivables and prepayments		
Subsidiaries	8 761	0
Total receivables and prepayments	8 761	0

SOLD	2021		2020
	Services	Non-current assets	Services
Founders and members	32 886	1 082	30 270
Total sold	32 886	1 082	30 270

BOUGHT	2021		2020
	Services	Non-current assets	Services
Founders and members	944		
Total bought	944		

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2021	2020
Remuneration	238 862	229 010

Related party transactions:

The Purchases section reflects transactions made with companies related to the founders of the foundation (IT accessories and lecturer fees).

The sales section includes the organization of consulting and training provided to the companies related to the founders of the foundation, as well as fixed assets sales related to sales.

The contract of the members of the Management Board provides for 6 months' compensation in the event of termination of the contract without cause.

Remuneration and other significant benefits calculated for the executive and senior management (incl. The founding member) are also reflected in Note 16 Personnel expenses.

An operating grant in the amount of 8761 euros has been granted to the subsidiary e-Governance Academy for the Caribbean Limited.

Note 18 Contingent liabilities and assets

(In Euros)

E-Governance Academy has signed a bank guarantee agreement on May 20, 2021 with OP Corporate Bank plc.

The agreement is for EUR 1 919 980 and is valid until September 30, 2025.

The bank guarantee agreement is signed as a requirement of the contract no ENI/2020/415-971 between European Commission and E-Governance Academy for the project

"EU Support to E-Governance and Digital Economy in Ukraine".

E-Governance Academy does not currently consider the probability of activating this bank guarantee very high as the project is audited by KPMG Baltics once in every six months and all the major cost items are always pre-confirmed also by donor representative EUDEL Ukraine.

Note 19 Events after the reporting date

The spread of the coronavirus (Covid-19) in the world and in Estonia has also characterized 2021.

eGA projects have stayed on schedule despite the crisis, we have had more activities in projects due to travel restrictions. Finding good partners in the target countries has become more and more important for us, but in 2021 we have already succeeded to continue with the on-the-spot visits to the target countries.

We have also developed a platform for conducting e-learning, so we can continue our training activities even when attendants can not travel.

The war started by the Russian Federation on February 24, 2022 in Ukraine also affected our ongoing projects in Ukraine. However, the projects were not paused but we had to re-profile the projects in cooperation with the donors. Some activities were put on hold but majority of the project work continued and activities are moving forward. The local core team in Ukraine also continued to work.

In the first half of 2022, we have launched several more projects in Ukraine, so Ukraine is still an important target country for e-Governance Academy.