



**GraceKennedy**  
FOUNDATION

**LEAVING.**

NO  
ONE  
BEHIND

**ANNUAL REPORT**  
2019 - 2020





Volunteers after a hard morning's work at GK Foundation's 2019 International Coastal Cleanup Day activities along the Palisadoes.





# Vision

To become a world-class corporate foundation committed to the wellbeing of individuals and communities.

# Principles

Equity / Voluntarism / Empowerment /  
Contributing to national development.

# Mission

We support GraceKennedy as a corporate citizen by creating environmentally sustainable programmes, promoting healthy lifestyles and increasing access to education.

# Values

My word is my bond / The promise that is kept / Ethics and integrity/ Respect and consideration / Commitment /Openness.



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L-R- 2019 Birthright Interns Tarik Graham, USA; Kayla Jessup, USA; Callum McCarthy, UK; and Sapphira Thompson-Bled, Canada



# Message from **DR FRED KENNEDY** Chairman, GraceKennedy Foundation



On February 12, 2020, weeks before the COVID-19 shutdown, the GraceKennedy Foundation held a Strategic Planning Retreat at the new Corporate Headquarters. Our purpose: to design a new three-year strategy which would renew our vision of a world class corporate foundation and our mission to support GraceKennedy as a corporate citizen. We concentrated on refining our strategic objectives in three focus areas: Education, the Environment, and Healthy Lifestyles. We defined our strategic drivers as Sustainability, Partnerships, Results-Based Performance and Alignment to Corporate. We harnessed our energies to define an innovative approach to achieving sustainable, social and economic change.

Until March of 2020, it was business as usual. The CEO and her team were busy hosting the Birthright interns for five weeks during the summer of 2019. This internship programme for second and third generation Jamaicans continues to reach out to young, talented individuals in the diaspora as a way of re-connecting them to their Jamaican heritage. We are exploring ways in which they may continue to represent and serve GraceKennedy and Jamaica as the exceptional ambassadors they are. 51 applications, an increase of over 30%, were processed for 2020, and the interns selected, but the programme needed to be postponed because of the onset of COVID-19.

Funding of tertiary level scholarships is our largest budget allocation, J\$ 21.5 million annually. In September, CEO Caroline Mahfood and her team worked assiduously to review 300 scholarship applications from students of



2019 GraceKennedy Jamaica Scholars with Senator Don Wehby, Group CEO of GraceKennedy and Sheldon Rhoden, Administrative Assistant, Office of Student Financing, UWI, Mona.

the highest academic calibre. We fund approximately 90 scholarships per annum and have invested over J\$ 100 million over the last five years in educating the most intelligent, talented young men and women in Jamaica.

Some of whom, upon graduation, find employment with GraceKennedy. We paid tribute to our awardees at the Annual Scholars' Awards Ceremony, held on October 17, 2019.

Planned for March 2020 was our Annual Lecture entitled 'The Decade of Action Begins: The Sustainable Development Goals. Leaving No One Behind', the speaker being Margaret Jones Williams, Deputy Resident Representative UNDP, Suriname. COVID-19 stopped us in our tracks but did not foil our plans. On September 30, we hosted our first virtual GKF Lecture, which over 300 persons attended. For over 30 years, the Annual Lecture Series has proven itself a trusted source for intellectual discourse and dissemination of information. This year was no exception. Aligned to our interests in both education and the environment, the lecture aimed to heighten awareness of the SDGs, of the challenges facing small-island states, and of an urgent call to action so that 'No one is left behind.'

In keeping with our commitment to the environment, we participated in International Coastal Clean-up Day on September 21, 2019. Caroline and her team coordinated close to 400 volunteers from GKCO, from primary and

secondary schools, and from universities and service clubs. The result was 17,200 lbs. of garbage and plastics removed from the shores of Kingston Harbour.

With a view to achieving sustainable environmental change, we have set ourselves the task of addressing the degradation of the ecosystems of Kingston Harbour. In February 2020, GKF partnered with Mona Geoinformatics, the UWI Centre of Marine Sciences and Newer Worlds Ltd. to embark on the Kingston Harbour Eco-System Adaptation Model (KHEAM) a project financed as a Caribbean Bio-Diversity Fund (CBF) project. This pilot project aims to mitigate and reduce climate change risks of flooding, storm surges and hurricanes to Kingston and its environs, by restoring and rehabilitating mangroves in the Kingston Harbour.

Our environmental stewardship continues through the work of Professor Mona Webber, the James S. Moss-Solomon Sr. Chair in Environmental Management at UWI. Her focus on sustainable development programmes involves coastal and marine rehabilitation and protection, the restoration of mangroves, and supporting the establishment of a monitoring system for ocean acidification.





CEO Caroline Mahfood has launched the innovative GK Campus Connect Programme at the tertiary institutions we support. It is a student Ambassador Programme, started in September 2018, involving the participation of our GKF scholars. It aims to strengthen the GK brands on the campuses and to develop, for our scholarship awardees, skill sets, networking and internship opportunities. Participating GKCO companies are: FGB, Hi-Lo, GK Insurance, Grace Foods and GKMS. In alignment with our healthy lifestyles focus, the Food Bank re-opened in October 2019, and in partnership with Grace Foods and other subsidiaries, has assisted hundreds of students in need.

In 2018, our Board of Directors openly accepted an

invitation to assist with the formation and launch of a Jamaica Stroke Alliance. The concept of a national stroke foundation was first advanced by former Senior Product Development Officer, Mrs. Hilary Wehby, who had worked for GraceKennedy for over 30 years before suffering a stroke in 2015. In keeping with our healthy lifestyles focus, we have assisted them in establishing the alliance.

2019-2020 was an extraordinary year with the onset of the Coronavirus, but we rose to the challenge. We shaped budgetary policy to project the financial impact of the pandemic, and have allotted contingency funds in contribution to Citizens Response Jamaica and other groups. The needs are enormous, and our work is not yet done.

I want to thank Prof. Gordon Shirley, Chairman of the GKCO Board, Don Wehby, Group CEO, Gail Moss-Solomon, General Counsel and Chief Corporate Secretary, and the Managers of SBUs of GraceKennedy for their support and guidance. A close alignment to Corporate proves essential to our mission. My appreciation also to our Directors for their continued dedication to the vision and mission of the GraceKennedy Foundation. We are a 'working' Board, with Directors chairing committees in each of our strategic areas to assist CEO Caroline Mahfood in the execution of the GKF mandate. Our CEO's exceptional managerial skills and commitment of her staff have enabled a restructuring of our Board committees and governance policies, and have brought us to new heights in fulfillment of our mission, We Care.



Message from  
**PROFESSOR  
GORDON SHIRLEY**  
Chairman, GraceKennedy Limited

Since its inception in 1982, the GraceKennedy Foundation has superbly implemented its function as one of the channels by which the company fulfills its corporate social responsibility mandate. While it may have, from time to time, adjusted its focus, the Foundation has remained loyal to its original mission of supporting national development.

Despite the pressures of the pandemic, the Foundation ably pursued its programmes. The GK Campus Connect Food Bank has continued to provide support to the neediest students attending The University of the West Indies, the University of

Technology, Jamaica, The Edna Manley College and the Caribbean Maritime University.

We were disappointed by the postponement of our 2020 GraceKennedy Foundation Lecture which was scheduled to have been held in March. The Foundation responded by organising a virtual staging of the lecture on 30 September. Presented in partnership with the United Nations Development Programme (UNDP), the lead UN agency on the SDGs, the lecture was delivered by Dr. Margaret Jones Williams, UNDP Deputy Resident Representative for Suriname, from her base in Paramaribo. Entitled “The Decade of Action



Begins. The Sustainable Development Goals. Leaving No One Behind”, it was well received by an enthusiastic audience of over 350 persons. This demonstrated the Foundation’s flexibility and comfort with the emerging technology as it seamlessly coordinated the hosting of the lecture with presenters from different locations around the world.

The Foundation is in the process of another adjustment, which sees the establishment of the Carlton Alexander Research Fund in place of the Carlton Alexander Chair of Business, which has been vacant since the resignation of Professor Ian Boxill in 2018. Valued at \$5.5 million annually, it is intended to fund research projects which support national development. This is, indeed, a timely decision as the COVID 19 pandemic has underscored the fragility of the nation’s economic system and the time is right for the exploration of new paradigms for business.

Congratulations to the Foundation and its partners in the Kingston Harbour Eco-System Adaptation Model (KHEAM) project which succeeded in securing funding of US\$990,000 from the Caribbean Diversity Fund. This represents the first and most significant milestone

in any practical programme to tackle the cleaning and reclamation of the Kingston Harbour. The fact that it is no longer a ‘pipe dream’ is due to the perseverance and hard work of the GKF Chairman and his team.

The scholarship and bursary programmes for 2019 were executed with an investment of over \$21 million. I was pleased to see the introduction of the scholarship to honour Sister Angella Harris, retired principal of Immaculate Conception High School.

Professor Fred Kennedy, Chief Executive Officer Caroline Mahfood and all the members of the GKF team are to be applauded for their commitment to the roles they play in moving our nation forward and contributing to the goal of leaving no one behind.



# Message from **SENATOR DON WEHBY** Group CEO, GraceKennedy Limited



In the year under review, the GraceKennedy Foundation (GKF) continued to deliver stellar results through its multifaceted programmes, which address the needs of our nation in the areas of education, sustainability and wellbeing. This year, COVID-19 added yet another facet to GKF's important work, demanding the Foundation's agility in the face of a nation in crisis. I have proudly witnessed how GKF has risen to meet the challenges associated with the pandemic, demonstrating their ability to quickly respond to the needs of our society head on.

At the outset of the pandemic in Jamaica in March, one of GraceKennedy's immediate concerns was the tertiary students who rely on our GK Campus Connect Food Bank. In response to the closure of Jamaica's borders

and campuses due to COVID-19, I was pleased that the food bank was able to support students from overseas who were unable to return home. During the food bank's first year of operation, 158 tertiary students have been supplied with food packages each month, with over 1,600 packages being issued to date. GKF has received immeasurable support from our Foods Division, and I look forward to the continued expansion of these invaluable partnerships, which will increase the food bank's reach.

I was also proud to see GKF leading the charge in donating J\$2 million to the Private Sector Organisation of Jamaica (PSOJ) and the Council of Voluntary Social Services (CVSS) COVID-19 Jamaica Response Fund. The funds were used to purchase 3D printers



and supplies for a Citizens Response Jamaica (CRJ) initiative which manufactured personal protective equipment and repaired medical equipment for the island's healthcare system.

GKF's ongoing support for education is also something of which I continue to be particularly proud. The Foundation has been awarding scholarships to Jamaican students for over 35 years, with over \$290 million invested. In 2019 GKF awarded 90 scholarships valued at \$20 million to Jamaican tertiary students, and 18 bursaries valued at \$1.2 million to the children of 18 GK team members ahead of the 2019/20 school year.

In 2019 the GK Jamaican Birthright Programme continued to foster linkages with the Jamaican diaspora. We welcomed four young people with Jamaican parentage/grandparentage from the USA, Canada and the UK as GraceKennedy interns between June 28 and August 7, 2019, exposing them to their Jamaican heritage, and immersing them in our culture. Although the COVID-19 pandemic resulted in the cancellation of the 2020 Birthright programme, we look forward to its return in 2021.

The GKF team continues to inspire us through their stewardship of GraceKennedy's corporate citizenship. My congratulations and gratitude to GKF Chairman, Dr. Fred Kennedy, the Foundation's Directors, Chief Executive Officer, Caroline Mahfood, and the GKF team for their outstanding initiative, creativity and responsiveness to the needs of our citizens, and for all that they do towards building a better Jamaica.



GraceKennedy UTECH Merit Scholar Yasheka Stevens volunteering her time at the GK Campus Connect Food Bank.

GraceKennedy Foundation  
**DIRECTORS**  
As at June 30, 2020



**FRED KENNEDY**  
Chairman



**JAMES MOSS SOLOMON**



**HILARY WEHBY**



**PHILIP ALEXANDER**

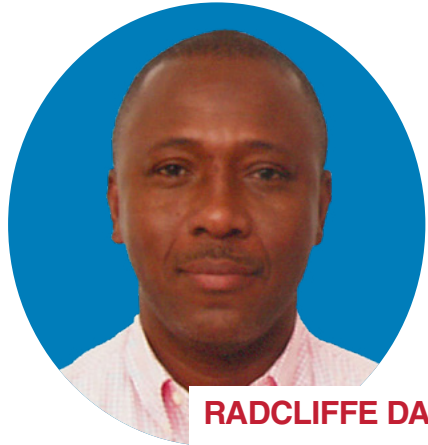


**DEIDRE COUSINS**



**ALLISON RANGOLAN**





**RADCLIFFE DALEY**



**TERRY-ANN GRAVER**



**CAROL GENTLES**



**CATHRINE KENNEDY**



**CHALUK RICHARDS**



**JULIE MEEKS-GARDNER**



**CAROLINE MAHFOOD**  
Chief Executive Officer

# GraceKennedy Foundation Invests \$20 MILLION IN TERTIARY SCHOLARSHIPS



2019 Scholars with GK Foundation executives and representatives from UWI, UTECH and Edna Manley College.

The Foundation provides scholarships as a means of encouraging academic excellence, in keeping with its contribution to nation-building. Scholarships are renewed annually. For the 2019/20 academic year, the Foundation awarded scholarships valued at \$20 million to 90 university students. The recipients comprised

students of The University of the West Indies, Mona (UWI), The University of Technology, Jamaica (UTech), the Edna Manley College of the Visual and Performing Arts and the Caribbean Maritime University.

This year, the Foundation awarded a new 3-year scholarship, named in honour of Sister Angella Harris, former principal of the Immaculate Conception High School (ICHS), who had served in that capacity since 2005. The scholarship went to Alexis Williams, a first-year student at the UWI, Mona. The scholarship was the manifestation of a promise made by Group CEO, Don Wehby, at the 2019 ICHS Hall of Fame Banquet.

The Foundation also presented special awards to three students. Mickel Robinson, 2018 Bruce Rickards merit scholar, received an award for completing the most volunteer hours, Joanna-Joy Gray, 2018 Douglas Orane Scholar, received the award for the student with the highest GPA of 4.1, and Kadeem Campbell, 2016 Bruce Rickards Scholar, was named the Top Volunteer.

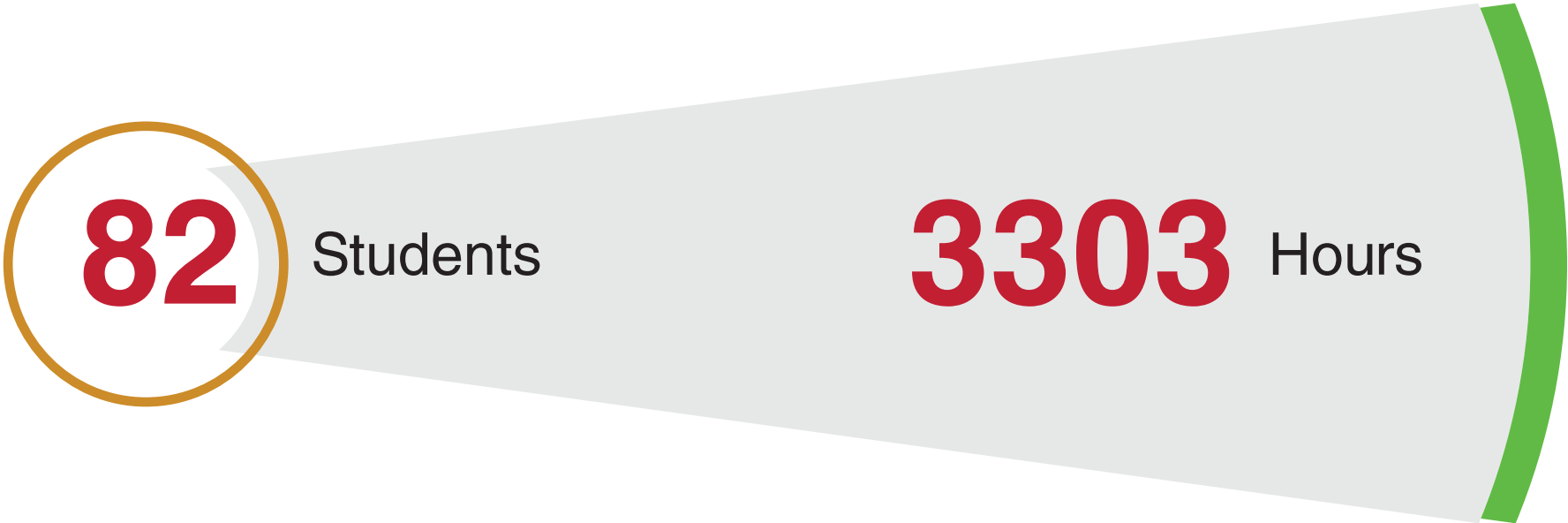


# GK Campus Connect Programme

# DEVELOPING FUTURE LEADERS

Since its establishment in October 2019, the GK Campus Connect initiative has provided GKF scholarship recipients with the opportunity to gain exposure to GK companies to help develop their leadership skills. The programme was launched with a meet and greet session, where the students were given an overview of the GraceKennedy Group.

In February 2020, the GKF partnered with the GraceKennedy Financial Group, to host a Wealth Management Seminar. The session featured presentations from professionals from the GK Financial Group, and focused on budgeting, banking, investing in the stock market, and the benefits of insurance. Over 270 students attended the event. Spearheaded by the Campus Connect Intern, Akeem Kitson, the event was planned and coordinated by a team of GK scholars.



When the Covid-19 pandemic hit, GKF hosted a virtual session to help prepare the students for the world of work. GKF scholars also provided support for the PSQJ COVID-19 Relief Fund, where they packaged and distributed care packages.

# Children of GK Employees Receive Carlton Alexander Memorial BURSARIES



The Carlton Alexander Memorial Bursary Awards Ceremony was held on August 26, 2019. Bursaries were awarded to children of GraceKennedy employees in recognition of their academic excellence and service. Recipients from grades seven to eleven received \$60,000 each, while those in sixth form got \$80,000 for each of their two years, with those attending tertiary-level institutions receiving \$100,000 each.

GraceKennedy Foundation CEO, Caroline Mahfood, congratulated the students. She highlighted the outstanding results of Gabrielle Findlay of Wolmer's High School for Girls, who earned nine Grade Ones in her CSEC exams, and Kahlil Walker of Manchester High, who received six Grade Ones in his CAPE Unit One exams.

Guest Speaker at the event, Wayne Robinson, Acting Principal of Jamaica College, advised students that

to succeed, they must be mindful of the 'Three Rs' – Review the day's lesson the same day it is taught; Repeatedly practice what they learn, and Read ahead in preparation for what was to come.

Simone Clarke-Cooper, who represented Group CEO Don Wehby at the event, also praised the parents for their role in the children's success.

The bursaries are named in honour of the late Carlton Alexander, former Chairman and CEO of GraceKennedy.



2019 Carlton Alexander Memorial Bursary Recipients at the 2019 awards Ceremony



## Annual Lecture Series

# THE DECADE OF ACTION BEGINS



On 30 September the first virtual GKF lecture was hosted with great success. The 2020 lecture, originally scheduled for March, was postponed due to a ban on large gatherings implemented to reduce the spread of COVID-19. The lecture was delivered by Dr. Margaret Jones Williams, the UNDP Deputy Resident Representative for Suriname, from her base in Paramaribo on the topic “The Decade of Action Begins. The Sustainable Development Goals. Leaving No One Behind”.

Dr. Jones Williams shared the background to the Sustainable Development Goals (SDGs) and the developmental issues they addressed. These ranged from

reducing poverty and hunger, to gender equality, access to water, conservation of biodiversity, access to clean and affordable energy, just and peaceful societies and strong partnerships. Dr. Jones Williams noted that some progress had already been recorded since the implementation of the SDGs in 2015, such as the global reduction in poverty, the child mortality rate, increased immunization and access to electricity and some progress in environmental protection.

The lecture was well received by a large and appreciative audience. The lecture books are available on the GraceKennedy’s website and the recording of the live presentation can be viewed on YouTube.



GK Foundation 2020 Lecturer, Dr. Margaret Jones Williams, UNDP Deputy Resident Representative for Suriname.



## GK Birthright Programme

# ANCHORING ROOTS, EDUCATING GENERATIONS



Birthright interns with Delia Bennett, Sales Executive at Caribbean Airlines and Trudy Chin, General Manager of Caribbean Airlines Jamaica, at the 2019 Birthright Launch.

In the Summer of 2019, the Foundation hosted four students from the United States, The United Kingdom and Canada for a 5-week professional and cultural internship. For almost two decades this programme has afforded second-generation, tertiary students

the opportunity to visit Jamaica to learn about their heritage, while also gaining work experience in a field of interest through placement in one of the GraceKennedy companies.

At the launch of the programme on July 3, 2019, GraceKennedy CEO, Senator Don Wehby encouraged the Birthright Interns to do everything to realise their dreams. "Never be afraid to dream and never say 'never'. All of you, I am sure, will be successful Jamaicans



in your respective countries. We are a company that believes in Jamaica and believes in giving back to Jamaica. This Birthright programme is a win-win for GraceKennedy, for you and for our country, Jamaica,” he said.

Minister of Tourism, Edmund Bartlett, shared in his message that, “It is our hope that you will not only want to return, but you will become ambassadors of the land that nurtured your cultural roots. We are in the age of millennials, and our tourism sector has evolved to meet your needs. We are cognisant of the importance of safeguarding the sustainability of the industry, and so I look forward to you all playing a key role, in partnership with us through the diaspora”.

Birthright Intern Kayla Jessup said she was impressed by the professional and cultural growth that the programme promised. “From this experience, I gained a better understanding of myself and what I’d like to do in the future. I believe I will get closer to this goal by getting the opportunity to work in my field of interest and connecting more with my culture. I enjoyed meeting brilliant people along the way, such as the other interns and staff at GraceKennedy,” she said.

Tarik Graham, who recently completed his first year at Harvard University, said the internship was a great opportunity to connect with his cultural heritage and become more knowledgeable about Jamaica and its history. He also benefitted from the practical experience that the programme offered.

To date, 49 second generation Jamaicans have been able to strengthen their ties to Jamaica through the Birthright Programme.



2019 Birthright interns at Kings House, during a courtesy call with the Governor General of Jamaica.



# GK Campus Connect Food Bank REDUCING HUNGER ON UNIVERSITY CAMPUSES

2 ZERO  
HUNGER



GK Campus Connect Food Bank Volunteer Akilah Williams, organising items at the UTech location.

As a part of GraceKennedy's efforts to support students in a multifaceted way at the tertiary level, the GraceKennedy Foundation opened food pantries at the UWI Mona and University UTech campuses, to address the issue of food insecurity that faces many tertiary level

students. Since the opening of the GK Campus Connect Food Bank, over 158 students have received monthly food packages.

At the onset of the COVID-19 pandemic, the food bank donated over 600 food packages to international students and to non-profit organizations, inclusive of a \$1 million donation of products from Grace Mighty Malt.



The initiative has received the support of several GraceKennedy companies. Grace Foods committed \$1 million in products, while Dairy Industries Jamaica Limited and Grace Food Processors (Meats) Division donate items monthly.

The Food Bank has also partnered with the American Friends of Jamaica (AFJ) to facilitate the support of Jamaicans living abroad. further information on how to donate, click below:

[CLICK HERE TO DONATE](#)





# James Moss-Solomon Snr. Chair Pacing the Way to **ENVIRONMENTAL SUSTAINABILITY**



Prof. Mona Webber and daughter, Deanna Webber, collecting sargassum for a research project.

The GraceKennedy Foundation is immensely proud of the work being facilitated by Professor Mona Webber, the holder of the James Moss-Solomon Sr. Chair in Environment. In 2019 she continued to contribute to the sustainable development of Jamaica through research, student development and outreach. Much of this work

focused on coastal and marine rehabilitation and protection.

A major accomplishment in 2019 was the award of the “Implementation of Eco-System Adaptation Measures

for the Kingston Harbour” (KHEAM) project valued at US\$990,000. The project aims to rehabilitate and restore mangrove habitats in the Kingston Harbour, incorporating social and economic resilience to climate change through mangrove restoration and rehabilitation, raising awareness of local communities, strengthening





the participation and capacity of communities to implement ecologically based adaptation (EbA) activities, and piloting models to combat land-based pollution into the Harbour.

In another important initiative, Professor Webber partnered with the Mona Geoinformatics Institute, the University of Southampton, University of York, University of Ghana and the University of the West Indies-Cave Hill campus, to conduct research on the invasive sargassum weed to identify possible opportunities for it to be used to benefit the poorest communities.

In 2019, Professor Webber began research on plastic pollution of the Kingston Harbour, as high levels of plastic pollution affect several organisms within this ecosystem, including zooplankton and a number of commercial fish species, as well as shellfish. The research will provide baseline data on levels of microplastic contamination in different areas and species of the Port Royal mangroves. Methods of removal of contamination from oysters before consumption by humans will also be explored.

Research on the health status of Jamaica’s population of Elkhorn Coral also began in 2019. Elkhorn Coral, once abundant in Jamaica, has been placed on the IUCN Red List of Critically Endangered Species. With the supervision of Professor Mona Webber, research on the health of Jamaica’s population of Elkhorn Coral as well as capturing its population numbers, is being implemented. It is hoped that if healthy colonies are identified, they may be used to repopulate the Elkhorn reef.

Professor Webber also continues to support sustainable national development through her appointments to environmental bodies: The Science Advisory Committee of the Jamaica National Commission for UNESCO (2nd term); member of the National Fisheries Advisory Council; Board Member of the Natural Resource Conservation Authority/Town and Country Planning Authority.

The Chair’s efforts are in keeping with SDG 14 and 15 which address the protection of life on land and below water, and goal 4 of Jamaica’s 2030 Vision: ‘Jamaica has a healthy natural environment.’



Prof. Mona Webber collecting sargassum.





# GraceKennedy Foundation helps to **KEEP WI ISLAND CLEAN**



In observation of International Coastal Cleanup Day on September 21, 2019, the GKF coordinated a substantial cleanup of Buccaneer and Gun Boat beaches, located on the Palisadoes strip. The effort, led by Foundation Chairman, Dr. Fred Kennedy, saw the involvement of over 365 volunteers comprising GraceKennedy employees and their children, members of Campion College's Green Generation Club, St. George's College Environmental Club, Kingston Church of Christ Teen Ministry, Portmore Church of God, Passage Fort Youth Club, Youths For Sustainable Development, students and parents from Hopefield Prep, and the staff of the Mona GeoInformatics Institute and American Airlines. In just two hours, they collected more than 17,500 lbs of garbage and plastics. GraceKennedy continues to be the leading corporate collector at a single clean-up site for the past four consecutive years.



L-R: GK employees Nakeisha Boswell, Deidre Cousins, Tiffany Stevens, Veronica Wallace and D'Wayne Ferguson at the 2019 GK Foundation beach cleanup activities along the Palisadoes.

The recycling programme, which was introduced in the GraceKennedy Group in 2014, continues to engage the interest and commitment of the staff. To date, the 14 subsidiary companies involved in the programme collected over 16,200 lbs of plastic. Since 2014, over 81,000 lbs of plastics have been collected among the subsidiaries.



# Forming Partnerships to **CLEAN THE KINGSTON HARBOUR**



Volunteers at the 2019 GK Foundation beach cleanup activities along the Palisadoes

The Foundation continues to spearhead discussions with public and private entities aimed at a long-term solution to the pollution entering the Kingston Harbour.

Under the leadership of the Mona Geoinformatics, the GKF, along with the Centre of Marine Sciences, UWI,

Mona, and Newer Worlds Ltd. were awarded a 3-year grant valued at US\$990,000. The Kingston Harbour Eco-System Adaptation Model (KHEAM) financed as a Caribbean Bio-Diversity Fund was facilitated through the Ecosystem-based Adaptation (EbA) Facility, provided by the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU)

International Climate Initiative, through KfW, the German Development Bank.

The project will involve the design and development of mechanisms to mitigate and reduce climate change risks and the impacts of flooding, storm surges and



hurricanes on Kingston and its environs, by ensuring a healthy mangrove ecosystem. This will be achieved through three strategic objectives: (i) restoring and rehabilitating mangroves in the Kingston Harbour; (ii) reducing and preventing solid waste from reaching and damaging these mangrove ecosystems from Barnes Gully; and (iii) enabling ownership of these issues by resident community members through information sharing, educating, training and incentivizing them to participate and lead.

Key aspects of the project include the design and construction of a prototype gully waste trap boom and the training of community members in the construction, repair and emptying of such a system, so as to create possible streams of income for these individuals.

Post graduate student, Gina-Marie Maddix, underwater at Coral Acropora palmate.



# Supporting the **FIGHT AGAINST COVID-19**



In light of the COVID-19 pandemic, the GraceKennedy Foundation donated \$2.3 Million Dollars, in support of the Private Sector Organization of Jamaica (PSOJ) COVID-19 Jamaica Response Fund, a national response aimed at meeting the needs of citizens and mitigating the threats associated with the pandemic, by distributing aid to areas that need it the most.

\$2 million were used to purchase Medical Grade 3D printers and supplies to support the work of Citizens Response Jamaica, to create personal protective equipment and repair medical equipment in Jamaica. They are collaborating with public and private partners in order to supply the health sector with face masks, face shields, ventilator parts and repairs, and locally built ventilators, among others. To find out more about the Citizens Response Jamaica, visit [www.citizensresponseja.com](http://www.citizensresponseja.com).



Staff of the Bustamante Hospital for Children, wearing the face shields created by the 3D printers that were donated to the Citizens Response Jamaica.

In addition, Grace products valued at \$300,000 were donated to support the PSOJ's food relief initiative. GKF scholars also assisted with packaging and distributing the care packages.

Name of Grantee	Purpose	Grant Total Given
<b>Creative Language-based Learning Project</b>	Training of early childhood and special needs educators in literacy and language-based learning difficulties.	\$ 362,500.00
<b>Sir Arthur Lewis Institute of Social and Economic Studies (SALISES) Child Rights Competition</b>	Prizes for Primary School Child Rights Competition	\$ 50,000.00
<b>Jamaica Red Cross</b>	Disaster resilience workshop	\$ 200,000.00
<b>First Tech Challenge Jamaica</b>	Tech Robotics championships	\$ 200,000.00
<b>Faculty of Science and Technology, UWI</b>	1 <sup>st</sup> Frontiers of Research in Caribbean Science and Technology (FORECAST) Conference	\$ 250,000.00
<b>Teach Caribbean</b>	Teach Caribbean 2020 Summer 5-week programme.	\$ 250,000.00
<b>National Blood Transfusion Service</b>	Reupholstering of blood donation chairs at the Slipe Road location	\$ 263,400.00
<b>TOTAL FUNDING GIVEN</b>		<b>\$ 1,575,900.00</b>



# AUDITED FINANCIALS

The background is a dark blue gradient with abstract financial data visualizations. It features several glowing yellow and orange dots of varying sizes, some of which are connected by thin white lines, suggesting a data trail or a network. Faint, semi-transparent text in light blue and white is scattered across the background, including dollar signs and numbers like "\$ 316", "\$ 399293", "\$ 29998", "\$ 366", "\$ 355", and "392". The overall aesthetic is modern and tech-oriented, typical of a corporate annual report.



**GraceKennedy Foundation Limited**

**Financial Statements**  
**30 June 2020**



# GraceKennedy Foundation Limited

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30 June 2020

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## Independent auditor's report

To the Members of GraceKennedy Foundation Limited

### Report on the audit of the financial statements

#### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of GraceKennedy Foundation Limited (the Foundation) as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

#### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica  
T: (876) 922 6230, F: (876) 922 7581, [www.pwc.com/jm](http://www.pwc.com/jm)

L.A. McKnight P.E. Williams B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell.



## Responsibilities of management 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 with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

Chartered Accountants  
Kingston, Jamaica  
7 December 2020



# GraceKennedy Foundation Limited

## Statement of Comprehensive Income

Year ended 30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

	GraceKennedy Scholarship Fund	S. Carlton Alexander Memorial Fund	James Moss- Solomon Snr. Chair Fund	Bruce Rickards Fund	Luis Fred Kennedy Fund	JIEE Scholarship Fund	General Income & Expenditure Account	Total Fund	Total Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>									
Interest and dividends	16,924	15,368	6,634	3,235	2,038	-	5,953	50,152	53,602
Other	1,834	167	1,727	343	1,353	-	55,424	60,848	48,765
	18,758	15,535	8,361	3,578	3,391	-	61,377	111,000	102,367
<b>Expenditure</b>									
Annual lecture series	-	-	-	-	-	-	20	20	3,873
Grants	-	-	-	-	-	-	4,625	4,625	3,627
Printing and stationery	-	-	-	-	-	-	138	138	144
Directors' emoluments									
Fees	-	-	-	-	-	-	540	540	603
Expenses	-	-	-	-	-	-	312	312	360
Bank charges	-	-	-	-	-	-	61	61	67
Staff costs	-	-	-	-	-	-	46,106	46,106	35,375
Depreciation	-	-	-	-	-	-	2	2	-
Other operating expenses	1,500	1,000	750	150	300	-	1,065	4,765	5,131
Scholarships and bursaries	8,540	4,540	-	2,891	-	500	5,597	22,068	21,035
University chair	-	-	5,500	-	-	-	-	5,500	5,500
Environmental projects	-	-	-	-	1,509	-	-	1,509	7,352
Motor vehicle and travel expenses	-	-	-	-	-	-	141	141	96
Public relations	-	-	-	-	23	-	460	483	808
Meetings and conferences	-	-	-	-	-	-	465	465	1,193
Fees - Registrar General	-	-	-	-	-	-	13	13	8
	10,040	5,540	6,250	3,041	1,832	500	59,545	86,748	85,172
<b>Net Surplus/(Deficit)</b>	8,718	9,995	2,111	537	1,559	(500)	1,832	24,252	17,195



# GraceKennedy Foundation Limited

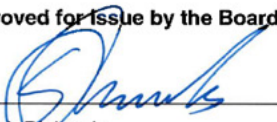
Statement of Financial Position

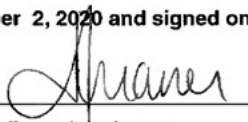
30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets	6	-	2
Investments	7	1,266,782	1,367,423
		<u>1,266,782</u>	<u>1,367,425</u>
<b>Current Assets</b>			
Accounts receivable		2,799	4,250
Taxation recoverable		3,913	7,299
Cash and cash equivalents	8	67,607	52,049
		<u>74,319</u>	<u>63,598</u>
<b>Current Liability</b>			
Accounts payable and accrued liabilities	9	1,097	5,042
<b>Net Current Assets</b>			
		<u>73,222</u>	<u>58,556</u>
		<u>1,340,004</u>	<u>1,425,981</u>
<b>FINANCED BY</b>			
Contribution Fund	10	32,988	32,988
GraceKennedy Scholarship Fund	11	626,977	691,228
S. Carlton Alexander Memorial Fund	12	469,825	502,136
James Moss-Solomon, S Chair Fund	13	94,826	90,125
Jamaica Institute for Excellence in Education Scholarship Fund	14	4,327	4,827
Bruce Rickards Fund	15	54,227	51,968
Luis Fred Kennedy Fund	16	26,160	23,859
General Fund		22,423	20,591
Fair Value Reserve	17	8,251	8,259
		<u>1,340,004</u>	<u>1,425,981</u>

Approved for issue by the Board of Directors on December 2, 2020 and signed on its behalf by:

  
Chaluk Richards Director

  
Terry-Ann Graver Director

# GraceKennedy Foundation Limited

## Statement of Changes in Equity

Year ended 30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Contribution Fund \$'000	Grace, Kennedy Scholarship Fund \$'000	S. Carlton Alexander Memorial Fund \$'000	James Moss- Solomon Snr. Chair Fund \$'000	JIEE Scholarship Fund \$'000	Bruce Rickards Fund \$'000	Luis Fred Kennedy Fund \$'000	General Income & Expenditure Account \$'000	Fair Value Reserve \$'000	Total Fund \$'000
<b>Balance at 30 June 2018</b>	32,988	555,557	414,722	90,438	-	51,707	28,730	20,546	5,046	1,199,734
Primary grant	-	-	-	-	5,327	-	-	-	-	5,327
Net surplus/(deficit) for the year -	9	,266	11,724	1,048	(500)	633 (	5,021) 4	5	-	17,195
Fair value movement	-	126,405	75,690	(1,361) -	-	(372)	150	-	3,213	203,725
<b>Balance at 30 June 2019</b>	32,988	691,228	502,136	90,125	4,827	51,968	23,859	20,591	8,259	1,425,981
Net surplus/(deficit) for the year -	8	,718	9,995	2,111	(500)	537 1	,559	1,832	-	24,252
Fair value movement	-	(72,969) (	42,306) 2	,590	-	1,722	742	-	(8)	(110,229)
<b>Balance at 30 June 2020</b>	32,988	626,977	469,825	94,826	4,327	54,227	26,160	22,423	8,251	1,340,004



# GraceKennedy Foundation Limited

## Statement of Cash Flows

Year ended 30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

	2020 \$'000		2019 \$'000
<b>Cash Resources were used in:</b>			
<b>Operating Activities</b>			
Net surplus	24,252	1	7,195
Items not affecting cash:			
Exchange gain on foreign balances	(4,387)	(	3,371)
Depreciation	2		-
Interest and dividend income	( 50,152)		(53,602)
	(30,285)	(	39,778)
Changes in operating assets and liabilities:			
Accounts receivable	1,451	(	2,038)
Accounts payable and accrued liabilities	( 3,945)		4,154
	( 32,779)	(	37,662)
Withholding tax	3 ,386		5,319
Cash used in operating activities	( 29,393)	(	32,343)
<b>Investing Activities</b>			
Proceeds from disposal of investments	166,158	2	2,538
Acquisition of investments	(170,601)	(	37,380)
Interest and dividends received	49,394	5	2,627
Cash provided by investing activities	44,951	3	7,785
<b>Financing Activity</b>			
Grants received	-	5	,327
Increase in cash and cash equivalents	15,558	1	0,769
Cash and cash equivalents at beginning of year	5 2,049	4	1,280
<b>Cash and Cash Equivalents at End of The Year (Note 8)</b>	<u>67,607</u>		<u>52,049</u>

GraceKennedy Foundation Limited

Notes to the Financial Statements  
30 June 2020  
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

GraceKennedy Foundation Limited (The Foundation) was incorporated in Jamaica on 22 October 1982 and its main objects are to develop and promote the arts, health, culture, sports, education, skills and religious programmes. The Foundation is registered as an approved charitable organisation under the Charities Act 2013. The current registration expires on 26 May 2022.

The financial statements were approved and authorised for issue as indicated on the statement of financial position. The directors have the power to amend and reissue the financial statements.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates.

At the year end, in the opinion of directors and management, there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Standards, interpretations and amendments to published standards effective in the current period

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Foundation has assessed the relevance of all such new standards, interpretations and amendments and has determined that none is relevant to its operations.

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are mandatory for the Foundation's accounting periods beginning after 1 July 2020, and which the Foundation has not early adopted. The Foundation has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

**Amendments to IAS 1, Presentation of financial statements' on classification of liabilities** (effective for annual periods beginning on or after 1 January 2023). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

GraceKennedy Foundation Limited

Notes to the Financial Statements  
30 June 2020  
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

**Amendments to IAS 1 and IAS 8** (effective annual periods beginning on or after 1 January 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

The Foundation has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no impact on adoption; or contain inconsequential clarifications that will have no material impact when they come into effect. This includes amendments resulting from the IASB's ongoing 'Improvements to IFRS' project.

(b) Revenue recognition

Interest and dividends are accounted for on the accrual basis.

(c) Fixed assets

Fixed assets are recorded at cost.

Depreciation is calculated on furniture and fixtures on the straight-line basis at a rate of 10% and computer and equipment at 33 1/3%, which will write-off their cost over the period of estimated useful life. Art work is not depreciated.

(d) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

(i) Classification

Classification of the Foundation's financial assets depends on the business model for managing such assets and the contractual terms of the cash flows. From 1 July 2019 the Foundation classifies its financial assets as those measured at amortised cost and fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Foundation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred control of the assets.

(iii) Measurement

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the income statement.



GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Financial instruments

(iv) Impairment

The Foundation assesses on a forward looking basis the expected credit losses associated with its financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

On the adoption of IFRS 9, there have been no changes in the subsequent measurement of the Foundation's financial instruments from that noted in the previous year under IAS 39.

The fair value of the Foundation's financial instruments is discussed in Note 19.

Financial instruments carried on the statement of financial position include cash, investments and accounts receivable. Cash and cash equivalents are carried at cost and, for the purposes of the statement of cash flows, comprise cash at bank and short term deposits. The particular recognition methods for other financial instruments are disclosed in the individual policy statements associated with those items.

(e) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost and comprise balances which mature within 90 days of the date of acquisition, including cash and bank balances.

3. Funding

The Foundation is funded through endowment funds and a subvention from GraceKennedy Limited.

4. Share Capital

The Foundation is limited by guarantee and has no share capital.

5. Taxation

No charge has been made for taxation as the Foundation has been granted tax exempt status as an approved charitable organisation under the Charities Act 2013.



## GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 6. Fixed Assets

	Art Work \$'000	Furniture and Fixtures \$'000	Computer Equipment \$'000	Total \$'000
At Cost -				
At 1 July 2019 and 30 June 2020	2	7	100	109
Accumulated Depreciation -				
At 1 July 2019	-	7	100	107
Charge for the year	2	-	-	2
At 30 June 2020	2	7	100	109
Net Book Value -				
30-Jun-20	-	-	-	-
30-Jun-19	2	-	-	2

### 7. Investments

	2020 \$'000	2019 \$'000
<b>FVOCI Securities</b>		
Government of Jamaica –		
J\$ and US\$ local bonds	192,580	299,182
Interest receivable	3,858	2,115
	<u>196,438</u>	<u>301,297</u>
Corporate Bonds -		
US\$ bonds	259,323	131,113
Interest receivable	1,735	2,720
	<u>261,058</u>	<u>133,833</u>
	<u>457,496</u>	<u>435,130</u>
Quoted, ordinary stocks	809,286	932,293
	<u>1,266,782</u>	<u>1,367,423</u>

### 8. Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash	46,580	47,275
Deposits	21,027	4,774
	<u>67,607</u>	<u>52,049</u>

## GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 9. Accounts Payable and Accrued Liabilities

	2020 \$'000	2019 \$'000
Accrued liabilities	<u>1,097</u>	<u>5,042</u>

### 10. Contribution Fund

	2020 \$'000	2019 \$'000
Contribution Fund – GraceKennedy Limited	8,988	8,988
Contribution Fund - Luis Fred Kennedy	<u>4,000</u>	<u>4,000</u>
Fund balance at start and end of period	<u>32,988</u>	<u>32,988</u>

### 11. GraceKennedy Scholarship Fund

The scholarship programme was originally funded by a grant of \$350,000 received in 1985 which was invested in GraceKennedy Limited ordinary stock.

	2020 \$'000	2019 \$'000
Original grant received	350	350
Accumulated surplus	1 29,209	120,491
Fair value reserve –		
Brought forward	570,387	443,982
Movement	( 72,969)	1 26,405
	<u>97,418</u>	<u>570,387</u>
Total fund	<u>6 26,977</u>	<u>691,228</u>



GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

12. S. Carlton Alexander Memorial Fund

This fund was established on 20 December 1989 and is funded primarily by grants from GraceKennedy Limited. Additional contributions to the fund are received from GraceKennedy Limited from time to time.

	2020 \$'000	2019 \$'000
Primary grants received	10,557	10,557
Accumulated surplus	151,758	141,763
Fair value reserve –		
Brought forward	349,816	274,126
Movement	(42,306)	75,690
	307,510	349,816
Total fund	469,825	502,136

The GraceKennedy Limited stock units held by the Foundation are assigned to the Grace, Kennedy Scholarship Fund and the S. Carlton Alexander Memorial Fund. The unrealised gains and losses arising from the changes in the fair value of the stock units are being recognised in the individual fund balances in the proportion of the stock units held.

13. James Moss-Solomon, Snr. Chair Fund

This fund was established in January 1995 with a grant from the Grace, Kennedy Scholarship Fund. Subsequent grants have been received from GraceKennedy Limited.

	2020 \$'000	2019 \$'000
Primary grants received	30,633	30,633
Accumulated surplus	46,575	44,464
Fair value reserve		
Brought forward	15,028	16,389
Movement	2,590	(1,361)
	17,618	15,028
Total fund	94,826	90,125

GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

14. Jamaican Institute for Excellence in Education Scholarship Fund

The fund was established in prior year. It was funded by a contribution from the Jamaican Institute for Excellence in Education Scholarship (JIEE) to make scholarship payments to one final year student pursuing STEM studies at the University of the West Indies or the University of Technology and a grant to a graduate student pursuing research in environmental management or climate change.

		2020 \$'000	2019 \$'000
Accumulated Surplus	4	,827	5,327
Scholarships	(	500)	(500)
Total fund	4	,327	4,827

15. Bruce Rickards Fund

This fund was established on 1 October 2003 from transfers from the Grace, Kennedy Scholarship Fund and the S. Carlton Alexander Memorial Fund.

		2020 \$'000	2019 \$'000
Primary grant received	1	8,000	8,000
Accumulated surplus		33,215	32,678
Fair value reserve			
Brought forward	1	,290	1,662
Movement		1,722	(372)
	3	,012	1,290
Total fund	5	4,227	1,968

16. Luis Fred Kennedy Fund

The Fund was established in Jamaica on 21 June 1993 and its main objects are to promote the study and research of the environment and to encourage good environmental practices.

		2020 \$'000	2019 \$'000
Accumulated surplus	2	2,443	0,884
Fair value reserve			
Brought forward	2	,975	2,825
Movement		742	50
	3	,717	2,975
Total fund	2	6,160	3,859



GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

17. Fair Value Reserve

This represents the unrealised surplus or deficit on the revaluation of FVOCI investment securities held by the General Fund.

18. Financial Risk Management

The Foundation's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Management seeks to minimise potential adverse effects on the financial performance of the Foundation by applying procedures to identify, evaluate and manage these risks, based on guidelines set by the Board of Directors.

The Board of Directors is ultimately responsible for the establishment and oversight of the Foundation's risk management framework. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk and interest rate risk.

(a) Credit risk

The Foundation takes on exposure to credit risk, which is the risk that its counterparties will cause a financial loss for the Foundation by failing to discharge their contractual obligations. Credit risk is one of the most important risks for the Foundation; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Foundation's investment activities. The Foundation structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or group of related counterparties.

Impairment of Financial Assets

The debt investments carried at FVOCI are the only financial assets that are subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, all bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions.

Maximum exposure to credit risk

The Foundation limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government of Jamaica securities. Accordingly, the management and directors do not expect any counterparty to fail to meet its obligations.

Payment is made on a purchase once the securities have been received. The trade will fail if either party fails to meet its obligation.

	2020	2019
	\$'000	\$'000
Credit risk exposures are as follows:		
Government of Jamaica securities FVOCI	196,438	301,297
Corporate securities FVOCI	261,058	133,833
Accounts receivable	2,799	4,250
Cash and cash equivalents	67,607	52,049
	527,902	491,429

The above table represents the worst case scenario of credit risk exposure to the Foundation.

GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

18. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Foundation is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Foundation's liquidity management process, as carried out within the Foundation and monitored by the Board of Directors, includes:

- (i) Monitoring future cash flows and liquidity on a regular basis;
- (ii) Maintaining a portfolio of highly liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Optimising cash returns on investment.

The contractual maturities of the undiscounted cash flows of the financial liabilities are due within three months of the period end.

(c) Market risk

The Foundation takes on exposure to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. The Board of Directors monitors the market and its impact on the Foundation's securities on a regular basis, and takes appropriate action to minimise the effect of market fluctuations.

There has been no change to the Foundation's exposure to market risk or the manner in which it manages and measures the risk.

(i) Currency risk

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

The Foundation is exposed to foreign exchange risk primarily with respect to the United States (US) dollar. The statement of financial position at 30 June 2020 includes aggregate foreign assets of \$193,503,000 (2019 - \$170,293,000).

The Foundation manages its foreign exchange risk by ensuring that the exposure in foreign assets is kept to an acceptable level by monitoring currency positions.



## GraceKennedy Foundation Limited

Notes to the Financial Statements

30 June 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 18. Financial Risk Management (Continued)

#### (c) Market risk (continued)

##### (i) Currency risk (continued)

##### Foreign currency sensitivity

The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a possible change in foreign currency rates.

	% Change in Currency Rate 2020	Effect on Net Surplus 2020 \$'000	% Change in Currency Rate 2019	Effect on Net Surplus 2019 \$'000
Devaluation	6	11,610	6	10,218
Revaluation	2	(3,870)	4	(6,812)

##### (ii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on financial position and cash flows. The average interest rates of financial instruments are as follows:

	2020 %	2019 %
Investments -		
Government of Jamaica Securities	6.7	8.4
Corporate securities	6.9	5.7

## GraceKennedy Foundation Limited

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(expressed in Jamaican dollars unless otherwise indicated)

### 19. Fair Value of Financial Instruments

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. Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets held by the Foundation. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimates and valuation techniques based on market conditions existing at balance sheet date.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amount and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- The fair value of cash and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to cash and short-term elements of all other financial assets.
- The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- The fair value of other financial instruments is based upon projected cash flows discounted at an estimated current market rate of interest.

## GraceKennedy Foundation Limited

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#### 19. Fair Value of Financial Instruments (Continued)

The following table presents the Foundation assets that are measured at fair value at 30 June 2020. The financial assets are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 \$'000	Level 2 \$'000	Total balance \$'000
	<b>30 June 2020</b>		
Assets			
Fair value through OCI -			
Equity securities	809,286	-	809,286
Debt investments	-	457,496	457,496
	809,286	457,496	1,266,782
	<b>30 June 2019</b>		
Assets			
Fair value through OCI --			
Equity securities	932,293	-	932,293
Debt investments	-	435,130	435,130
	932,293	435,130	1,367,423

There were no transfers between levels during the period.





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