



**DEVELOPING
THE FUTURE
THROUGH OUR
YOUTH**

**ANNUAL
REPORT | 17**



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MISSION

GraceKennedy Foundation actively promotes wellbeing, primarily by supporting educational and environmental programmes and processes.

VISION

GraceKennedy Foundation will have a positive impact on the quality of people's lives.

PRINCIPLES

Equity | Voluntarism | Empowerment | Contributing to national development

VALUES

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



Message from The Chairman GraceKennedy Limited



Prof. Gordon Shirley

The GraceKennedy Foundation continues to grow in stature and significance as a vehicle for the GraceKennedy Group's corporate social responsibility programme. 2016 saw the seamless execution of all elements of the Foundation's portfolio, a situation to which we have become accustomed.

I am particularly pleased and impressed by the care and attention that is taken in the selection of scholarship and bursary awardees each year. The financial investment in these students is a major one, but more important is the hope in the future that it represents, as not only are the lives of each student impacted but also their families, communities and the nation. We can be justifiably proud of our track record in this regard as so many of our graduates have made their mark on the life of the nation. Congratulations to the current beneficiaries, I have every confidence that you too will make the very best of the opportunity you have been afforded.

Also in the sphere of creating opportunities for youth is the implementation of the GraceKennedy Jamaican Birthright Programme, which brings in our second and third-generation Jamaicans from the Diaspora. I had the pleasure of meeting these young people, and their enthusiasm at connecting with their roots and learning about their heritage can only redound to the benefit of Jamaica.

THE ANNUAL LECTURE SERIES IS A SOURCE OF PRIDE FOR THE GRACEKENNEDY GROUP, AND THE 2016 LECTURE ADDRESSED A TOPIC OF MONUMENTAL IMPORTANCE TO THE NATION – DIET AND NUTRITION.

The lecture helped us to better understand the link between how we eat and the increasing manifestation of chronic diseases in our nation. We can only hope that the debate generated will influence positive behaviour changes.

My commendations to the Board of Directors for so ably leading the team of the GraceKennedy Foundation. Thanks to our indefatigable Executive Director, Mrs. Caroline Mahfood and the staff of the Foundation, whose efforts continue to make us proud.



THE STORY

Looking forward to working with you! Professor Ian Boxill, holder of the S. Carlton Alexander Chair in Management and newly appointed Professor Mona Webber, holder of the James Moss-Solomon Sr Chair in Environmental Management.

The work of the professorial chairs funded at the University of the West Indies – the S. Carlton Alexander Chair in Business Management and the James S. Moss-Solomon Sr. Chair in Environmental Management – continues to break new ground in research in both disciplines, and to provide new resources as the nation attempts to increase and improve data sources for more effective decision-making.

Message from the Group CEO GraceKennedy Limited



Senator Don Wehby

I take great satisfaction from the reputation that GraceKennedy has earned over nine decades for the care and concern we show to the Jamaican community at home and abroad. The partnerships built with the education sector, through the GraceKennedy Foundation, allow us to focus on the development of the nation's human capital. I am proud that we have been able to maintain this considerable investment, to the tune of several million annually, in tertiary education, both through scholarships and in the funding of research programmes at the University of the West Indies and the University of Technology.

WHILE I AM PROUD OF THESE ACHIEVEMENTS, I AM BOTH DELIGHTED AND HUMBLED BY THE OPPORTUNITIES THAT THE WORK OF THE FOUNDATION CREATES FOR ME TO INTERACT DIRECTLY WITH THE OUTSTANDING YOUNG JAMAICANS WHO ARE THE BENEFICIARIES OF THESE PROGRAMMES.

The awardees who receive scholarships at the beginning of each academic year are a constant source of enlightenment and I consider it a privilege to be able to celebrate their achievements with them. They also renew my hope in the future of the country as I witness their ambition and discipline. Meeting them brings home the realization that positive stories about our youth are not being shared as fully as they should be. Many families in poor communities struggle to ensure that their children will have the opportunity to break the cycle of poverty, and it is heartening to have a role in helping them to fulfill their dreams.

Congratulations to our top scholarship awardees Avaughn, Shanike, Stephan, Waldane, Shanika, Mark and Kadeem. We expect that you will move steadily towards your goals. To our graduates Michael-Shane, Richard and Nickoy, all the very best as you join the working world and begin to fashion your career paths.

I look forward to the arrival of the participants of the Birthright Programme in July of every year. These second and third generation Jamaicans join us from Canada, the United Kingdom and the USA, eager to learn about their heritage and to soak up the Jamaican experience. They also benefit immensely from the work experience they have access to at GraceKennedy, and I am always amazed at the growth and broadening of their outlook even in the short time they spend with us.

The work undertaken by the two GraceKennedy funded professorial chairs seems to become more focused on developmental issues each year. The Centre for Tourism Policy and Research, led by the S. Carlton Alexander Chair Professor Ian Boxill, has established several significant partnerships with both public and private sector entities, to undertake research that will provide the necessary data to guide decision making. In addition, Professor Ian Boxill has provided opportunities for the development of a cadre of outstanding youths, primarily from August Town, but more recently from several other inner-city communities, through the UWI Community Film Project. Their creativity and industry are celebrated in the annual film festival GATTFEST which, in just five years, has grown into the largest community film festival in the region.

I take this opportunity to officially welcome Professor Mona Webber to the GraceKennedy family. She has efficiently received the baton from Professor Dale Webber, her predecessor, and has already demonstrated her suitability to lead the UWI's environmental programme on this leg of its journey. The groundbreaking work being carried out by the Centre for Marine Sciences will be important in the design of any strategies to address mitigation and/or adaptation to climate change, a serious and imminent threat to the region. The efforts of the Centre have demonstrated the devastating levels of pollution in our marine environment, pointing to the need for improving measures to protect and preserve our environment.

THE STORY

The GraceKennedy Foundation coordinated a beach cleanup activity dubbed 'Harbour Haul' for GraceKennedy's 94th anniversary. A team of over 50 senior management and staff members cleaned up a section of the Kingston Harbour located near to the head office on Harbour Street.



Our increased awareness of environmental matters has led us at GraceKennedy to further intensify our programme of environmental stewardship. One initiative that truly opened my eyes to the gravity of the pollution situation was the Harbour Haul, undertaken as a part of the series of activities marking GraceKennedy's 94th anniversary. Organized by the GraceKennedy Foundation, members of staff from across the Group, along with persons from the adjoining communities, gathered to clean up the shore by the Kingston Harbour. We collected over 1,000 lbs. of plastic and garbage. It was a real wakeup call for me, and I am now committed to working with the Foundation to making this an annual activity.

And, as always, the annual GraceKennedy Foundation Lecture was informative, thought-provoking, and addressed a subject that calls urgently for national attention – diet and nutrition. Jamaica's health is in jeopardy as chronic diseases resulting from poor life style choices increase at an alarming rate.

I am awed by our capacity audiences as they are indicative of the appreciation and importance the community places on these lectures. Of special significance was the fact that our lecturer, Professor Marvin Reid, was the recipient of the 1983 GraceKennedy Scholarship, and is only one example of the trailblazing achievement of so many of our scholarship awardees.

My deepest gratitude to the Board of Directors whose guidance and advice assist the staff in effectively executing the programmes of the Foundation in full accordance with its mission. To Executive Director Caroline Mahfood and her team, your work keeps the long-standing tradition of giving back to the community alive and growing from strength to strength every year.

Message from the Chair of GraceKennedy Foundation



Prof. Elsa Leo-Rhynie

Giving back to the community is a tradition of which the GraceKennedy Foundation is very proud. Our mission mandates us to target educational and environmental projects, and these are in the main executed at the tertiary level, to ensure that as many young people with potential as possible, have the opportunity to realize that potential. This is not only for their individual benefit but also to build the pool of skilled, qualified Jamaicans for national development.

In 2016 The Foundation invested over \$19 million in the provision of scholarships and bursaries to more than 80 students for the pursuit of tertiary studies, tenable at the University of the West Indies (UWI), the University of Technology (UTech), the Edna Manley College of the Visual and Performing Arts (EMC), and the Caribbean Maritime Institute (CMI). These students have expressed their joy at the opportunity presented by the scholarships and the difference the assurance of tertiary training will make to their lives. In addition, 27 children of GraceKennedy staff members benefitted from bursaries to fund both secondary and tertiary education. All the awards are based on merit; hence students

must maintain at least a 'B' average for the awards to be renewed.

Congratulations to this year's scholarship awardees Kadeem Campbell and Mark Lewis (the Bruce Rickards scholarship specifically for KC past students); Shanika Spencer, our University of Technology awardee; Shanika Josephs, the Rafael Diaz scholarship awardee (for business at the UWI); Stephan Pitterson, the Douglas Orane scholarship awardee for Science, Technology or Engineering (at the UWI/UTech); Waldane Walker for the Edna Manley College scholarship, and Avaughn Prendergast, the GraceKennedy/Jamaica scholarship awardee. Withney DaCosta was awarded the Caribbean Maritime Institute final year bursary. Our Jamaica Scholar for 2016, Avaughn Prendergast, a graduate of Charlemont High, who matriculated into the UWI with 11 "ones" and a "two" in his CAPE exams, now has one less thing to worry about, as his tuition has been paid in full by the scholarship he received. "Before my call from the GraceKennedy Foundation, I was turned down for five scholarships and had almost no way to cover nearly a half of my expenses, particularly since I hail from the town of



Senator Don Wehby (centre), Group CEO of GraceKennedy Ltd presents 2016 lecturer Prof Marvin Reid (2nd left) with a token to thank him for his outstanding lecture. Also pictured are Professor Elsa Leo-Rhynie, Chair of the GraceKennedy Foundation (Left) and Professor Gordon Shirley, Chairman of GraceKennedy Ltd.

Linstead and have to board on campus. Being selected for the GK Foundation Scholarship has allowed me to not worry about my finances, but to be able to focus on the translation of my dreams into reality," Avaughn shared.

The two professorial chairs which are funded by the Foundation at the University of the West Indies represent an investment of \$11 million. The Carlton Alexander Chair in Management Studies, held by Professor Ian Boxill, executed several significant projects including the programme with the Sandals Group and Island Tours, to identify ways of leveraging Jamaica's attractions, improving the tourist experience, expanding linkages and earning more revenue for the country. Professor Boxill also conducted a needs assessment with the Jamaica Manufacturing Association to identify the areas where greater support is needed by the sector to increase its effectiveness. Manufacturing contributed 8.6 per cent to GDP in 2015. The acclaimed UWI Community Film Project continued to be a great source of pride and satisfaction.

Professor Mona Webber was appointed the James Moss-Solomon Sr. Chair in Environmental Management in August 2016. I take this opportunity to welcome her to the GraceKennedy family and express my confidence that she will maintain the tradition of excellence, while bringing her own insights into the leadership experience. Professor Webber is the head of the Centre for Marine Sciences and the Director for the Port Royal & Discovery Bay Marine Labs. Currently the Centre leads the mangrove restoration project which is critical to protecting the island from storm surge and water destruction. She also reported on the impact of pollution on marine health and announced that further examination of the contents of the stomachs of fish found in Jamaica's waters would take place. Her research will have far-reaching implications for the livelihood of fishermen and the health of consumers of seafood.

PROFESSORS MONA WEBBER AND IAN BOXILL HAVE BOTH EXHIBITED GREAT PASSION, ENERGY AND LEADERSHIP IN THEIR RESPECTIVE FIELDS. THEY HAVE SUCCESSFULLY DEVELOPED AND FOSTERED PARTNERSHIPS, BOTH LOCALLY AND INTERNATIONALLY, IN THE AREAS OF RESEARCH, INNOVATION AND COMMUNITY DEVELOPMENT, AND HAVE BEEN INSPIRATIONAL MENTORS FOR THE STUDENTS WHOSE DEVELOPMENT THEY GUIDE.

Faculty and students at the UWI Mona School of Business and Management also benefit from the energy and commitment of the GKF Executive in Residence, Mr. James (Jimmy) Moss-Solomon, Jnr. His career experience allows him to significantly influence the work of the School in research, teaching and outreach. His appointment as Chairman of the Board of the University Hospital of the West Indies (UHWI) is a very challenging assignment, but one which GKF is confident he will execute with efficiency and effectiveness.

The 2016 lecture presented by former GraceKennedy scholar, Professor Marvin Reid, examined the complex relationship we have with food, explaining the impact of diet on the increasing incidence of chronic diseases in Jamaica. His presentation, targeted at the layman, was well received by an appreciative audience. The discussion was, as usual, robust and thought provoking, and the lecture continues to pull capacity audiences.

The GraceKennedy Foundation team can be justifiably proud of its role in heightening environmental awareness among our staff members and the adjoining communities. The team has spearheaded several important initiatives which promote awareness of the devastating impact of pollution. Recycling is an important element in the preservation agenda, and the Foundation has implemented several recycling projects. Recycling bins have been

placed in several companies across the Group. Through this initiative we collected some 21,000 lbs of plastic last year. The programme has also been introduced into some schools and has been going well. Of particular note was the clean-up of the Kingston harbour to mark GraceKennedy's 94th birthday on February 14. The team was led by Group CEO Don Wehby and collected over 1,000 lbs of plastic and garbage in a few hours.

A major 2016 initiative of the GKF, based at the GK STEAM Centre, introduces pre-school children from Basic and Infant Schools in the Kingston area to science concepts in interesting and exciting ways. The project not only aims to enhance their interest and involvement in learning, but the research associated with the project also documents the procedures used and so will inform practitioners islandwide. A significant advantage is the use of the STEAM Centre in the days when it was previously unoccupied, and so underutilised.

We welcomed 2016 Jamaican Birthright interns Kimberly Ann Stephenson and Casey Daley from the United States of America, Karis Edwards from the United Kingdom and Natasha Allen from Canada. They all expressed their appreciation for having had the opportunity to learn about the country of their parents. According to Natasha, "The GK Birthright Programme was a wonderful experience overall. I am so thankful that GraceKennedy saw fit to invest in us, and allow us to go on so many excursions. I really hope they continue the programme and allow more persons in the Diaspora to connect with their heritage."

On behalf of the Board of Directors I express my gratitude to Mrs. Caroline Mahfood and her team for the outstanding support they consistently give in ensuring that the programmes of the Foundation are professionally executed. Our thanks go also to our parent company for the advice and guidance they provide and also for the financial support which facilitates our programmes.

GraceKennedy Foundation Board or Directors

2017 Annual Report



Prof. Elsa Leo-Rhynie



Prof. Elizabeth Thomas-Hope



Philip Alexander



James Moss-Solomon



Radley Reid



Cathrine Kennedy

GraceKennedy Foundation



Fay McIntosh



Fred Kennedy



Hilary Wehby



Noel Greenland



Caroline Mahfood
Executive Director/Secretary

The 2016 GraceKennedy Foundation Lecture

It was a matter of great pride for the Foundation that our 1983 GraceKennedy scholar, Professor Marvin Reid, presented the 2016 GraceKennedy Foundation Lecture. As Director of the Tropical Medical Research Unit at the UWI, and a key player in the activities of the Caribbean Network of Researchers on Sickle Cell Disease, as well as the Global Network on Sickle Cell Disease, he was very well positioned to address the issue of nutrition in the lecture “Overfed and Undernourished: Dietary Choices in Modern Jamaica”

Professor Reid highlighted the various challenges associated with making the wrong food choices. He pointed out that the country spends approximately J\$80 billion annually on lifestyle-related diseases such as diabetes and hypertension. He noted that the 2008 Jamaica Health and Lifestyle Survey (JHLS) reported 25 per cent of the Jamaican population as being obese. Obesity in children and adults was a major factor in the diagnoses of diabetes and hypertension, while undernourishment, particularly in children, resulted in wasting and stunting.

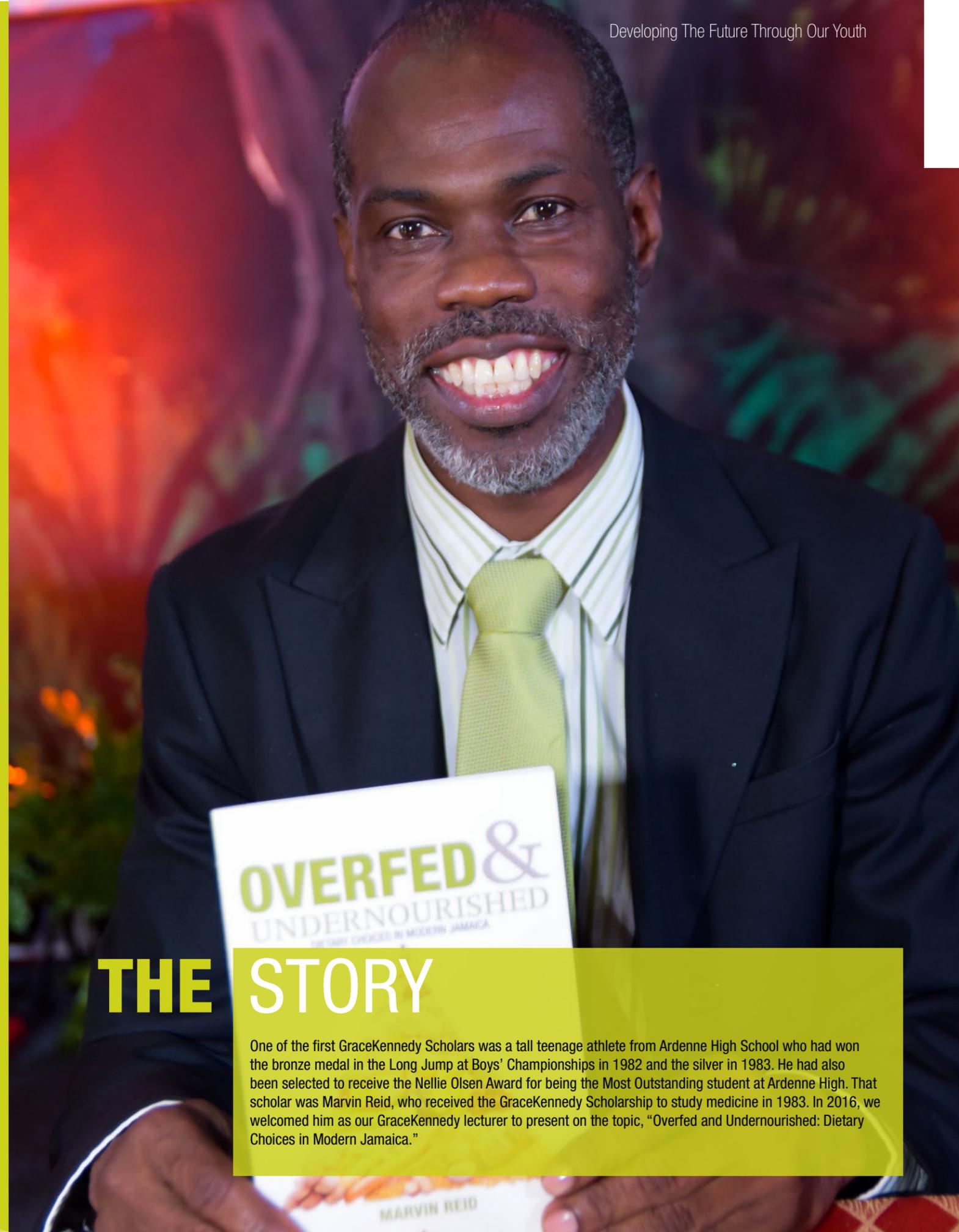
Professor Reid stated that all stakeholders had a role to play in creating a healthier, more productive population. He offered recommendations relating to nutritious, satisfying meals, including the optimum number of calories in each meal. He also urged mothers to breastfeed their children for the first six months of their lives (at the very least), as breast-feeding is critical to the overall development of the child, especially in later years. He noted that individuals had to take responsibility for what they put into their own bodies and those of their children.

All in attendance received printed copies of the lecture. It is streamed live via the Foundation’s YouTube channel: GraceKennedy Cares. In addition, copies of the lecture book are distributed to schools and public libraries across the island, and the e-book is available online at www.gracekennedy.com in the hope that the lecture’s reach will extend beyond those present at its delivery.

Professor Reid is a prolific author with some 121 peer-reviewed journal articles as well as having numerous other articles, abstracts, papers and technical reports to his credit. He

has also served as reviewer for a number of prestigious medical journals, including the West Indian Medical Journal, and has received several awards for excellence for his research. These include: the Mona Campus Principal’s Award for research attracting the most research funds (2009); the Award for best research publication, Faculty of Medical Sciences (2008, 2011, 2013 and 2014); and the Award for best researcher, Faculty of Medical Sciences (2012 and 2014). In 2014, he received the Vice Chancellor’s Award for Excellence in Research. He is indeed a testimony to the value that the GraceKennedy Scholarship programme brings to national development.

In keeping with the theme of the lecture the GraceKennedy Foundation staged a competition among schools island-wide called “#ChooseMyPlate”. It challenged students to prepare a nutritional meal for four persons with a budget of J\$2,000, using mainly Grace products. The entries were very creative, nutritious and tasty, providing a real challenge to the judges to select the winning entries. The winning school from each county won \$75,000 toward purchasing equipment for their Food and Nutrition Lab. The winners – Godfrey Stewart High School (Cornwall), Charlemont High School (Middlesex) and Excelsior High School (Surrey) – displayed their entries at the lecture.



THE STORY

One of the first GraceKennedy Scholars was a tall teenage athlete from Ardenne High School who had won the bronze medal in the Long Jump at Boys’ Championships in 1982 and the silver in 1983. He had also been selected to receive the Nellie Olsen Award for being the Most Outstanding student at Ardenne High. That scholar was Marvin Reid, who received the GraceKennedy Scholarship to study medicine in 1983. In 2016, we welcomed him as our GraceKennedy lecturer to present on the topic, “Overfed and Undernourished: Dietary Choices in Modern Jamaica.”

“As with any complex problem the solution will be multifactorial, requiring attention at the policy level - public education, health promotion, legislation, social programmes, poverty alleviation, improved water and sanitation but more importantly, as individuals, we will have to take personal responsibility for our food choices.”

Prof. Marvin Reid.

The #ChooseMyPlate Competition was initiated to bring awareness to the fact that nutritious meals do not have to be expensive. CSEC Food and Nutrition students were asked to submit a video of them making a nutritious meal using Grace products. 3 county winners were chosen.



Godfrey Stewart High
Cornwall County winner



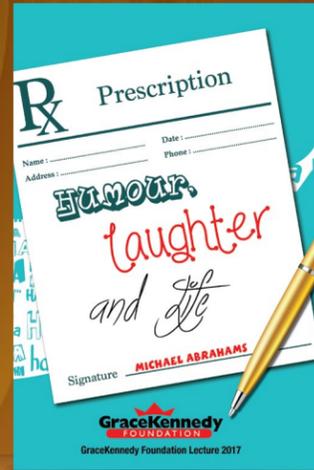
Excelsior High School
Surrey County winner



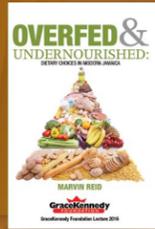
Charlemont High School
Middlesex County winner

PUBLICATIONS

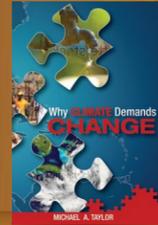
2017
Dr. Michael Abrahams
Humour, Laughter and Life



2016
Prof. Marvin Reid
Overfed & Undernourished:
Dietary Choices in Modern Jamaica



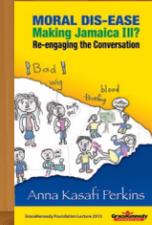
2015
Prof. Michael A. Taylor
Why Climate Demands Change



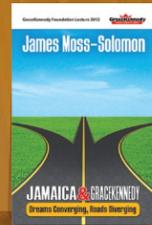
2014
Dr. Fritz Pinnock & Ibrahim Ajagunna
From Piracy to Transshipment:
Jamaica's Journey to Becoming a
Global Logistics Hub



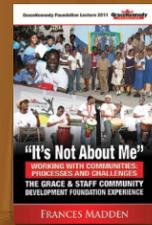
2013
Dr. Anna Perkins
Moral Dis-Ease - Making Jamaica III?
Re-engaging the conversation on
Morality



2012
James Moss-Solomon
Jamaica and GraceKennedy:
Dreams Converging, Roads
Diverging



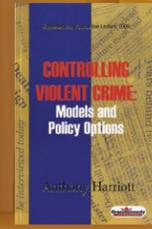
2011
Frances Madden
"It's Not About Me" - Working
with Communities:
Processes and Challenges



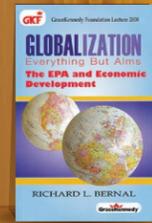
2010
Delano Franklyn
Sport in Jamaica,
A Local and International
Perspective



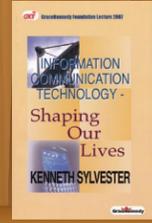
2009
Prof. Anthony Harriott
Controlling Violent Crime:
Models & Policy Options



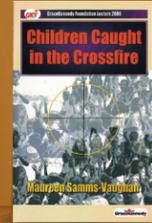
2008
Richard L. Bernal
Globalization: Everything But Alms
The EPA and Economic
Development



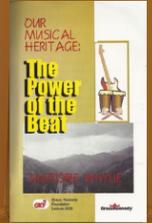
2007
Kenneth Sylvester
Information Communication
Technology:
Shaping Our Lives



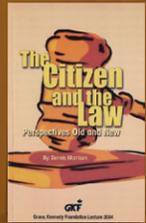
2006
Maureen Samms-Vaughn
Children Caught in the Cross Fire



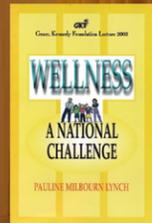
2005
Marjorie Whyte
Our Musical Heritage
The Power of the Beat



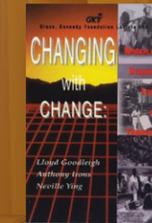
2004
Dennis Morrison O.C.
The Citizen and the Law
Perspectives Old and New



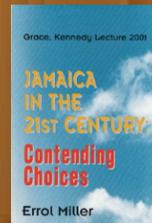
2003
Dr. Pauline Millbourn Lynch
Wellness: A National Challenge



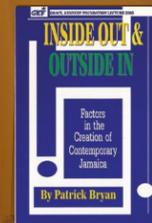
2002
Lloyd Goodleigh, Anthony Irons,
Neville Ying
Changing with Change:
Workplace Dynamics Today and Tomorrow



2001
Errol Miller
Jamaica in the 21st Century:
Contending Choices



2000
Patrick Bryan
Inside Out and Outside In: Factors
in the Creation of Contemporary
Jamaica



1999
Barry Chevannes
What We Sow and What We Reap:
The Cultivation of Male Identity
in Jamaica



GraceKennedy Jamaican Birthright Programme



GraceKennedy reintroduced the Jamaican Birthright Programme in 2015. This programme provides the enviable opportunity for second and third generation Jamaican youths in the Diaspora to reconnect with their heritage. To be eligible, candidates must be university students between the ages of 18 and 25 living in North America or the United Kingdom, and must be pursuing either an undergraduate or post-graduate degree, maintaining a Grade 'B' average or higher. They must also have an avid interest in learning more about their heritage.

Successful candidates receive an all-expense paid, one-month trip to Jamaica, designed to expose them to a diversified experience through a range of cultural activities and an internship at a GraceKennedy company.

The 2016 Jamaican Birthright Interns were Kimberly Ann Stephenson, a graduate at New York University; Casey Daley, a junior at Florida State University; Karis Edwards, a recent graduate of Brunel University, and Natasha Allen, a recent graduate at the University of Toronto.

Kimberly Ann was placed in the Investment Administration Department at the corporate office. The work in this area complemented her course of studies. In addition to the professional exposure, she was impressed by the welcoming and communal atmosphere in the workplace. "There is such a stark difference between the Jamaican and US business culture. I was amazed at how everyone greeted each other and how these courtesies are incorporated into the business environment".

Casey's experience at GK Capital was educational and has helped him to focus in terms of what he wants to do on graduating. "By shadowing the employees here I have gained an excellent overview of the financial sector." Natasha's stint at the Group Secretariat and the Legal Department changed her perspective on the area of law she would finally pursue. "Working with trademarks has made me interested in IP law (intellectual property) so I want to do a course to broaden my perspective on the discipline." Karis completed her internship at GK General Insurance.

All the interns expressed their appreciation for having had this opportunity. According to Natasha, "The GK Birthright Programme was a wonderful experience overall. I am so thankful that GraceKennedy saw fit to invest in us, and allowed us to go on a number of excursions. I really hope they continue the programme and allow more persons in the Diaspora to connect with their heritage."

The GraceKennedy Foundation is ensuring that more students will have that chance. Four persons – two from the United States of America, one from the United Kingdom and one from Canada - will be chosen to participate in the 2017 Jamaican Birthright Programme to run from July 5 to August 7.

Application forms are available at www.gracekennedy.com/birthright. For further information, interested persons can either send queries via email to gkfoundation@gkco.com or call 1 876-932-3541.



GraceKennedy Jamaican Birthright Programme

Thank you to our partners! 2016 GraceKennedy Jamaican Birthright interns (centre) Natasha Allen, Kimberley Ann Stephenson, Casey Daley and Karis Edwards pictured with GraceKennedy Group CEO Don Wehby, Senator The Hon. Kamina Johnson Smith along with (L-R) Prof Neville Ying, Jamaica Diaspora Institute; Frank James, CFO of GraceKennedy; His Excellency Sylvain Fabi, High Commissioner of Canada to Jamaica; Racquel Peters, British High Commission; Marcia McLaughlin, Deputy Director of Tourism, Marketing, Jamaica Tourist Board; Dr. Parris Lyew-Ayee, GraceKennedy Ltd director and Stephen Davidson, Marketing Manager- Jamaica Cultural Development Commission



Jamaica island we love!

L-R: Kimberley Ann Stephenson (USA), Casey Daley (USA), Karis Edwards (UK) and Natasha Allen (Canada) at Jamaica's independence celebrations

L-R: Kimberley Ann Stephenson, Natasha Allen, Karis Edwards and Casey Daley having fun during their tour of the Appleton Estate in St. Elizabeth



GraceKennedy Foundation Fosters Strong Sense of Environmental Awareness

The GraceKennedy Foundation continues to pursue its programme of environmental stewardship through a diverse set of activities aimed at increasing awareness of how people's actions impact the natural surroundings. A major agenda item is education on the importance of managing and recycling plastic, a material which because of its potential to damage the environment must be dealt with carefully. The recycling programmes, introduced in several GraceKennedy subsidiaries in 2014, encourage staff to bring their plastic bottles to work for them to be recycled, while also informing them about the different types of plastics and how to reuse, reduce and recycle. In 2016 the programme collected over 21,000 lbs of plastic.

The Foundation started to pilot this project in a number of schools such as Wolmer's Trust schools, St. George's College, Tarrant High, the Caribbean Maritime Institute and Kingston College. It has been going so well that some of the schools have opted to turn the project into a business.

THE COMPANY ALSO ENGAGES STAFF BY PARTICIPATING IN EVENTS TARGETED AT CLEANING UP THE ENVIRONMENT, SUCH AS INTERNATIONAL COASTAL CLEAN-UP DAY.

To celebrate GraceKennedy's 94th anniversary, Group CEO Don Wehby initiated the clean-up of the Kingston Harbour. A group of employees along with senior management joined forces and collected approximately 1,000 lbs of garbage and plastics in the event dubbed 'Harbour Haul'.

The Foundation continued its Champs Recycling initiative at the 2016 ISSA/ GraceKennedy Boys and Girls Championships. The initiative, which began in 2015 in an effort to manage the disposal of plastic for recycling and environmental benefits over the five-day long event, exhorted persons to put their plastic bottles in a special bin with 'Plastic bottles only' painted on it. The tagline 'When you see these bins, put your plastic bottles in!' was used to promote the initiative. Approximately 1,600 lbs of plastic bottles were collected over the period.



When you see these bins put your plastic bottles in! Champs volunteers demonstrate how to use the bins for plastic bottles only



Hard at work! Champs volunteers clearing the plastics and storing them for collection by Recycle Partners of Jamaica



Staff members came out to 'Harbour Haul' to clean up a section of the Kingston Harbour in celebration of GraceKennedy's 94th anniversary



Kids are cleaning up too! - Tanketa Chance-Wilson, General Manager of Grace & Staff Community Development Foundation gets help from her daughter during the beach cleanup at a section of the Kingston Harbour on September 17



Team work! Students from Campion College Green Generation Club joined with the GraceKennedy team to clean up the Harbour.



Staff members cleaning up garbage during GraceKennedy's 'Harbour Haul' in celebration of GraceKennedy's 94th anniversary

GraceKennedy Chairs

Since 2010 the Foundation has staged an annual forum to share the programme of activities undertaken by the S. Carlton Alexander Chair in Management, and the James Moss-Solomon Sr. Chair in Environmental Management, held by Professors Ian Boxill and Mona Webber, respectively. The Foundation invests \$5.5 million annually in each chair.

The centrepiece of Professor Boxill's report on the work of the Centre for Tourism Policy Research, which falls under the responsibility of the Chair, was the UWI Community Film project which, since its establishment in 2012, has fostered the development of a vibrant community film industry in Jamaica. It now provides employment and exposure to unattached young people who might otherwise be unproductive and vulnerable to the violence and crime in their communities. Many graduates of the programme are now earning a living in the audio visual sector. Emerging out of this project is the Greater August Town Film Festival, known as GATTFEST, and the overwhelming response has established it as the largest community film festival in Jamaica. "The interest is so high that we already have 500 submissions for next year. We expect to have people coming from as far as Egypt and we see this project as a viable base for film tourism," said the professor.

The Centre for Tourism Policy Research has established itself as an important resource for research and data analysis and has partnered with a range of public and private entities in pursuing its programme. Among Professor Boxill's research and contributions over the past year is a programme with the Sandals Group and Island Tours to identify ways of leveraging Jamaica's attractions, improving the tourist experience, expanding linkages and earning more revenue for the country. He has also conducted a needs assessment with the Jamaica Manufacturing Association to identify the areas where greater support is needed by the sector to increase its effectiveness.

Professor Mona Webber, the James Moss-Solomon Sr. Chair in Environmental Management, highlighted the initiatives that the Centre for Marine Sciences was leading, such as the restoration of coastal and marine habitats and ecosystems. "Our marine environment can ameliorate the effects of climate change. Marine plants remove more carbon dioxide from the environment than land-based plants. Therefore, re-establishing the plant life in our seabed is a positive move in this direction," said Professor Webber.

Professor Webber also highlighted research being conducted on the impact of pollution

of marine life. One of the important tasks performed by the Centre is continuous monitoring of the quality of our coastal water. One of the many negative impacts of marine pollution, which the Centre is researching, is the impact of micro plastic – plastic which makes its way into the sea and is broken down into microscopic pieces. The concern is the fact that fish eat this toxic material, and then humans consume the fish. She also described the work of the Discovery Bay and Marine laboratories as well as the diverse research being undertaken by post graduate students.

Chair of the GraceKennedy Foundation, Professor Elsa Leo-Rhynie noted that "Our Chairs have exhibited great passion, energy and leadership in their respective fields. They have demonstrated great insight into and

understanding of the vulnerabilities faced by the region, and have been proactive and creative in exploring appropriate solutions. This they have done by successfully developing and fostering partnerships locally and internationally in the areas of research, innovation and community development, and they have been inspirational mentors for the students whose development they guide."

Don Wehby, Group CEO of GraceKennedy Ltd., commended both professors on their work, while also thanking outgoing James Moss Solomon Sr. Chair, Professor Dale Webber, who was recently appointed Pro Vice-Chancellor, Graduate Studies and Research. "The UWI must be known as a centre for solutions and a leader in promoting innovation and innovative thinking among its students – the future

leaders of Jamaica. Education, after all is the ultimate problem solver ... I again restate GraceKennedy's commitment to UWI, as we see it as one of our ways of answering the future's call," Mr. Wehby said.

PROFESSOR ARCHIE MCDONALD, PRINCIPAL OF THE UWI'S MONA CAMPUS, DESCRIBED THE PARTNERSHIP BETWEEN THE GRACEKENNEDY FOUNDATION AND UWI AS "THE QUINTESSENTIAL MERGER OF BIG BUSINESS AND EDUCATION." HE THANKED THE COMPANY FOR ITS SUPPORT OF THE UWI AND EDUCATION WHICH HE SAID GOES "ABOVE AND BEYOND YOUR SOCIAL RESPONSIBILITY."



L-R: Carlton Alexander Chair in Management Professor Ian Boxill, Professor Elsa Leo-Rhynie, Chair of GraceKennedy Foundation, Don Wehby, Group CEO of GraceKennedy Ltd and James Moss-Solomon Sr. Chair in Environmental Management Professor Mona Webber



L-R: Douglas Orane, director of GraceKennedy Ltd; Prof Ian Boxill, holder of the Carlton Alexander Chair in Management; Prof Mona Webber, holder of the James Moss-Solomon Snr Chair in Environmental Management; Caroline Mahfood, Executive Director GKF; Prof Elsa Leo-Rhynie, Cathrine Kennedy and Fay McIntosh, Chair and directors of the Foundation respectively.

Carlton Alexander 2016 Bursaries



Approximately \$1.8 million was invested in 2016 to provide bursaries for 28 secondary and tertiary-level students for the 2016/17 academic year. They are the children of employees within the 10 subsidiaries of the GraceKennedy Group. The awards are given as a means of encouraging academic excellence among the dependents of GraceKennedy staff.

The bursaries, named in honour of the late Carlton Alexander, former chairman and chief executive of GraceKennedy Limited, were presented to the students at a brief ceremony at GraceKennedy's head offices at 73 Harbour Street.

Eight new awardees were added (3 tertiary and five secondary), with the remaining 20 recipients receiving renewals of their bursaries.

Bursary recipients from grades 7 to 11 will receive \$40,000 each, while those in sixth form will get \$60,000 for each of their two years. Those recipients attending tertiary-level institutions will each receive \$100,000 per year.

The bursaries are highly competitive, and candidates are judged on academic performance, participation in school and extra-curricular activities, and leadership potential, among other criteria. In order to receive a renewal, each student must maintain a B average.

CONGRATULATIONS TO ALL RECIPIENTS!



L-R: Stephan Pitterson, 2016 Douglas Orane Scholar with CEO of GraceKennedy Financial Group, Grace Burnett and 2016 Carlton Alexander awardees Lori-Ann Atkininstall and Kwame Johnson



(L-R) Prof Elsa Leo-Rhynie, Chair of GraceKennedy Foundation, Caroline Mahfood, Executive Director of GraceKennedy Foundation, 2016 Carlton Alexander awardees Tobi Burnett and Kwame Johnson and Cathrine Kennedy, Director, GKF



2016 Carlton Alexander awardees and their parents from Dairy Industries.

Grant Funding 2016

In 2016, the Foundation invested over \$5.3 million in funding early childhood education and special needs projects.

FLAGSHIP EARLY CHILDHOOD SCIENCE PROJECT

The Foundation embarked on a new project with the Dudley Grant Memorial Trust, to improve the quality of early childhood teaching and learning

through the development of an innovative science curricula. The project focuses primarily on teacher training and parenting workshops, to create nurturing environments to foster and encourage imaginative and inventive learning and play. In phase I four basic and infant schools in Central Kingston received this intervention.

Sixteen grants were awarded to organizations that focus on early childhood education, special needs, and environmental sustainability.

Projects funded included:

NAME OF GRANTEE	AMOUNT	PURPOSE OF GRANT
INSIGHTS in Jamaica Programme	J\$365,000.00	Funding for an early childhood behavioural problem training programme.
Faith Education Centre	J\$3,200.00	Purchase of a stove for the school's kitchen.
Roots 96.1	J\$300,000.00	Funding for two outside broadcasts as part of the media campaign to improve awareness of the rights of children and youth.
Maryland All Age & Infant	J\$300,000.00	To purchase an interactive whiteboard and playground equipment for school.
White Horses Basic School	J\$140,000.00	To purchase playground equipment for school.
International Proxy Parents	J\$141,500.00	Funding of a public forum on positive parenting.
Teach Caribbean	J\$300,000.00	Funding for 5-week remedial programme for students from under-resourced, non-traditional high schools located in Manchester.
Excelsior High School	J\$75,000.00	Selected as the Surrey County winner for The #ChooseMyPlate Competition, where CSEC Food and Nutrition students submitted a video of them making a nutritious meal using Grace products.
Charlemont High School	J\$75,000.00	Selected as the Middlesex County winner for The #ChooseMyPlate Competition, where CSEC Food and Nutrition students submitted a video of them making a nutritious meal using Grace products.
Godfrey Stewart	J\$75,000.00	Selected as the Cornwall County winner for The #ChooseMyPlate Competition, where CSEC Food and Nutrition students submitted a video of them making a nutritious meal using Grace products.
Caribbean Child Research Coonference	J\$300,000.00	Registration for rural students to attend the Caribbean Child Research Conference.
Area 4 Police Civic Committee	J\$300,000.00	Scholarships for tuition for high school students who attend corporate area high schools.
Trelawny 4-H Clubs	J\$100,000.00	To purchase startup kits for 3 schools' agricultural programmes and purchase prizes for the Greenhouse project, where schools compete by building greenhouses made out of plastic bottles.
McCam Child Care & Development Centre	J\$350,000.00	Refurbishing of classroom for children with special needs.
Dudley Grant Memorial Trust	\$1,727,400.00	Early Childhood STEAM Project to improve the quality of early childhood teaching and learning through the development of an innovative science curricula. The project focuses primarily on teacher training and parenting workshops.
TOTAL AMOUNT AWARDED	J\$4,192,100.00	



A student of Holy Family Infant at the Grace & Staff STEAM Centre during the Learning Through Play workshops coordinated by the Dudley Grant Memorial Trust as part of the early childhood education pilot project. The project seeks to improve the quality of early childhood teaching and learning through the development of an innovative science curricula. The project focuses primarily on teacher training and parenting workshops.



Teachers learning about practical science experiments that they can do with their students at the Grace & Staff STEAM Centre

GraceKennedy Foundation Awards \$18M In Scholarships To University Students



One of the most gratifying activities of the GraceKennedy Foundation's programme is the award of scholarships and bursaries to students who, for the most part, would not have been able to attend university without the financial support received from the Foundation. The interviews this year were extremely competitive and the persons selected were truly the cream of the crop. The provision of scholarships and bursaries by the Foundation is one of the major ways in which it contributes to nation-building.

THIS YEAR THE GRACEKENNEDY FOUNDATION AWARDED A TOTAL OF OVER \$18 MILLION IN SCHOLARSHIPS AND BURSARIES TO OVER 80 TERTIARY STUDENTS ATTENDING UWI, UTECH, THE EDNA MANLEY COLLEGE AND THE CARIBBEAN MARITIME INSTITUTE.

For the first time the Foundation hosted a ceremony for the handing over of awards to the beneficiaries. It was considered fitting that such outstanding performances should be recognised, and the students duly welcomed into the GraceKennedy family. Grace Burnett, CEO of the GraceKennedy Financial Group, highlighted GraceKennedy's steadfast investment in education through its two foundations to implement changes for Jamaica's future and advised the awardees of the importance of being well-rounded students. This point was reiterated by guest speaker, Dr. Maynard McIntosh. Dr McIntosh was the first to be awarded the GraceKennedy Jamaica scholarship in 1980.

This year's scholarship awardees were **Kadeem Campbell and Mark Lewis**, (Bruce Rickards scholarship specifically for KC past students); **Shanika Spencer**, (University of Technology scholarship); **Shanike Josephs**, (Rafael Diaz scholarship for a student studying business at the UWI); **Stephan Pitterson**, (Douglas Orane scholarship for a student studying Science, Technology or Engineering at the UWI/UTech or NCU); **Waldane Walker**, (Edna Manley College scholarship) and **Avaughn Prendergast**, (GraceKennedy/Jamaica Scholarship). **Withney DaCosta** was awarded the Caribbean Maritime Institute Final Year Bursary. Avaughn Prendergast who matriculated into UWI in September with 11 ones and a two in his CAPE exams, is the 2016 GraceKennedy/Jamaica Scholar.

Congratulations to all awardees. Your work has been exceptional up to his point. We trust that you will maintain this level of performance or better it. The Foundation is depending on you to make the most of the opportunity you have been afforded; your parents are depending on you, your communities are depending on you and the nation is depending on you. Do your very best!

LET'S MEET OUR TOP SCHOLARS.

GraceKennedy Foundation Scholars



Avaughn Prendergast



Kadeem Campbell



Mark Lewis



Shanika Spencer



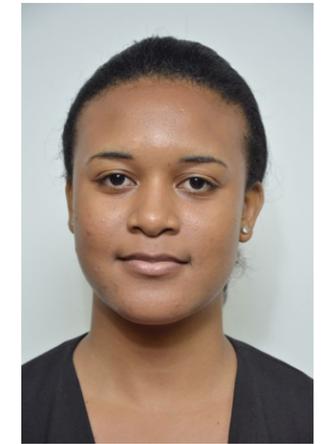
Shanike Josephs



Stephan Pitterson



Waldane Walker



Withney DaCosta

The Adrian Wallace Bursary



The Adrian Barrington Wallace Bursary was established by the Foundation in 2006 in memory of its founding director, at his alma mater Calabar High School. The Bursary is awarded annually to a lower sixth form student who has excelled academically and in athletics.

The Adrian Wallace Bursary recipient for 2016 is Orlando Bennett. He earned 1 one, 3 twos and 2 threes in his CSEC exams. Orlando is a 110m hurdler. He achieved a bronze medal at the 2016-2017 Boys' Champs; a Silver Medal at McKinley Wint Invitational Meet, a bronze medal at the Youngster Goldsmith Meet and a Silver Medal at the Grace Jackson Invitational Meet. The award was presented by Mrs. Wallace at the Calabar Old Boys Dinner on October 1.



The Faustine Sharp Bursary



(L-R) Paul Sharp, son of Faustine Sharp with the 2016 winner Shameil Morgan, Caroline Mahfood, GKF, and Sharon Reid, Principal, St. Andrew High School for Girls.

In 2008, the Foundation established the Faustine Sharp Bursary in memory of its founding director at her alma mater St. Andrew High School for Girls. The Bursary is awarded annually to a lower sixth form student who has excelled academically.

The 2016 Faustine Sharp Bursary was awarded on October 31 to Shameil Morgan.



FINANCIALS

GraceKennedy Foundation Limited

**Financial Statements
31 December 2016**



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GraceKennedy Foundation Limited

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31 December 2016

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Financial Statements	
Statement of comprehensive income	37
Statement of financial position	38
Statement of changes in equity	39
Statement of cash flows	40
Notes to the financial statements	41 - 52

***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 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at 31 December 2016;
- 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 a summary of significant accounting policies.

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 Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS, 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 Foundation'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 Foundation 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

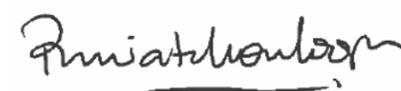
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If 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 Foundation 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
27 September 2017

GraceKennedy Foundation Limited

Statement of Comprehensive Income

Year ended 31 December 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Grace, Kennedy Scholarship Fund	S. Carlton Alexander Memorial Fund	J. Moss- Solomon Snr. Chair Fund	Bruce Rickards Fund	Luis Fred Kennedy Fund	General Income & Expenditure Account	Total Fund	Total Fund
	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2015 \$'000
Income								
Interest and dividends	5,256	7,766	7,437	3,558	1,529	6,011	31,557	40,076
Other	9,577	5,852	920	623	336	43,645	60,953	42,928
	14,833	13,618	8,357	4,181	1,865	49,656	92,510	83,004
Expenditure								
Annual lecture series	-	-	-	-	-	2,920	2,920	2,667
Grants	-	-	-	-	-	4,525	4,525	4,379
Printing and stationery	-	-	-	-	-	140	140	77
Directors' emoluments								
Fees	-	-	-	-	-	624	624	520
Expenses	-	-	-	-	-	252	252	210
Bank charges	-	-	-	-	-	41	41	42
Staff costs	-	-	-	-	-	31,988	31,988	27,963
Other operating expenses	1,500	1,000	750	150	300	1,495	5,195	4,271
Scholarship and bursaries	8,205	3,960	-	2,040	-	4,938	19,143	17,063
University Chair	-	5,500	-	-	-	-	5,500	11,000
Environment projects	-	-	-	-	1,168	-	1,168	788
Motor vehicle and travel expenses	-	-	-	-	-	66	66	60
Public relations	-	-	-	-	-	485	485	392
Meetings and conferences	-	-	-	-	-	264	264	164
Fees - Registrar General	-	-	-	-	-	5	5	5
	9,705	10,460	750	2,190	1,468	47,743	72,316	69,601
Net Surplus	5,128	3,158	7,607	1,991	397	1,913	20,194	13,403

GraceKennedy Foundation Limited

Statement of Financial Position

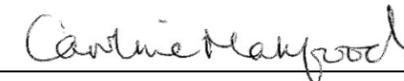
31 December 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2016 \$'000	2015 \$'000
ASSETS			
Non-Current Assets			
Fixed Assets	6	2	12
Investments	7	937,832	701,491
Current Assets			
Investment securities at fair value through profit or loss	8	-	19,302
Accounts receivable		603	1,997
Taxation recoverable		4,606	13,239
Cash and cash equivalents	9	57,237	66,637
		62,446	101,175
Current Liabilities			
Accounts payable and accrued liabilities	10	70	6,757
Net Current Assets		62,376	94,418
		1,000,210	795,921
FINANCED BY			
Share Capital	4	-	-
Contribution Fund	11	32,988	32,988
Grace, Kennedy Scholarship Fund	12	455,087	335,923
S. Carlton Alexander Memorial Fund	13	342,581	270,998
James Moss-Solomon, Snr. Chair Fund	14	72,375	62,381
Bruce Rickards Fund	15	48,880	45,737
Luis Fred Kennedy Fund	16	24,694	24,145
General Fund		25,081	23,168
Fair Value Reserve	17	(1,476)	581
		1,000,210	795,921

Approved for issue by the Board of Directors on 27 September 2017 and signed on its behalf by:


Fay McIntosh Director


Caroline Mahfood Director

GraceKennedy Foundation Limited

Statement of Changes in Equity

Year ended 31 December 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Contribution Fund	Grace, Kennedy Scholarship Fund	S. Carlton Alexander Memorial Fund	J. Moss-Solomon Snr. Chair Fund	Bruce Rickards Fund	Luis Fred Kennedy Fund	General Income & Expenditure Account	Fair Value Reserve	Total Fund
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2014	32,988	272,329	232,370	61,998	44,588	22,588	15,705	965	683,531
Net surplus/(deficit) for the year	-	1,644	1,921	(467)	1,468	1,374	7,463	-	13,403
Fair value movement	-	61,950	36,707	850	(319)	183	-	(384)	98,987
Balance at 31 December 2015	32,988	335,923	270,998	62,381	45,737	24,145	23,168	581	795,921
Net surplus for the year	-	5,128	3,158	7,607	1,991	397	1,913	-	20,194
Fair value movement	-	114,036	68,425	2,387	1,152	152	-	(2,057)	184,095
Balance at 31 December 2016	32,988	455,087	342,581	72,375	48,880	26,694	25,081	(1,476)	1,000,210

GraceKennedy Foundation Limited

Statement of Cash Flows

Year ended 31 December 2016

(expressed in Jamaican dollars unless otherwise indicated)

	2016 \$'000	2015 \$'000
Cash Resources were Provided By/(Used In):		
Operating Activities		
Net surplus	20,194	13,403
Items not affecting cash:		
Depreciation	10	15
Gains on disposal of investments	-	(2,843)
Amortisation of bond premium	-	918
Exchange gain on foreign balances	(7,481)	(7,494)
Interest and dividend income	(31,557)	(40,076)
	(18,834)	(36,077)
Changes in operating assets and liabilities:		
Accounts receivable	1,394	(1,997)
Accounts payable and accrued liabilities	(6,687)	5,457
	(24,127)	(32,617)
Withholding tax received/(paid)	8,633	(1,347)
Cash used in operating activities	(15,494)	(33,964)
Investing Activities		
Proceeds from disposal of investments	-	45,024
Purchase of structured product	-	(18,344)
Disposal of structured product	20,712	17,167
Acquisition to investments	(48,823)	(39,529)
Interest and dividends received	33,009	39,452
Cash provided by investing activities	4,898	43,770
(Decrease)/increase in cash and cash equivalents	(10,596)	9,806
Effect of changes in foreign exchange rates on cash and cash equivalents	1,196	2,232
Cash and cash equivalents at beginning of year	66,637	54,599
Cash and Cash Equivalents at End of Year (Note 9)	57,237	66,637

GraceKennedy Foundation Limited

Notes to the Financial Statements

31 December 2016

(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.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and 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 action, 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 during the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. None of these are expected to have a significant impact on the accounting policies or disclosure of the Foundation.

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 January 2015, 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:

GraceKennedy Foundation Limited

Notes to the Financial Statements

31 December 2016

(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)

IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018). This standard specifies how an entity should classify and measure financial instruments, including some hybrid contracts. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset; initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs; and subsequently measured at amortised cost or fair value. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39. They apply a consistent approach to classifying financial assets and replace the four categories of financial assets in IAS 39, each of which had its own classification criteria. They also result in one impairment method, replacing the two impairment methods in IAS 39 that arise from the different classification categories. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. There has been no significant change in the recognition and measurement of financial liabilities carried at amortised cost from what obtained under IAS 39.

While adoption of IFRS 9 is mandatory from 1 January 2018, earlier adoption is permitted. The Foundation is considering the implications of the standard, the impact on the Foundation and the timing of its adoption by the Foundation.

IFRIC 22, 'Foreign currency transactions and advance consideration' (effective annual periods beginning on or after 1 January 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The Foundation does not expect this to have a significant impact on its operations.

(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.

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2. Summary of Significant Accounting Policies (Continued)

(d) Financial instruments

The Foundation classifies its financial assets in the category of available-for-sale financial assets. Management determines the appropriate classification of investments at the time of purchase.

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Financial assets are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Financial assets are derecognised when the right to receive cash flows from the financial assets expires or where the Foundation has transferred substantially all risks and rewards of ownership.

Changes in the fair value of available-for-sale securities denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in the income statement, and other changes in carrying amount are recognised in equity. Changes in the fair value of available-for-sale securities are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement.

The Foundation assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Financial instruments carried on the statement of financial position include cash, investments and interest 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.

The fair value of the Foundation's financial instruments is discussed in Note 18.

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value being the nominal amount of funds exchanged. There is no separation of the embedded derivatives from the host contract as there is no variability in the value of the contract if the option is exercised. Derivative financial instruments are accounted for at fair value through profit or loss.

(f) 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.

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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 tax is payable as the Foundation has been granted tax-exempt status by the Commissioner of Income Tax.

6. Fixed Assets

	Art Work \$'000	Furniture and Fixtures \$'000	Computer Equipment \$'000	Total \$'000
At Cost -				
At 1 January 2015	2	7	100	109
Additions	-	-	-	-
At 31 December 2015 and 2016	2	7	100	109
Accumulated Depreciation -				
At 1 January 2015	-	7	75	82
Charge for year	-	-	15	15
At 31 December 2015	-	7	90	97
Charge for year	-	-	10	10
At 31 December 2016	-	7	100	107
Net Book Value -				
31 December 2016	2	-	-	2
31 December 2015	2	-	10	12

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7. Investments

	2016 \$'000	2015 \$'000
Available-for-Sale Securities		
Government of Jamaica – J\$ and US\$ local bonds	274,004	267,638
Interest receivable	5,773	5876
	<u>279,777</u>	<u>273,514</u>
Corporate Bonds- US\$ bonds	86,311	34,789
Interest receivable	1,538	1,196
	<u>87,849</u>	<u>35,985</u>
	<u>367,626</u>	<u>309,499</u>
Quoted, ordinary stocks	570,206	391,992
	<u>937,832</u>	<u>701,491</u>

8. Investment Securities at Fair Value through Profit or Loss

	2016 \$'000	2015 \$'000
Derivative financial instruments – US\$ Proven Investments Limited note 2017 – (2016 – 4%)	-	19,143
Interest receivable	-	159
	<u>-</u>	<u>19,302</u>

The issuer reserved the right to call and redeem the note at any time prior to the maturity date by paying the principal amount in full to the Foundation. The Foundation would have also received the outstanding interest accrued between the early redemption date and the last coupon payment. This note matured during the year.

9. Cash and Cash Equivalents

	2016 \$'000	2015 \$'000
Cash	9,808	23,978
Deposits	47,429	42,659
	<u>57,237</u>	<u>66,637</u>

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10. Accounts Payable and Accrued Liabilities

	2016 \$'000	2015 \$'000
Chair and bursary payables	-	6,287
Accrued liabilities	70	470
	<u>70</u>	<u>6,757</u>

11. Contribution Fund

	2016 \$'000	2015 \$'000
Contribution Fund – GraceKennedy Limited	28,988	28,988
Contribution Fund - Luis Fred Kennedy	4,000	4,000
Fund balances at start and end of year	<u>32,988</u>	<u>32,988</u>

12. Grace, Kennedy Scholarship Fund

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

	2016 \$'000	2015 \$'000
Original grant received	350	350
Accumulated surplus	102,285	97,157
Fair value reserve –		
Brought forward	238,416	176,466
Movement	114,036	61,950
	<u>352,452</u>	<u>238,416</u>
Total fund	<u>455,087</u>	<u>335,923</u>

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13. 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.

	2016 \$'000	2015 \$'000
Primary grants received	10,557	10,557
Accumulated surplus	120,903	117,745
Fair value reserve –		
Brought forward	142,696	105,989
Movement	68,425	36,707
	<u>211,121</u>	<u>142,696</u>
Total fund	<u>342,581</u>	<u>270,998</u>

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 (losses)/gains 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.

14. 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.

	2016 \$'000	2015 \$'000
Primary grants received	30,633	30,633
Accumulated surplus	38,861	31,254
Fair value reserve		
Brought forward	494	(356)
Movement	2,387	850
	<u>2,881</u>	<u>494</u>
Total fund	<u>72,375</u>	<u>62,381</u>

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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.

	2016 \$'000	2015 \$'000
Primary grant received	18,000	18,000
Accumulated surplus	30,005	28,014
Fair value reserve		
Brought forward	(277)	42
Movement	1,152	(319)
	<u>875</u>	<u>(277)</u>
Total fund	<u>48,880</u>	<u>45,737</u>

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.

	2016 \$'000	2015 \$'000
Accumulated surplus	24,694	24,297
Fair value reserve		
Brought forward	(152)	(335)
Movement	152	183
	<u>-</u>	<u>(152)</u>
Total fund	<u>24,694</u>	<u>24,145</u>

17. Fair Value Reserve

This represents the unrealised surplus or deficit on the revaluation of available-for-sale investment securities held by the General Fund.

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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 the most important risk for the Foundation's business; 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.

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.

	2016 \$'000	2015 \$'000
Credit risk exposures are as follows:		
Government of Jamaica securities available-for-sale	279,777	273,514
Corporate securities available-for-sale	87,849	35,985
Derivative financial instruments	-	19,302
Accounts receivable	603	1,997
Cash and cash equivalents	57,237	66,637
	<u>425,466</u>	<u>397,435</u>

The above table represents the worst case scenario of credit risk exposure to the Foundation at 31 December 2016 and 2015.

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18. Financial Risk Management (Continued)

(a) Credit risk (continued)

The following table summarises the concentration of the Foundation's credit exposure:

	2016 \$'000	2015 \$'000
Government of Jamaica	<u>279,777</u>	<u>273,514</u>

None of the Foundation's outstanding financial assets are overdue or impaired.

(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 year end. This represents the amounts reflected on the statement of financial position.

(c) Market risk

The Foundation takes on exposure to market risks, 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 risks 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 has no significant exposure to fluctuations in exchange rates.

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18. Financial Risk Management (Continued)

(c) Market risk (continued)

(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:

	2016	2015
	%	%
Investments -		
Government of Jamaica Securities	8.00	9.520
Corporate securities	7.25	8.875
Derivative financial instruments		
Corporate securities	-	4.000

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.

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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 31 December 2016. 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).

The following table presents the Foundation's assets that are measured at fair value at the year end.

	Level 1 \$'000	Level 2 \$'000	Total balance \$'000
	2016		
Assets			
Available-for-sale financial assets-			
Equity securities	564,841	5,365	570,206
Debt investments	-	367,626	367,626
	564,841	372,991	937,832
	2015		
Assets			
Available-for-sale financial assets-			
Equity securities	386,559	5,363	391,992
Debt investments	-	309,499	309,499
Financial assets at fair value through profit or loss -			
Derivative financial instruments	-	19,302	19,302
	386,559	334,164	720,723

There were no transfers between levels during the year.



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