

ANNUAL REPORT 2013



Guiding Principles

- // Equity
- // Voluntarism
- // Empowerment
- // Contributing to national development

Vision

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

Mission

GraceKennedy Foundation actively promotes well-being, primarily by supporting educational and environmental programmes and processes.

Values

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

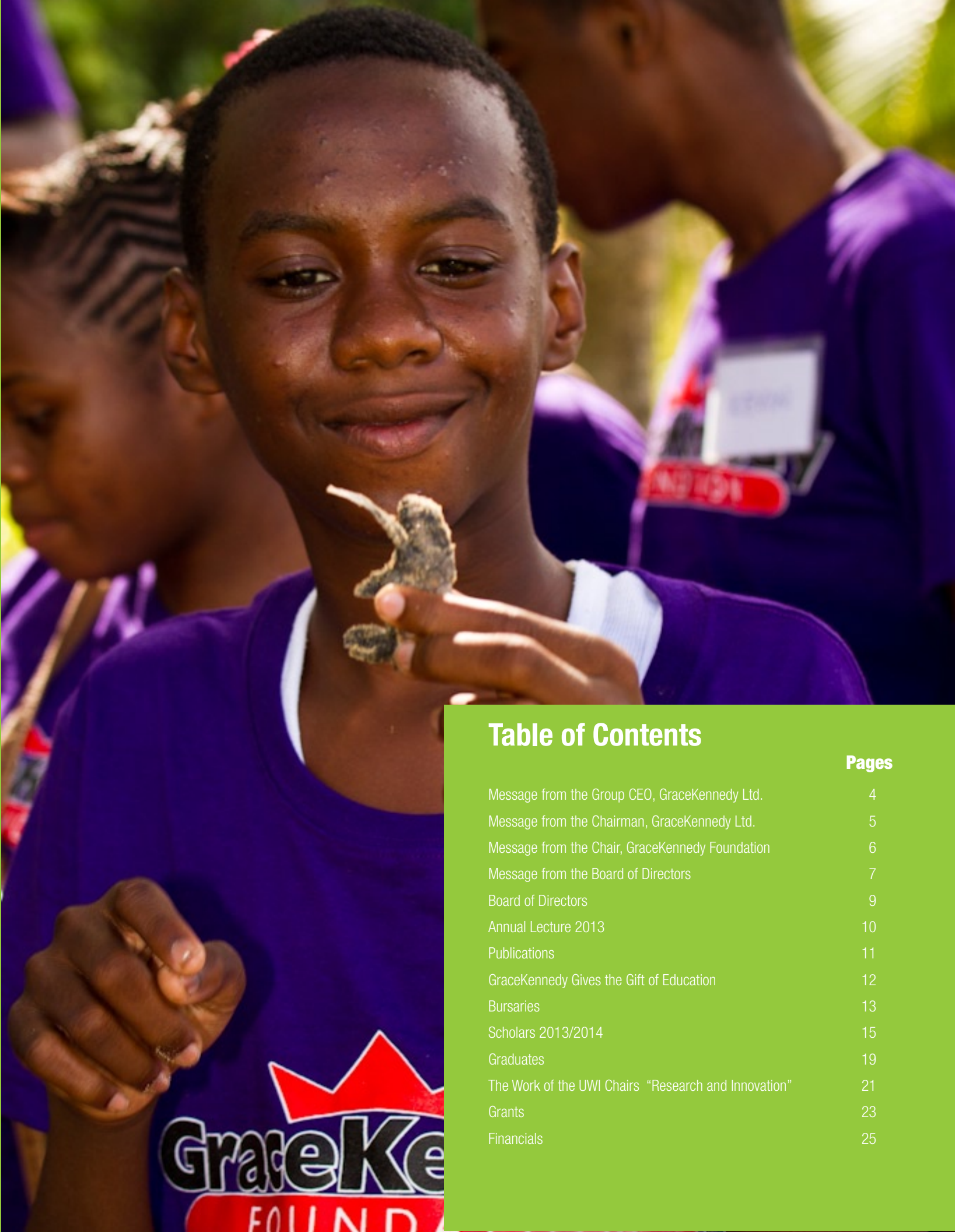


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Message from the Group CEO, GraceKennedy Limited

Don Wehby



The GraceKennedy Foundation plays an important role in the Company's social outreach and philanthropic activities. It is clear that the Foundation is not simply about writing cheques, but it is working with community-based organizations to make a lasting difference through the projects it funds.

One area that I am very pleased with is the Foundation's environmental focus. Preserving our environment is important to GraceKennedy and to me personally. I was delighted to announce last November that the Company, in partnership with the Foundation, had agreed to contribute one million dollars to the UWI Plastic Bottle Separation and Recovery Project. The funding was to be used not only for the UWI initiatives but also to introduce recycling to our subsidiaries located in Kingston. I feel strongly that we have a responsibility to be environmentally conscious corporate citizens and to set an example for our fellow Jamaicans.

In 2013, we said farewell to a stalwart of the Foundation, Sandra Glasgow, who served on the Board of Directors for over a decade. I would like to thank her for her contribution and service and wish her the very best in her future endeavours. At the same time we had the opportunity to welcome Fred Kennedy to the Board. The Kennedy family, as the name suggests, has had a long and fruitful relationship with the Company. I believe Fred's background as an educator and historian will be a real asset to the leadership of the Foundation.

I am indebted to Prof. Elsa Leo-Rhynie and the Board of Directors for their thoughtfulness and care in the management of the Foundation. They ensure that the activities and programmes are aligned to its mission to actively promote well-being, primarily by supporting educational and environmental programmes. The backbone of the Foundation is the capable staff, which is headed by Caroline Mahfood. Their consistent hard work, commitment and sensitivity to the needs of our nation have secured the loyalty and admiration of Jamaicans both at home and within the Diaspora. I congratulate them for another successful year of service.

Message from the Chairman, GraceKennedy Limited

Gordon Shirley, OJ



My relationship with the GraceKennedy Foundation has been a long and fruitful one, which started when I was fortunate enough to be selected as the first holder of the S. Carlton Alexander Chair in Management some 25 years ago. Later as the Principal of The University of the West Indies I had the pleasure of collaborating with the Foundation on numerous occasions, whether it had to do with its scholarship and bursary programme, the work of the Chairs or its annual lecture series.

From the time of its inception, the leadership of the Foundation has been forward-thinking and ahead of its time. The fact that they established a Chair in Environmental Management some twenty years ago, when environmental issues were not topical, is reflective of its visionary leadership. As a result of this investment the Foundation has been able to contribute tremendously to the research and expertise in this field. I was therefore pleased when Group CEO, Don Wehby, announced that GraceKennedy, in partnership with the Foundation, would contribute one million dollars to the UWI Plastic Bottle Separation and Recovery Project.

The Annual Lecture Series is also a testimony to the Board's understanding of the importance of debate and discussion on issues that are relevant to the Jamaican society and economy. Each year I look forward to attending the lecture, as I know I will leave with a new perspective on the topic presented. The 2013 lecture was no different. Dr. Anna Perkins did an outstanding job in bringing to light the moral decay that has been eroding our society, and providing solutions for how we can remedy it.

On behalf of the Board of Directors of GraceKennedy, I pledge our continuing support for the Foundation. I would like to acknowledge Prof. Elsa Leo-Rhynie, my former colleague at the UWI, for her stellar leadership and guidance. Special thanks to the staff of the Foundation who ensure that GraceKennedy reflects its mantra 'We Care' through their philanthropic efforts.

Message from the Chair, GraceKennedy Foundation

Professor Elsa Leo-Rhynie, CD



The relevance and responsiveness of the GraceKennedy Foundation (GKF) were particularly significant over the past year because of the harsh economic circumstances facing Jamaica. The Foundation continued to play an active role in meeting some of the social and economic needs of our country, primarily through its educational and environmental programmes.

The 2013 lecture focused on the erosion of morality that has damaged the social fabric of our country for many decades. Dr. Anna Kasafi Perkins took a refreshing new approach to this issue, coining the phrase 'Moral Degenerative Syndrome' to describe the prevailing moral decay that seems to be embedded in the Jamaican society. The Board is pleased that this body of work has generated such a tremendous amount of interest and discussion, and hopes that it will serve as a guide to positively transform our country.

Our grant programme continues to make a difference across Jamaica. We awarded grants to a number of early childhood, primary and secondary schools. They included support for the physical plant such as playground and classroom equipment; learning tools such as computers; remedial programmes to improve the educational outcomes of students; emotional assessments of high school students and webinars for guidance counsellors, and then addressing the psycho-social behaviour of our youth.

At the tertiary level, our scholarship and bursary programme continued to face pressure from the increasing cost of education and the rising number of qualified students experiencing financial need. However, we were able to assist a number of outstanding students in the fields of engineering, law, medicine, business and the performing arts.

Our relationship with the UWI has been fortified through the funding of two professorial Chairs. The Board congratulates Prof. Ian Boxill, the S. Carlton Alexander Chair in Management, and Prof. Dale Webber, the James S. Moss-Solomon Sr. Chair in Environmental Management, for their outstanding research and thoughtful leadership within their fields of expertise. We are pleased that their work is having an impact both locally and in the region. The annual sharing of the reports of the Professors with members of the GKF community and the Press, hosted by the UWI, has become a much-anticipated event.

The Foundation also records with pride the sterling contribution being made by James Moss-Solomon, who serves as the Executive-in-Residence at the UWI Mona School of Business and Management, a position that is also funded by the Foundation. He has brought a tremendous amount of experience and business acumen to that institution, and his guidance has been of great value to the many students he has mentored. It has been a very worthwhile partnership, and we congratulate him for his commitment and involvement.

In 2013, the Board of the Foundation experienced some changes. Sandra Glasgow resigned after 11 years of dedicated service. On behalf of the Board I would like to thank her for her valuable contribution and guidance. We welcomed Fred Kennedy to the Board in July 2013 and we are most grateful to have his experience and insight. Fred's participation thus far has been stellar and has provided us with a fresh pair of eyes and new perspectives as we carry out our mandate. We look forward to working with him for a long time to come.

The Directors of the Foundation and the staff of the Foundation Office – Caroline Mahfood and Erica Fagan – are committed to excellence in all they do. I thank them for their loyalty and dedication as we work together and continue to set an outstanding example of philanthropy for other corporate entities to emulate.



Cumberland Basic School Grant Handover



L-R: Kristoff Ellis, Carlton Alexander Scholar; Erica Fagan, GKF; Taran Seabourne, Douglas Orane Scholar; Caroline Mahfood GKF; O'shane Allen, Rafael Diaz Scholar.

Message from the Board of Directors

Grants

The Foundation awarded 17 grants to a variety of organizations. These included playground equipment to the African Martyrs of Uganda Early Childhood Institute, and computers to Flemmings Basic School (both located in St. Thomas), as well as school furniture and equipment to Cumberland Basic School. In addition, May Pen Primary (the 2nd largest primary school in the island) benefited from a grant of computers and textbooks for the school library.

At the secondary level we assisted TEACH Caribbean, an organisation established by former Rhodes scholars, with funding for a six-week remedial programme for 78 students attending two rural high schools in Manchester. The programme focused on Mathematics and English and saw the students' scores improving dramatically as a result of this intervention.

The emotional well-being of our youth was a major focus of our grant-making in 2013. Choose Life International (a suicide prevention organisation) received funding to conduct emotional assessments of Grade 7 students attending an inner-city high school, while Survivors Unlimited received a grant to develop webinars on grief counselling to train guidance counsellors, psychologists and other stakeholders. Both organisations are

having a tremendous impact on the psychological well-being of our adolescent population.

The Foundation funded a year-long programme that focused on exposing inner-city youths to a number of environmental subjects such as river training, forest preservation, beach clean-up and recycling. The project was managed by Ena's Haven, an NGO based in Irish Town. It was truly a transformational experience for all the participants.



Students in the Ena's Haven Environmental programme at Green Grotto Caves.

Scholarships and Bursaries

In 2013, the Foundation spent over \$13 million dollars on its scholarship and bursary programme for students attending The University of the West Indies (UWI), The University of Technology, Jamaica (UTech), and the Edna Manley College of the Visual and Performing Arts (EMC). Bursaries were also awarded to final year students at the UWI and UTech. Congratulations to our graduates Kerry-Lee Chintersingh, Chantelle Grant, Rocquel Brown and Kevin Williams. We wish them the very best as they transition to the working world.

Chairs

The James S. Moss-Solomon Sr. Chair in Environmental Management, Prof. Dale Webber, and the S. Carlton Alexander Chair in Management, Prof. Ian Boxill, presented their annual reports at a press conference on November 19, 2013. Their innovative research continues to have an impact across the region as they explore new ideas for growth and development in their respective fields.

Annual Lecture

The 25th lecture entitled 'Moral Dis-Ease Making Jamaica III? Re-engaging the Conversation on Morality' was presented by Dr. Anna Kasafi Perkins. She successfully re-engaged the public at large in a discussion on the moral state of the nation, examining ways in which the country can rid itself of the corruption and 'moral dis-ease' which now seem to be infecting it.

Congratulations to the dedicated staff of the Foundation who

work tirelessly to ensure that we fulfil our mandate efficiently and effectively.



'Research and Innovation' Press Conference for the GraceKennedy funded UWI Chairs



Dr. Anna Kasafi Perkins' lecture presentation

Annual Lecture 2013

The GraceKennedy Lecture Series was established to contribute to national development by providing a medium through which distinguished Jamaicans would be invited to speak on major issues of general interest to the society. It was intended that the lectures should initiate widespread public debate and commentary. We believe that the lectures have fulfilled their original mandate, and we are extremely proud of the impact they have had over the past 25 years, and the growing audience that we attract every year.

“Christianity does not have a monopoly on morality. Nor do you have to be religious to be moral.” This was just one of the controversial views of Dr Anna Kasafi Perkins who addressed the topic ‘Moral Dis-Ease Making Jamaica III? Re-engaging the Conversation on Morality’ at the 25th GraceKennedy Foundation lecture on Tuesday March 5, 2013 at the Jamaica Pegasus Hotel in New Kingston.

It was the second lecture in the series to focus on the issue of morality and society, the first being in 1992, when Rev. Dr. Burchell Taylor explored the issue of morality in Jamaica in his lecture entitled ‘Free For All? A Question of Morality and Community.’ Dr Anna Perkins, Senior Programmes Officer, Quality Assurance Unit, UWI, was highly recommended by Rev. Taylor to take the discussion further, as much of her previous research examined issues relating to societal mores, ethics and morality. She received her Master of Philosophy in Theology from the University of Cambridge and her PhD in Theological Ethics from Boston College. She is the former Dean of Studies at St Michael’s Theological College, but relinquished those duties in 2007 to accept a post at The University of the West Indies. However, she remains an Adjunct Lecturer at the College.

Dr. Perkins used the analogy of disease to emphasise the pathology of Jamaica’s moral disintegration. She used ‘Moral Degenerative Syndrome’ to describe the inappropriate values and attitudes, lack of integrity, corruption and dishonesty that prevail in the Jamaican social and political environment. “The discussion of leadership is not just about political or organizational leadership, but includes many of those who have the responsibility of shaping and transmitting the norms and values by which Jamaicans live: teachers, pastors, sports icons, peers, DJs. This latter group has a dominant role in shaping the moral values and behaviours of the young and so cannot abdicate responsibility for the impact of their music on the lives of teens, as too many of them like Vybz Kartel continue to do. This means careful recruitment for positions of leadership at all levels and not a focus on simply profit or profile.”

Her lecture was presented to the largest audience to date and has since led to her making numerous presentations and interviews on the topic. She has also published a condensed version of the lecture book in the International Journal of Public Theology.



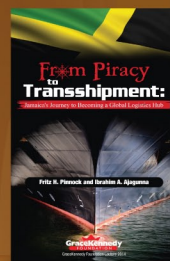
Dr. Perkins (left) joins Don Wehby (right) to make a presentation to Tanya Stevens (Centre) who performed at the lecture.

Board of Directors

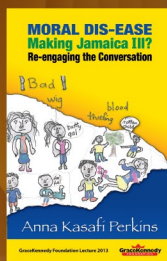
1. Prof. Elsa Leo-Rhynie 2. Prof. Elizabeth Thomas-Hope 3. James Moss-Solomon
4. Hilary Wehby 5. Radley Reid 6. Cathrine Kennedy 7. Noel Greenland
8. Fay McIntosh 9. Fred Kennedy 10. Philip Alexander 11. Caroline Mahfood
Executive Director/Secretary

PUBLICATIONS

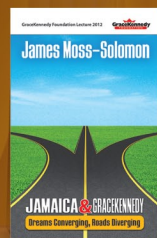
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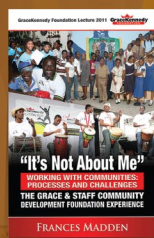
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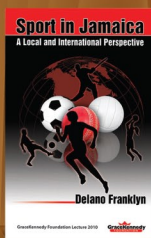
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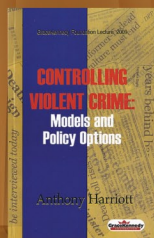
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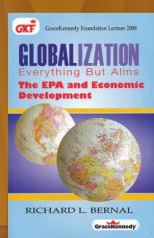
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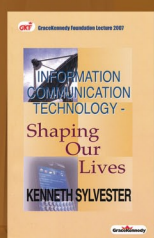
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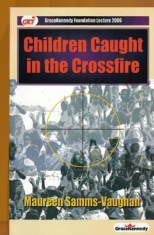
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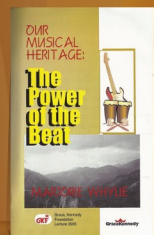
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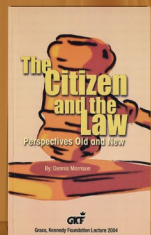
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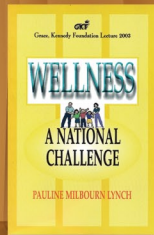
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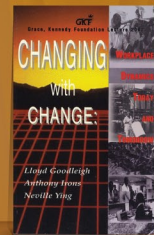
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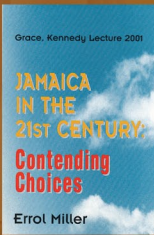
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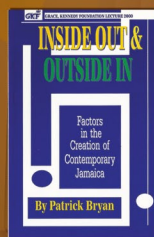
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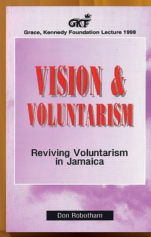
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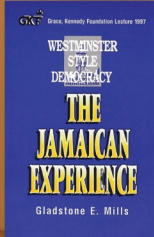
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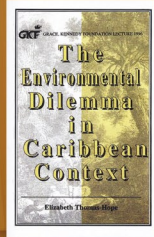
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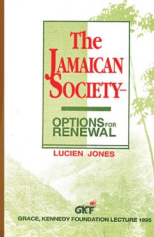
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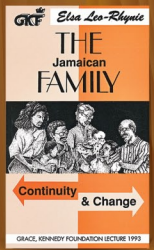
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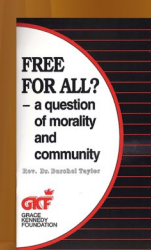
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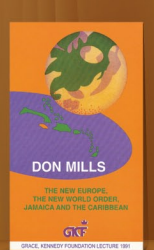
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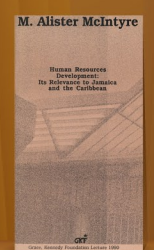
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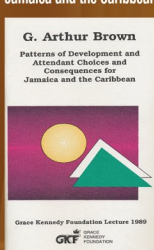
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GraceKennedy Foundation Gives the Invaluable Gift of Education

The GraceKennedy Foundation Scholarship Programme was established 32 years ago and targets outstanding students attending The University of the West Indies (UWI), The University of Technology Jamaica (Utech), the Edna Manley College of the Visual and Performing Arts (EMC) and Northern Caribbean University (NCU). The Foundation currently offers seven scholarships and over 50 bursaries each year.

On February 13, the day before GraceKennedy celebrated its 92nd Anniversary, three of the Group's current and former leaders came together to meet with six of the 2013/2014 GraceKennedy Foundation scholars to reinforce the Group's lifelong "We Care" mantra.

Group CEO, Don Wehby and former Chairmen and CEOs, Douglas Orane and A. Rafael Diaz took the time in what has come to be an annual calendar appointment, to sit with the young scholars to discuss what was happening in their lives and share helpful advice with them. "GraceKennedy is very serious in its commitment to young people, and in showing how education can completely change

their lives. We know the future of Jamaica lies in their hands, and so we are happy to do whatever we can do to equip them and guide them along," said Mr. Wehby.

The six scholars present at the Meet and Greet - Kevan Taylor, Kristoff Ellis, Tuhuran McLean, Makari Whyte, Taran Seabourne and O'shane Allen - expressed their appreciation for the scholarships. They represent five of the 17 students on full scholarship from the GraceKennedy Foundation, at an overall cost of approximately \$7.9 million per year.

Messrs. Wehby, Orane and Diaz shared GraceKennedy's mission and vision with the young men, and updated them on the Company's growth. During the two-hour long session, Mr. Wehby also spoke glowingly about being mentored by both Messrs. Orane and Diaz. Mr. Diaz spoke to the evolution of GraceKennedy from its original headquarters at 64 Harbour Street, encouraging the scholars to keep abreast of change, especially technologically, so they can be ahead of the game. Mr.

Orane shared stories about his days as an engineering student at the University of Glasgow. The scholars were encouraged to put out all their effort to do well in their respective courses of study, and not dwell on any setbacks.



From 2nd left to right: **Tuhuran McLean**, Bruce Rickards Scholar; Makari Whyte, Edna Manley College Scholar; GraceKennedy Group CEO, Don Wehby; Douglas Orane Scholar, Taran Seabourne, former GraceKennedy Chairman and CEO, Douglas Orane; Rafael Diaz Scholar, O'shane Allen, former GraceKennedy Chairman and CEO, Rafael Diaz; and Kristoff Ellis, Carlton Alexander Scholar. On the far left and right are Erica Fagan, Project Officer, GKF and Executive Director of the Foundation Caroline Mahfood.



Carlton Alexander Bursary recipients and their parents with GKF executives and relatives of the late Carlton Alexander.

Bursaries

Carlton Alexander Bursaries

The Carlton Alexander Bursaries were instituted 23 years ago as a means of encouraging academic excellence among the dependents of GraceKennedy staff. Awards are made at the secondary and tertiary levels, beginning from entry into Grade 7. Bursaries are renewable annually based on the academic performance of the awardee.

'Back-to-school' was made easier for 27 GraceKennedy employees whose children were awarded Carlton Alexander Bursaries to assist with educational expenses for the 2013/14 academic year. Awards were made at the secondary and



Dr. Tonoya Toyloy addresses the awardees

tertiary levels and represented first time awardees as well as renewals.

James Moss-Solomon, Director of the GraceKennedy Foundation, commended the recipients on their hard work which had brought about such excellent results. He singled out Champion College students Tobi Burnett (Grade 9) who not only came first in her class but also gained a One in CXC Math with a straight A profile, and Kemoi Brown who gained three ones in his CAPE Unit 2 exams and was accepted to study medicine at the UWI.

Karen Chin Quee Akin, Senior Legal Counsel of GraceKennedy, urged the awardees to make the most of their school careers. She pointed out that they had a responsibility to their families, communities and Jamaica to prepare themselves to function efficiently in today's knowledge-based world. She also encouraged them to take advantage of the opportunities provided by their involvement in extra-curricular activities, as these help to develop their leadership and teamwork skills.

Dr. Tonoya Toyloy, a former Carlton Alexander Bursary Recipient, was the guest speaker for the event. In 2003, Tonoya graduated with a First Class Honours degree in Pharmacy and in 2009 she graduated as a Doctor of Pharmacy, Magna Cum Laude, from the University of Florida,

where she received the award for the most outstanding international graduate. She shared her academic journey, both failures and victories, and challenged the students not to allow obstacles to prevent them from going after their dreams.

The Adrian Wallace Bursary

In 2006, the Foundation established the Adrian Barrington Wallace Bursary 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 2013 is Jorel Bellafonte. He received the award on October 4, 2013. He is an outstanding long distance runner, winning the 1500M gold medal at the ISSA/GraceKennedy Boys and Girls Championships, and the silver medal at the Carifta Games.

Former Calabar student and GraceKennedy employee, Vishwanauth Tolan (VJ), was the guest speaker at the event. He challenged the students to be determined to excel



(L-R) Guest speaker VJ Tolan with Jorel Belafonte, Adrian Wallace Bursary recipient, Albert Corcho, Principal, Calabar High School, and Caroline Mahfood, GKF

academically and not rely only on athletics to get ahead.

The Faustine Sharp Bursary

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 Faustine Sharp Bursary was awarded to Gail-Ann Hamilton on November 4, 2013. Gail-Ann is an enthusiastic and congenial student. She consistently attains good academic results and has twice been awarded a Certificate of Good Progress. Gail-Ann has served as Form Treasurer, Student Council Representative and repeatedly as the Gartshore House Form Representative. She is an active member of the Tourism Action Club and Inter-school Christian Fellowship (I.S.C.F.). She gained six ones and two twos in her CXC examinations. Relatives of the late Faustine Sharp attended the event and made the presentation.

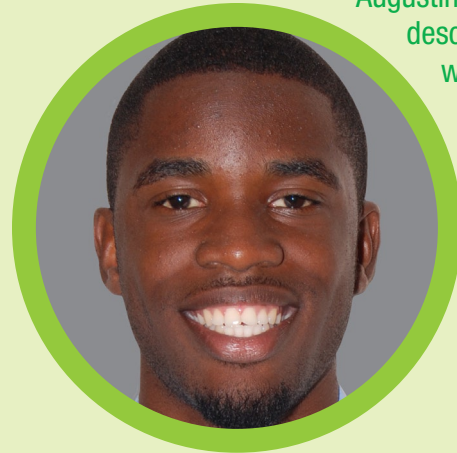


Sons of the late Faustine Sharp, Chris (left) and Paul (right) with Caroline Mahfood, GKF, Kristi-Ann Sharp and Kerri Sharp, granddaughters of the late Faustine Sharp, Gail-Ann Hamilton bursary recipient, and Allison Bowes, Vice Principal of St. Andrew High School for Girls.

GraceKennedy Foundation Scholars 2013/14

Kevan Taylor, GraceKennedy Jamaica Scholar

Kevan Taylor is from the parish of St. Catherine. He grew up in a Christian home with both parents. He attended Ardenne Preparatory School and then moved on to Meadowbrook High School. He came first in the island for Geometrical and Mechanical Engineering Drawing in his CAPE II exams. He then matriculated to The University of the West Indies, St. Augustine campus, in Trinidad. He is currently pursuing a degree in Civil Engineering. Kevan describes himself as a pleasant and friendly person who enjoys helping others. He is a well-rounded person, serving as a guitarist in the music ministry of his church.



"The GraceKennedy/Jamaica Scholarship has been a blessing to me, as it will allow me to perform at a much higher level. I now have sufficient resources to help me get through. It is much easier to stay focused when you do not have to worry about how you are going to pay for your studies. As it relates to the near future, I see myself as not only a Civil Engineer but as a nation builder, as I intend to contribute to charitable groups such as the GraceKennedy Foundation so that others coming up will have an opportunity to pursue their goals."

Kristoff Ellis – Carlton Alexander Scholar

Kristoff Ellis describes himself as determined, humble and hardworking. He is quite an adventurous person, as well as a 'foodie'. He loves sports and planes. Kristoff attended both Meadowbrook High School and Jamaica College and now studies Hospitality and Tourism Management with a focus on Food Service Management. He is a member of the Rose Town Holiness Christian Church Youth Club and hopes to join Circle K in the near future. He also volunteers with the Jamaica College Robotics Team.

Kristoff commented that his main goal is to become a Restaurateur but until then he would like to become an Executive Chef. While working as a Chef he would like to attend an aviation school to get his pilot licence.

"I would like to thank the GraceKennedy Foundation for selecting me to receive the Carlton Alexander Scholarship. This scholarship has pushed me to work even harder than before as well as not having to worry about how I will continue paying for college."



O'shane Allen – Rafael Diaz Scholar



O'shane Allen is currently in his second year at The University of the West Indies, Mona (UWI). He is pursuing a Bachelor of Science degree with a major in Banking and Finance and minors in Economics and Management Studies. O'shane is a graduate of Jamaica College.

A lover of music and sports, O'shane understands the importance of 'down-time'. This coupled with his strong belief in faith and prayer has helped him thus far to attain the things he has set out to achieve. He is a youth advocate and serves as a member of the National Youth Council of Jamaica. He is also involved in the Banking League, League of Economists and Faculty of Social Sciences Honours Society at the UWI. O'shane continues his march onwards, reminded that there is always more to be done, by the words of his old school's motto: - Fervet Opus In Campis (Work is burning in the fields).

"I have a great interest in business and technology. My love for business has helped me to take on new challenges. I come from a very humble background and it has contributed to my thirst for success. I am not privileged and that has driven me to always work hard. I was so overjoyed when I was advised that I had been given The Rafael Diaz Scholarship in Business and felt so grateful. I did not have any other way of paying my fees so this came as a blessing. It has also given me the courage to press even harder on my path to success."

Taran Seabourne - Douglas Orane Scholar

Taran Seabourne is the third son in a humble family of five boys. He grew up in Burnside Hill in West Rural St. Andrew. He attributes his success to the close guidance of his mother and the diligent support of his father, who fostered a healthy spirit of sibling academic rivalry among the boys.

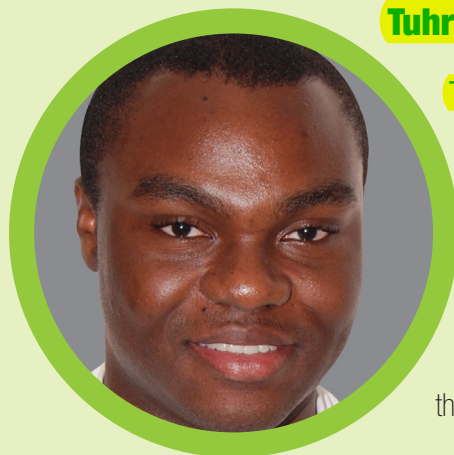
Red Hills Basic, Red Hills Preparatory and Red Hills All Age School marked the beginning of his academic journey, though Taran admits that he was never completely academically oriented and enjoyed playing football. He graduated from Ardenne High School with eight distinctions at CSEC and CAPE. He now studies Electrical Engineering at the University of Technology, Jamaica. In the long term he wishes to study alternative energy production and apply that knowledge to reduce the cost of power in Jamaican households.

Taran is very big on community development and advocacy and is an active member of the Burnside Hill Youth Club. voluntarism

is also important to this young man and he gives his time freely to the Red Hills Primary School, assisting with marking books and coaching the Junior School Challenge Quiz Team. His love of sports has not diminished and he now plays football with the Red Hills Football Club, continuing in his belief that being well-rounded is important.

"The Douglas Orane Scholarship gave me the opportunity to commence my degree. Without this award I would have had to defer beginning my degree for another semester. The scholarship will give me the opportunity to accomplish my dreams. It will cover a massive amount of university expenses, reducing the economic burden that would otherwise be held by my parents and myself and facilitate the smooth completion of my degree. Additionally, being a GraceKennedy Foundation Scholar will motivate me to be the best that I can be."





Tuhuran McLean - Bruce Rickards Scholar

Tuhuran McLean is a 21 year old, third-year pharmacy student at The University of Technology, Jamaica. He is a proud graduate of Kingston College. He is from a single parent family and grew up with five siblings.

"Growing up I was considered an introvert, sometimes a bit shy and reserved but not afraid to speak up when it mattered. I believe in second chances, and I believe in giving persons the benefit of the doubt. I am a strong willed and God-fearing person who strongly believes in the principle of hardwork and perseverance. I'm goal-oriented and self-driven. I pride myself on being punctual. I love to laugh. My friends tell me that I'm reliable and trustworthy, someone they can approach for advice on personal or other issues."

Voluntarism is very important to him, serving as a member of The University of Technology Rotaract Club, a voluntary arm of the Kingston Rotary Club. He has worked on numerous community activities, such as fundraising projects geared towards helping abandoned children at the St. Augustine Boys Home. He has also assisted at the Golden Age Home and Sophie's Place. **Tuhuran** has been acknowledged by The University of Technology, Jamaica for his work in voluntarism and was nominated with five others for the Community Service Project (CSP) student of the 2011/2012 academic year for outstanding and devoted commitment to voluntarism.

In the future, **Tuhuran** wishes to complete his Master's degree in Pharmaceutics or Pharmacology. He hopes to pursue a Doctor of Pharmacy (Pharm.D.) soon after and own and operate his own licensed pharmacy. He also wants to further explore the French language and learn more about Clinical Psychology.

"The Bruce Rickards Scholarship has given me more reason to appreciate the contributions of others towards my career development. The fact that GraceKennedy has recognized my work is greatly motivating and inspiring. The personal development gained is immeasurable. I am now a GraceKennedy scholarship ambassador and am proud to represent a company that believes and invests heavily in nation building."

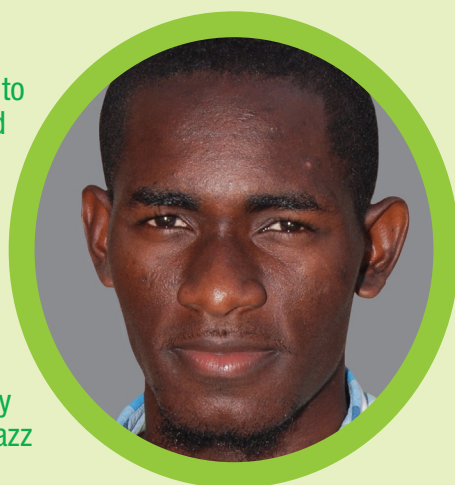
Makari Whyte - Edna Manley Scholar (School of Music)

Makari Whyte is the 2013 recipient of the GraceKennedy/Edna Manley Scholarship to the School of Music. His love for music began at the tender age of five. He harnessed this particular talent in the church and at school. Having completed his primary education, Makari was offered a space at the Wolmer's Trust School for Boys. While at Wolmer's, he was involved in the Cub Scout movement and represented his school in Barbados at the Cub Scout Cuboree. He was also involved in the Cadets, the Choir, the School Band and Interact Club. Makari also served as a Prefect.

While being involved in his school community, Makari still kept an eye on the books, as he completed 8 CXC/CSEC subjects and 6 Units of CAPE. Now at the Edna Manley College of the Visual and Performing Arts, he is pursuing a Bachelor's Degree in Jazz and Popular Music. He is also the leader of the Phuzzion Band.

Though very busy with school and musical engagements, Makari finds time to give back to his community and church. He engages youngsters in the Fletcher's Land community in an after-school assignment and music programme.

"I am very grateful. This scholarship is heaven sent, one that has lifted a major financial strain from my parents. It has enabled me to function with confidence knowing that my place in school is secure. I will work hard to keep my scholarship."



Brandeice Barrett - University of Technology Scholar



Brandeice Barrett describes herself as a proud country girl. She grew up in Dumfries, a small, rural community in the parish of St. James.

"I enjoyed growing up in a small, slow paced community because I had time to be a child and also gained an appreciation for my heritage, as many generations of my family were all in one place. However, due to the financial strain in most families, it was not often that people from my community finished high school or even went on to university, but I always dreamed of making my own path and never settling. Growing up in a working class family, which consisted of my mother and four other siblings, was not easy, but I was always happy. I was also a very introverted child, a book-worm, so to speak. School was my niche, or so I thought, and I felt the need to focus on that solely. During my primary school years my teachers encouraged me to join the Speech Choir, and I did that until high school. I grew to love music and so, whilst at high school, I started playing the saxophone and little by little I broke out of my cocoon. My mother worked

hard in ensuring that I had access to everything that I needed and I in turn worked to ensure that her sacrifices were not made in vain. I had a strong maternal figure in my life and she taught me so much. She was always giving to others in our community and she taught us that no matter how in need you think that you are, there is always someone that is in a far worse position so, always help those who you can. I learnt to be thankful and to never give up."

Brandeice now studies Chemical Engineering at The University of Technology, Jamaica. She is currently a member of ACHEMES - the Chemical Engineering Club. In the future she would like to become an Environmental Engineer. She would also like to be affiliated with the group Engineers Without Borders, and aid in the development of other countries, remembering and practising the teachings of her mother, "No matter how much you think that you are in need, there is always someone in a worse position."

"The UTech scholarship is the answer to a seven year long prayer. I took last year off to work so that I could save enough to continue my education but I was not able to save enough and only started back school this March. I came to school by faith this year and being the recipient of this year's scholarship makes me feel as if I am on the right track to fulfilling my purpose. I am now able to continue school without the tremendous stress of tuition fees. I am extremely grateful for this opportunity."

Graduates

Kerry-Lee Chintersingh

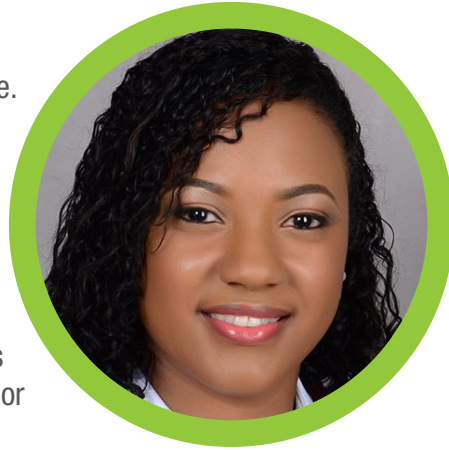
2013 UTech Valedictorian

Kerry-Lee's inspirational academic journey is one of determination and perseverance. She applied for the GraceKennedy UTech Scholarship three times and after receiving a bursary the first two years she was finally awarded the scholarship.

Kerry-Lee graduated with a Bachelor of Engineering degree in Chemical Engineering (Process) with 1st class honours. She was selected to be on the Dean's List and awarded the Most Outstanding Chemical Engineering Student for her four years at UTech. She received numerous awards in her final year including Perishable Chemicals Most Outstanding Chemical Engineering Graduate; Best Chemical Engineering Major Project; Jamaica Institute of Engineers (JIE) Most Outstanding Engineering Student.

Kerry-Lee's hard work, determination and commitment to excellence led to her being selected as the Valedictorian for the UTech Class of 2013. She received the highest GPA of the graduating Class at 3.75. She was the only graduate admitted to the President's Honour Roll for her outstanding academic performance.

In October 2013 she was hired as a Process Control Engineer Intern at Jamalco- Alcoa Minerals of Jamaica, and was made permanent and promoted to Process Control Engineer in December 2013.



Kerry-Lee giving her valedictorian speech.

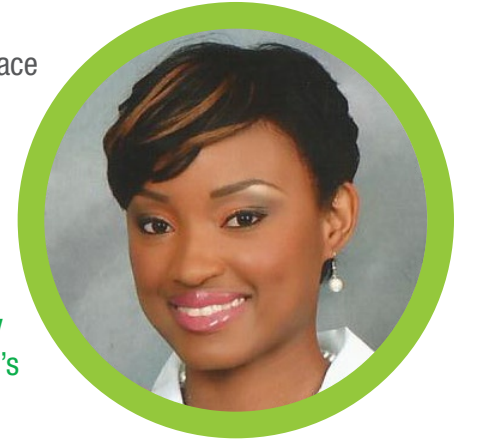
"I am eternally grateful to the GraceKennedy Foundation for awarding me this scholarship. Besides providing much needed financial assistance during my tenure at UTech, the scholarship allowed me to successfully complete my studies on time. It was a source of encouragement and motivation for me, a student coming from a low-income family. It also helped me to remain focused. Being a scholarship recipient also means that I can be a model and inspiration in society for others. I am so happy that there are Jamaican companies that still believe in investing in Jamaica's future through strengthening tertiary education."

Rocquel Brown - 2009 GraceKennedy UTech Scholar

Rocquel was awarded a Bachelor of Science degree in Computing. She majored in Information Technology with a Minor in Information Systems. She graduated with Lower Second Class Honours.

In May 2014 Rocquel was selected to be an intern at GraceKennedy working with Grace Foods Central and the Social Media Department.

"I feel very privileged to have received the financial support of the GraceKennedy Foundation in assisting me with my educational pursuit, a journey that might not have materialized if not for them. This allowed me the opportunity to focus my energy on excelling in school and not the financial hardship. I am incredibly honoured to not only be a GraceKennedy Foundation Scholarship recipient but also a GraceKennedy Limited Intern. Special thanks to Mrs. Mahfood and her Foundation team and UTech's Student Services."



Chantelle Grant – 2010/11 GraceKennedy Utech Scholar



Chantelle Grant has a special place at GraceKennedy. While attending Campion College, Chantelle was a member of the Grace & Staff Homework Programme. By the time she was selected as the GraceKennedy UTech Scholar, Chantelle was serving as a SAT tutor at the Homework Centre and continued assisting throughout her studies at UTech. Chantelle did extremely well academically graduating with a First Class Honours degree in Engineering. She majored in Electrical Engineering with a minor in Instrumentation and Control. Chantelle was selected to be on the Dean's List for the 2009/10, 2011/12 and 2012/13 academic years. She is currently employed at Grace Food Processors (Canning) as a Maintenance Technician.

"The scholarship eased the burden associated with tuition fees, especially as I did not qualify for a student loan. As the award exceeded the yearly fees, the additional amount was convenient to fund fees associated with books, transportation and daily expenses."

Kevin Williams – 2008 GraceKennedy Jamaica Scholar

Kevin graduated with a Bachelor of Medical Sciences degree in 2011 and then a Bachelor of Medicine and Bachelor of Surgery (MBBS) in 2013. Both degrees were completed with honours. In addition, he received honours in Obstetrics and Gynaecology in his final year examinations. During the course of his programme he received various awards including being placed on the Dean's List twice. Kevin just completed his internship at Cornwall Regional Hospital and intends to continue working there as a Senior House Officer with a focus on paediatrics.

"The scholarship was a gift from God himself. Not only did it provide me with a flexible source of funding that supported my academic pursuits, but it provided me with a family that I could turn to as well. Mrs. Mahfood attended all of my important functions during the course of my degree, even my oath ceremony. This speaks to a genuine interest in me as a person and not just as a financial investment on the part of GKF."



UWI Chairs - “Research and Innovation”

The S. Carlton Alexander Chair in Management Studies was introduced in 1990. The Company, in recognizing the importance of preserving the environment, introduced the James S. Moss-Solomon Chair in Environmental Management in 1992. The GraceKennedy Foundation funds the Chairs at a combined cost of J\$10 million annually.

On November 19, 2013, the GraceKennedy Foundation, along with the parent company made a combined donation of J\$1 million to the development of the P.E.T. Plastic Separation and Recovery Project. The Pilot Project was launched five years ago under the leadership of the first holder of the GraceKennedy Chair in Environmental Management, Prof. Elizabeth Thomas-Hope. Since then it has been implemented in Corporate Area schools. However, with this infusion of much needed capital, the project will now be rolled out to even more schools, as well as to GraceKennedy subsidiaries located in Kingston.

The GraceKennedy Group CEO, Don Wehby, made this announcement at the GraceKennedy Foundation Press Conference entitled, “Research and Innovation”, held to present reports from the current UWI Chairs, Prof. Ian Boxill who holds the S. Carlton Alexander Chair in Business Management, and Prof. Dale Webber who holds the James S. Moss-Solomon Sr. Chair in Environmental Management.

In giving his report for the year ending November 2013, Professor Boxill noted that it was a very active and fruitful one. During that time, the Centre for Tourism and Policy Research (CTPR) rolled out its PhD programme, continued to diversify sources of funding for activities, consolidated its current programmes and developed the Greater August Town Film Festival (GATFFEST), linking it to the Community Tourism Project.

Among several areas of progress, Boxill proudly noted that a publication from a 2011 seminar on cruise tourism in the Caribbean was now available to students, policy makers and academics who work in the field. Twenty-five young people from August Town received training in film and video

production and ‘got a taste in the limelight’ by showing their work at GATFFEST. Three of those young people received employment within the RJR Group and five were now interns working on documentaries for the UWI.

Prof. Webber had several successes to report as well. Among them was the sourcing of J\$30M for research for the Centre for Marine Sciences, and the Centre for Environmental Management. One project currently being done is the E.Pihl and Son A.S.Seagrass Rotation, which aims to replant sea grass in selected areas from Montego Bay to Discovery Bay as mitigation for the removal of seagrass during the construction of the Falmouth Cruise Ship Terminal.

The Centre for Environmental Management completed its Forest Conservation Fund project “Public Consultations on Defining the Boundaries of the Cockpit Country,” the main goal being to mitigate, manage and facilitate a public consultation process on defining the boundary of the Cockpit Country.

Don Wehby noted how impressed he was with the work being done by Professors Boxill and Webber. “We are not only happy with the significant progress that has been made in research and information in the areas of business and the environment through our Chairs, but we are even more impressed by the brilliant minds behind the initiatives implemented and the ground-breaking work being done,” he said.



- 1. Prof. Dale Webber,(centre) shows the GraceKenendy branded recycling containers: Looking on from left to right: Prof. E. Nigel Harris, Vice Chancellor, UWI; Don Wehby, Group CEO, GraceKennedy; Prof. Archibald McDonald, Principal, UWI Mona Campus; Cathrine Kennedy, Director, GKF; and Prof. Elsa Leo-Rhynie, Chair, GKF.
- 2. Don Wehby, Group CEO, GraceKennedy shares a light moment with Vice Chancellor Prof. Nigel Harris
- 3. Prof. Ian Boxill (centre left) makes a presentation to Don Wehby (centre right) as UWI and GKF executives look on.

Grants

- 1. FISH Clinic - \$270,000 Provision of desktop computers and laptops.
- 2. May Pen Primary - \$375,000 GSAT text books, a computer and printer for the school library.
- 3. Mona High School - \$300,000 Provision of computers and standing fans.
- 4. YPM Youth Centre - \$300,000 Stipend for a reading specialist and teaching materials such as text books and CDs.
- 5. African Martyrs of Uganda Orchestra - \$250,000 Stipend for tutors,funds to purchase and repair musical instruments for the orchestra.
- 6. African Martyrs of Uganda Early Childhood Institute - \$250,000 for playground equipment.
- 7. Teach Caribbean - \$300,000 Lunch for students from Mile Gully and May Day High who attended a 6-week remedial programme.
- 8. Choose Life International - \$420,000 Suicide Prevention NGO provided emotional assessments for Grade 7 students at Holy Trinity High School and Grade 7 students in the Grace & Staff Homework Programme.
- 9. Area 4 Police Civic Committee - \$300,000 Title sponsor of this event for the past 4 years. Back to school scholarships for high school students located in the Area 4 region.
- 10. Cumberland Basic School - \$200,000 for school furniture and equipment.
- 11. Survivors Unlimited - \$300,000 Honoraria for a 10-part lecture series (webinars) on issues of grief and violence affecting youth. Cost-effective training resource for professionals such as guidance counsellors and psychologists.

- 12. Jamaica Paralympic Association - \$330,000 Three desktop computers and a projector for the administrative office.
- 13. Campion College - \$300,000 Computer equipment for the school's new media centre.
- 14. Flemmings Basic School - \$188,000 – 3 computers and a printer for the school's computer literacy programme.

Environmental Grants:

- 1. Shortwood Foundation – Fencing for a garden for endangered plant species endemic to Jamaica at the Shortwood Teacher's College
- 2. Ena's Haven - \$500,000 – 20 students were taken on various excursions over the year to expose them to aspects of the environment such as river training, beach/coastal clean-up, protecting the mangroves, effects of global warming, the importance of recycling, the importance of forests, the importance of “critters” – hatching of turtles and viewing the coral reef.
- 3. UWI P.E.T. Recycling Project - \$600,000 + GK Ltd \$400,000 - total of \$1M towards expanding the recycling project in inner-city schools and GK companies.

- ▶

- 1. Ena's Haven Environmental programme for inner-city youth
 - 2. Shortwood Foundation
 - 3. Area Four Police Civic Committee Scholarship Awards Ceremony
 - 4. African Martyrs of Uganda Early Childhood Institute
 - 5. May Pen Primary





GraceKennedy Foundation Limited

Financial Statements
31 December 2013



Independent Auditors’ Report

To the Members of
GraceKennedy Foundation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of GraceKennedy Foundation Limited set out on pages 1 to 15, which comprise the statement of financial position as at 31 December 2013 and the statement of income and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Members of GraceKennedy Foundation Limited
Independent Auditors’ Report
Page 2

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of GraceKennedy Foundation Limited as at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

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.

Priscilla Helen Coopers
Chartered Accountants
8 July 2014
Kingston, Jamaica

GraceKennedy Foundation Limited

Income Statement

Year ended 31 December 2013

(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
	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2012 \$'000
Income								
Interest and dividends	10,679	11,376	6,248	2,723	2,102	5,618	38,746	42,972
Other	1,892	4,756	2,378	1,801	(745)	34,143	44,225	21,421
	12,571	16,132	8,626	4,524	1,357	39,761	82,971	64,393
Expenditure								
Impairment of equity securities	272	-	-	-	-	2,384	2,656	-
Annual lecture series	-	-	-	-	-	2,163	2,163	1,932
Grants	-	-	-	-	-	4,400	4,400	4,420
Printing and stationery	-	-	-	-	-	66	66	57
Auditors' remuneration	-	-	-	-	-	150	150	150
Directors' emoluments								
Fees	-	-	-	-	-	450	450	520
Expenses	-	-	-	-	-	250	250	270
Data processing fees	-	-	-	-	-	1,548	1,548	2,056
Bank charges	-	-	-	-	-	41	41	38
Staff costs	-	-	-	-	-	14,644	14,644	14,619
Other operating expenses	1,500	1,000	750	150	300	4,776	8,476	2,575
Scholarship and bursaries	7,384	3,600	-	1,998	-	3,200	16,182	13,718
University Chair	-	5,000	5,000	-	-	-	10,000	10,000
Environment projects	-	-	-	-	845	-	845	779
Motor vehicle and travel expenses	-	-	-	-	-	305	305	1,843
Public relations	-	-	-	-	-	354	354	459
Meetings and conferences	-	-	-	-	-	176	176	273
Fees - Registrar General	-	-	-	-	-	8	8	9
Membership fees	-	-	-	-	-	49	49	44
	9,156	9,600	5,750	2,148	1,145	34,964	62,763	53,762
Net Surplus	3,415	6,532	2,876	2,376	212	4,797	20,208	10,631
Accumulated surplus at the beginning of the year	89,668	107,128	26,950	22,579	21,832	3,696	271,853	261,222
ACCUMULATED SURPLUS	93,083	113,660	29,826	24,955	22,044	8,493	292,061	271,853

GraceKennedy Foundation Limited

Statement of Financial Position

31 December 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2013 \$'000	2012 \$'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	11	2
Investments	7	564,283	513,308
Current Assets			
Short term deposits		20,085	25,521
Accounts receivable		290	-
Taxation recoverable		7,296	7,415
Cash and cash equivalents	8	43,960	67,320
		71,631	100,256
Current Liabilities			
Accounts payable and accrued liabilities		2,023	1,933
Net Current Assets			
		69,608	98,323
		633,902	611,633
FINANCED BY			
Share Capital	4	-	-
Contribution Fund	9	32,988	32,988
Grace, Kennedy Scholarship Fund	10	250,272	232,408
S. Carlton Alexander Memorial Fund	11	217,142	210,194
James Moss-Solomon, Snr. Chair Fund	12	60,370	63,145
Bruce Rickards Fund	13	42,401	43,330
Luis Fred Kennedy Fund	14	21,439	21,915
General Fund		8,493	3,696
Fair Value Reserve	15	797	3,957
		633,902	611,633

Approved for issue by the Board of Directors on 8 July 2014 and signed on its behalf by:

Elsa Leo-Rhynie

Director

James Moss-Solomon

Director

Grace, Kennedy Foundation Limited

Statement of Cash Flows

Year ended 31 December 2013

(expressed in Jamaican dollars unless otherwise indicated)

	2013 \$'000	2012 \$'000
Cash Resources were Provided By/(Used In):		
Operating Activities		
Net surplus	20,208	10,631
Items not affecting cash:		
Depreciation	5	-
Gain on disposal of investments	(8,217)	-
Impairment of equity securities	2,656	-
Exchange gain on foreign balances	(9,325)	-
Interest and dividend income	(38,746)	(43,772)
	(33,419)	(33,141)
Changes in operating assets and liabilities:		
Accounts receivable	(290)	-
Accounts payable and accrued liabilities	90	1,017
	(33,619)	(32,124)
Withholding tax recovered	119	10,860
Cash used in operating activities	(33,500)	(21,264)
Investing Activities		
Proceeds from disposal of investments	5,419	89,188
Additions to investments	(43,122)	(49,929)
Acquisition of property, plant and equipment	(14)	-
Interest and dividends received	42,745	43,054
Cash provided by investing activities	5,028	82,313
(Decrease)/increase in cash and cash equivalents	(28,472)	61,049
Effect of changes in foreign exchange rates on cash and cash equivalents	5,112	-
Cash and cash equivalents at beginning of year	67,320	6,271
Cash and Cash Equivalents at End of The Year (Note 8)	43,960	67,320

GraceKennedy Foundation Limited

Notes to the Financial Statements
31 December 2013
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

- (a) 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.
- (b) As at 1 January 2010, the operations of GraceKennedy Foundation Limited and Luis Fred Kennedy Environmental Foundation Limited were consolidated into GraceKennedy Foundation Limited.
- (c) The consolidation of the entities is accounted for using the pooling of interest method, as business combinations involving entities under common control are outside the scope of IFRS 3. Under the pooling of interests method, the assets, liabilities and equity of the consolidated enterprises are recognised at their carrying amounts on the consolidation date and adjusted only as a result of conforming the combining enterprises' accounting policies and applying those policies to all periods presented.

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.

New and amended standards adopted by the company

The following standard has been adopted by the company for the first time for the financial year beginning on or after 1 January 2013 and does not have a material impact on the company.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

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 on or after 1 January 2014, 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:

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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 2015). 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 2015, 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.

(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 25%, which will write-off their cost over the period of estimated useful life.

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2. Summary of Significant Accounting Policies (Continued)

(d) Financial assets

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.

(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.

(f) Financial instruments

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 17.

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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 2012 and 31 December 2012	2	7	56	65
Additions	-	-	14	14
At 31 December 2013	2	7	70	79
Accumulated Depreciation -				
At 1 January 2012 and 31 December 2012	-	7	56	63
Charge for year	-	-	5	5
At 31 December 2013	-	7	61	68
Net Book Value -				
31 December 2013	2	-	9	11
31 December 2012	2	-	-	2

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7. Investments

Available-for-Sale Securities	2013 \$'000	2012 \$'000
Government of Jamaica –		
2019 – 8.5% (2016 – 12.65%)	79,351	85,011
2020 – 7.675% (2017 – 11.75%)	7,000	7,000
2024 – 11% (2019 – 12.75%)	75,051	84,573
2030 – 11.875% (2024 – 12.875%)	38,746	42,886
2035 – 7.75% (2027 – 11.75%)	18,500	18,500
2035 – 7.75 % (2032 – 11.75%)	11,000	11,000
	<u>229,648</u>	<u>248,970</u>
US\$ Local Bond:		
2020 – 5.75% (2013 – 6.75%)	1,639	1,428
2014 – 7.0%	1,643	1,430
2019 – 8.0%	28,036	24,486
	<u>31,318</u>	<u>27,344</u>
	260,966	276,314
Interest Receivable	<u>5,665</u>	<u>9,996</u>
	266,631	286,310
US\$ Sagicor Group Bond		
2016 – 7.5%	35,774	-
Interest Receivable	<u>333</u>	<u>-</u>
	36,107	-
	<u>302,738</u>	<u>286,310</u>
Quoted, ordinary stocks –		
GraceKennedy Limited, at market value	254,187	226,998
Carreras Limited	3,700	-
Scotia Group Jamaica Limited	3,658	-
	<u>261,545</u>	<u>226,998</u>
	<u>564,283</u>	<u>513,308</u>

8. Cash and Cash Equivalents

	2013 \$'000	2012 \$'000
Cash	5,381	12,894
Deposits	<u>38,579</u>	<u>54,426</u>
	<u>43,960</u>	<u>67,320</u>

Included in deposits is interest receivable of Nil (2012 - \$3,000).

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9. Contribution Fund

	2013 \$'000	2012 \$'000
Contribution Fund – GraceKennedy Limited	28,988	28,988
Contribution Fund - Luis Fred Kennedy	<u>4,000</u>	<u>4,000</u>
Fund balance at start and end of year	<u>32,988</u>	<u>32,988</u>

10. 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.

	2013 \$'000	2012 \$'000
Original grant received	350	350
Accumulated surplus	93,083	89,668
Fair value reserve –		
Brought forward	142,390	180,540
Movement	<u>14,449</u>	<u>(38,150)</u>
	156,839	142,390
Total fund	<u>250,272</u>	<u>232,408</u>

11. 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.

	2013 \$'000	2012 \$'000
Primary grants received	10,557	10,557
Accumulated surplus	113,660	107,128
Fair value reserve –		
Brought forward	92,509	122,935
Movement	<u>416</u>	<u>(30,426)</u>
	92,925	92,509
Total fund	<u>217,142</u>	<u>210,194</u>

11. S. Carlton Alexander Memorial Fund (Continued)

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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.

12. 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.

	2013 \$'000	2012 \$'000
Primary grants received	30,633	30,633
Accumulated surplus	29,826	26,950
Fair value reserve		
Brought forward	5,562	10,608
Movement	(5,651)	(5,046)
	(89)	5,562
Total fund	60,370	63,145

13. 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.

	2013 \$'000	2012 \$'000
Primary grant received	18,000	18,000
Accumulated surplus	24,955	22,579
Fair value reserve		
Brought forward	2,751	5,082
Movement	(3,305)	(2,331)
	(554)	2,751
Total fund	42,401	43,330

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14. 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.

	2013 \$'000	2012 \$'000
Accumulated surplus	22,044	21,832
Fair value reserve		
Brought forward	83	4,406
Movement	(688)	(4,323)
	(605)	83
Total fund	21,439	21,915

15. 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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16. 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, interest rate and other price 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.

(i) Investments

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 does 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.

Maximum exposure to credit risk

	2013 \$'000	2012 \$'000
Credit risk exposures are as follows:		
Government of Jamaica securities available-for-sale	266,631	286,310
Corporate securities available-for-sale	36,107	-
Certificate of deposits and repurchase agreements	20,085	25,521
Cash and cash equivalents	43,960	67,320
	366,783	379,151

The above table represents the worse case scenario of credit risk exposure to the Foundation at 31 December 2013 and 2012.

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16. Financial Risk Management (Continued)

(a) Credit risk (continued)

(ii) Debt securities

The following table summarises the Foundation's credit exposure for debt securities at their carrying amounts, as categorised by issuer:

	2013 \$'000	2012 \$'000
Government of Jamaica	266,631	286,310
Corporate	100,152	92,841
	366,783	379,151

(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.

(c) Market risk

The Foundation takes on exposure to market risks, which is the risk that the fair value or 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 or 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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16. Financial Risk Management (Continued)

(c) Market risk

(ii) Interest rate risk

Interest rate risk is the risk that the value or 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:

	2013	2012
	%	%
Investments -		
Government of Jamaica Securities	9.42	12.05

17. 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:

- (a) 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.
- (b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- (c) 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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17. Fair Value of Financial Instruments (Continued)

The following table presents the Foundation assets and liabilities that are measure at fair value at 31 December 2013. 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 and liabilities that are measured at fair value at 31 December 2013.

	Level 1 \$’000	Level 2 \$’000	Level 3 \$’000	Total balance \$’000
	2013			
Assets				
Available-for-sale financial assets-				
Equity securities	261,545	-	-	261,545
Debt investments	-	296,740	-	296,740
	261,545	296,740	-	558,285
	2012			
Assets				
Available-for-sale financial assets-				
Equity securities	226,998	-	-	226,988
Debt investments	-	276,314	-	276,314
	226,998	276,314	-	503,302

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

The fair value of financial instruments that are not traded in an active market (for example, Government of Jamaica debt securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

