



ANNUAL REPORT | 14

Success Through Collaboration....



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Mission

GraceKennedy Foundation actively promotes well-being, 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 Ltd

Prof. Gordon Shirley



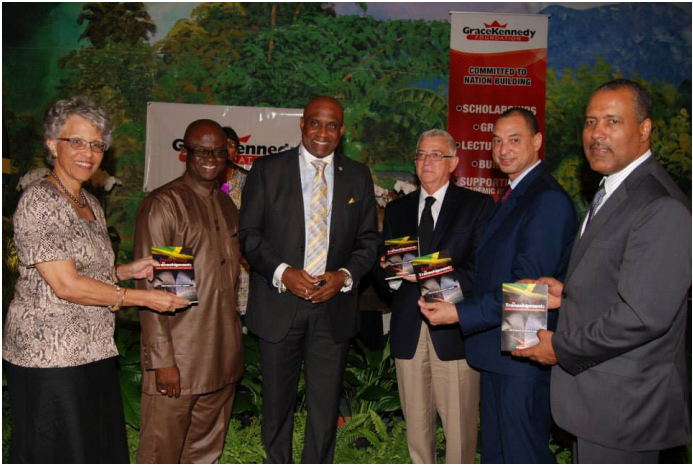
This year’s annual report centres around ‘partnerships’. This, I believe, is very fitting as over the years the GraceKennedy Foundation has successfully established and fostered strong ties with a number of local and international organizations so as to have a significant impact on the groups and individuals that it assists.

I am particularly pleased with the strong relationships that the Foundation has forged with a number of tertiary institutions. Each year we see many bright, talented young people benefiting from scholarships and bursaries, eventually becoming outstanding graduates that contribute to national development. The partnership with The University of the West Indies includes the funding of the James Moss-Solomon Sr. Chair in Environmental Management and the S. Carlton Alexander Chair in Management, which continues to redound to the benefit of the region in developing knowledge capacity in the critical areas of the environment and business.

The annual lecture series serves as another good example of how the Foundation partners with

esteemed academics and experts in the field to present topics that are critical to the development of the country. I want to take this opportunity to applaud Drs. Fritz Pinnock and Ibrahim Ajagunna for presenting an outstanding lecture entitled, “From Piracy to Transshipment: Jamaica’s Journey to becoming a Global Logistics Hub” in which they highlighted the opportunities and challenges of establishing a logistics hub, an initiative that can have a transformative impact on the economy of Jamaica.

On behalf of GraceKennedy, I want to give my sincere thanks and congratulations to the Board and staff of the Foundation for their invaluable contribution to nation building and sustainable development. We are very proud of your commitment to the people of Jamaica and pledge to continue to support you in your endeavours.



From L-R: Prof. Elsa Leo-Rhynie, Chair, GraceKennedy Foundation; Dr. Ibrahim Ajagunna and Dr. Fritz Pinnock, authors of the 2014 Lecture book; The Hon. Rev Ronald Thwaites, Minister of Education; Mr. Don Wehby, Group CEO, GraceKennedy Ltd. and Prof. Gordon Shirley, Chairman, GraceKennedy Ltd.

From L-R: 2014 GraceKennedy Scholars Japheth Clarke, Nicolene Reece, Taj-Marie McFarlane and Je-Vaughn Wynter



Message from the CEO, GraceKennedy Ltd, Don Wehby



I am so very proud of the GraceKennedy Foundation's achievements during 2014. All programmes were successfully executed and as a result, the lives of thousands of Jamaicans across the island were positively impacted.

I am extremely pleased with the initiatives that were implemented throughout the year. These include the reestablishment of the GraceKennedy Jamaican Birthright Programme which reconnects first and second generation Jamaican in the Diaspora with their Jamaican roots, the introduction of a bursary programme at the Caribbean Maritime Institute, the rollout of an environmental stewardship programme across GraceKennedy subsidiaries located in Kingston and a renewed focus on staff engagement.

All of these programmes were successful due in large part to meaningful partnerships with the persons in the non-profit sector, tertiary institutions, grassroots organizations, government agencies and local communities across Jamaica.

I heartily commend and congratulate Prof. Elsa Leo-Rhynie and the Board of Directors for recognising that to have the greatest impact we have to forge and maintain strong relationships with a variety of entities. Executive Director of the Foundation, Mrs Caroline Mahfood, and her team must also be lauded for the work they have done and continue to do, working with the various stakeholders to ensure that we make a lasting difference.



Carlton Alexander Bursary recipients (can we name them?) converse with GraceKennedy's Group CEO, Don Wehby



Message from the Chair, GraceKennedy Foundation

Elsa Leo-Rhynie



Serving as the Chair of the GraceKennedy Foundation continues to be a very fulfilling role for me, along with all the Directors, as I am able to see lives transformed as a result of our programmes. It has been encouraging to be able to make a difference both on the educational and environmental fronts through our partnerships with a wide range of organizations and individuals.

The 2014 GraceKennedy lecture **From Piracy to Transshipment: Jamaica's Journey to Becoming a Global Logistics Hub** had two authors: Dr. Fritz Pinnock and Dr. Ibrahim Ajagunna. They provided the usual large audience on March 10, 2014 with a clear, informative and analytical discourse on the various issues involved in establishing Kingston as a logistics hub in the twenty first century. For the first time, the lecture was streamed live to a Caribbean audience.

In 2014 we awarded 19 community support grants valued at \$4.3 million. The organizations that benefited included a number of primary & special education schools, community organizations, among others. These organizations were located in both rural and urban communities across Jamaica. On a number of the projects the staff of GraceKennedy joined us in our efforts. This made a tremendous difference to the overall outcome of the projects and helped to foster a spirit of volunteerism among the staff.

The Directors are extremely pleased with the work of the two Chairs that we fund at The University of the West Indies. Professor Boxill's community film project has expanded from the community

of August Town to other communities across the island. To date, over 100 persons have been trained and this will expand further in 2015. We have also had the privilege of working closely with Professor Dale Webber who has personally trained hundreds of GraceKennedy staff on the importance of recycling and environmental stewardship. This has brought about significant behavioural change in the staff both at work and in their communities. I would like to use this medium to congratulate Professors Ian Boxill and Dale Webber for their passion and leadership within their fields of expertise.

Congratulations are also extended to Foundation Director, Mr James Moss-Solomon, who serves as the GraceKennedy Executive-in-Residence at the Mona School of Business and Management, a post funded by the Foundation. He has brought a tremendous amount of experience, business acumen and mentorship to the students at that institution. It has been a very worthwhile and productive partnership.

On behalf of the Board of Directors, I would like to thank Mrs. Caroline Mahfood, Executive Director, and the staff of the Foundation for going the extra mile to ensure that all of our programmes were executed efficiently and within budget. The Foundation continues to set an outstanding example of philanthropy for other corporate entities to emulate. We remain dedicated to developing initiatives that are sustainable and will remain impactful in the years to come.

\$4.3 million
Community Grants



Grant Handover Ceremony at May Pen Primary School



Caroline Mahfood, Executive Director of GraceKennedy Foundation shares the lens with the staff and children during a Grant Handover Ceremony at Sophie's Place

Directors

**PROF. ELSA
LEO-RHYNIE**
Director



**PROF. ELIZABETH
THOMAS-HOPE**
Director



**JAMES
MOSS-SOLOMON**
Director



**HILARY
WEHBY**
Director



**RADLEY
REID**
Director



**CATHRINE
KENNEDY**
Director



**NOEL
GREENLAND**
Director



**FAY
MCINTOSH**
Director



**FRED
KENNEDY**
Director



**PHILIP
ALEXANDER**
Director



**CAROLINE
MAHFOOD**
Executive Director/Secretary



Annual Lecture 2014

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.

The urgency of taking decisions to establish Jamaica’s logistics hub was compellingly laid out by Dr Fitz Pinnock, Executive Director of the Caribbean Maritime Institute (CMI) as he delivered the 2014 GraceKennedy Foundation Lecture on March 11, 2014. “Time is not on our side,” Dr Pinnock repeatedly told an audience of Government officials, members of the diplomatic corps, private sector, civil society, maritime interests, environment advocates and students, who packed the Pegasus Hotel ballroom.

The lecture entitled, **“From Piracy to Transshipment: Jamaica’s Journey to Becoming a Global Logistics Hub”** was prepared by Dr Pinnock and Dr Ibrahim Ajagunna, both Fellows of the Chartered Institute of Logistics and Transport in the United Kingdom. The authors reviewed the history of logistics starting from the early days when Port Royal was the mercantile hub of the Caribbean to the development of transshipment in the Caribbean as well as the impact of cruise shipping as a major sub-sector of the tourism industry and then laid out the opportunities and challenges of establishing a logistics hub. While Dr Pinnock shared the highlights of their research and findings with the audience, both men participated in the subsequent question and answer segment. Noting that the Caribbean remains isolated and disconnected from the global shipping and logistics supply chain, Dr Pinnock said the logistics hub initiative is the vehicle through which Jamaica will seek to engage the global network.

The former GraceKennedy executive, who gave an animated and at times humorous lecture, warned that if the Caribbean shipping industry is to remain relevant, ports like those in Jamaica would have to reinvent themselves. “The traditional roles of receiving, storing and delivering cargo are no longer sufficient to maintain a competitive advantage,” he declared.

The lecture was presented to the largest audience to date and was streamed live to an international audience via YouTube. Copies of the lecture book can be downloaded from the GraceKennedy website and the lecture can be viewed on our YouTube Channel at GraceKennedy Cares.



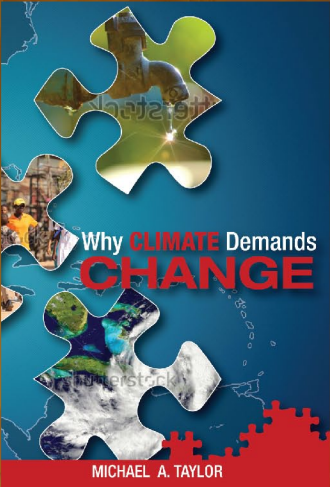
Dr Ibrahim Ajagunna (seated at left) and Dr Fritz Pinnock (seated 2nd left) sign copies of the lecture book at the 2014 Lecture



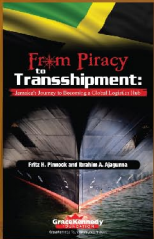
Don Wehby, Group CEO of GraceKennedy makes a presentation to Dr Fritz Pinnock.

PUBLICATIONS

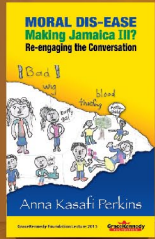
2015, Prof. Michael A. Taylor
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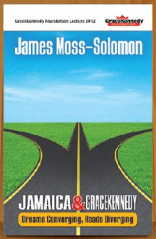
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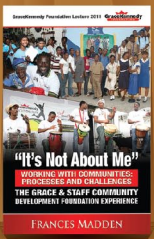
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Re-engaging the conversation on Morality



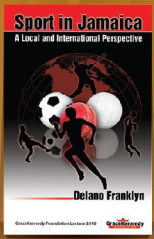
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Jamaica and GraceKennedy:
Dreams Converging, Roads Diverging



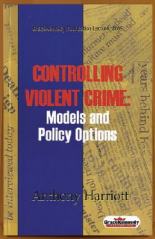
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Processes and Challenges



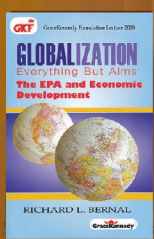
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A Local and International Perspective



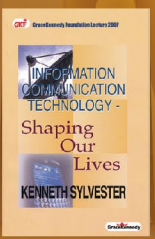
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Models & Policy Options



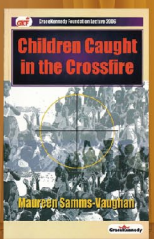
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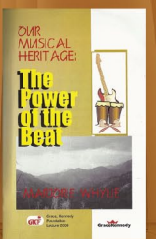
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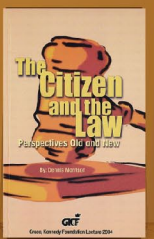
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Children Caught in the Cross Fire



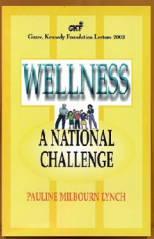
2005, Marjorie Whyllie
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The Power of the Beat



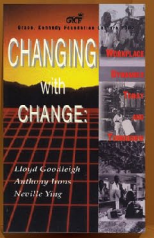
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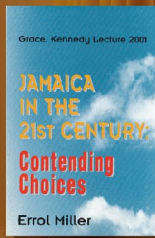
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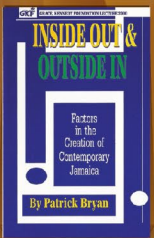
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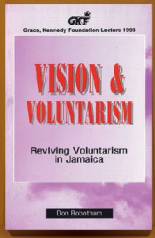
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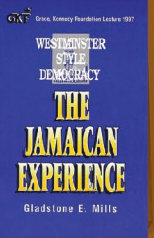
1999, Barry Chevannes
What We Sow and What We Reap:
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The Jamaican Experience



UWI Chairs

Partnerships for Research, Innovation and Development

The tremendous work being done by holders of GraceKennedy Chairs – Professors Ian Boxill and Dale Webber – was highlighted at a press conference hosted by the GraceKennedy Foundation and the Office of the Vice Chancellor entitled “Partnerships for Research, Innovation and Development.”

In updating those present, Prof Boxill, who is the holder of the S. Carlton Alexander Chair in Management Studies, spoke to the growth of his Centre for Tourism and Policy Research (CTPR). He highlighted the community film project, which started in August Town in 2012. The programme started with just 20 students and by the end of 2014 had trained over 100 young people across the island in film production. GraceKennedy Group CEO, Don Wehby, referred to the CTPR’s project as “a great prototype for the community film industry in Jamaica, which can be the catalyst for a vibrant model for the Jamaican film product within the next few years.”

Professor Webber, the James Moss-Solomon Snr Chair in Environmental Management, was lauded for his work with the UWI Plastic Bottle Separation Project. He was also commended for his work with the Recycle Jamaica Initiative, a partnership between the government and seven private sector companies, whose mandate is to establish a plastic bottle recycling programme island-wide over the next three years. Mr Wehby reinforced the company’s support for the Plastic Bottle

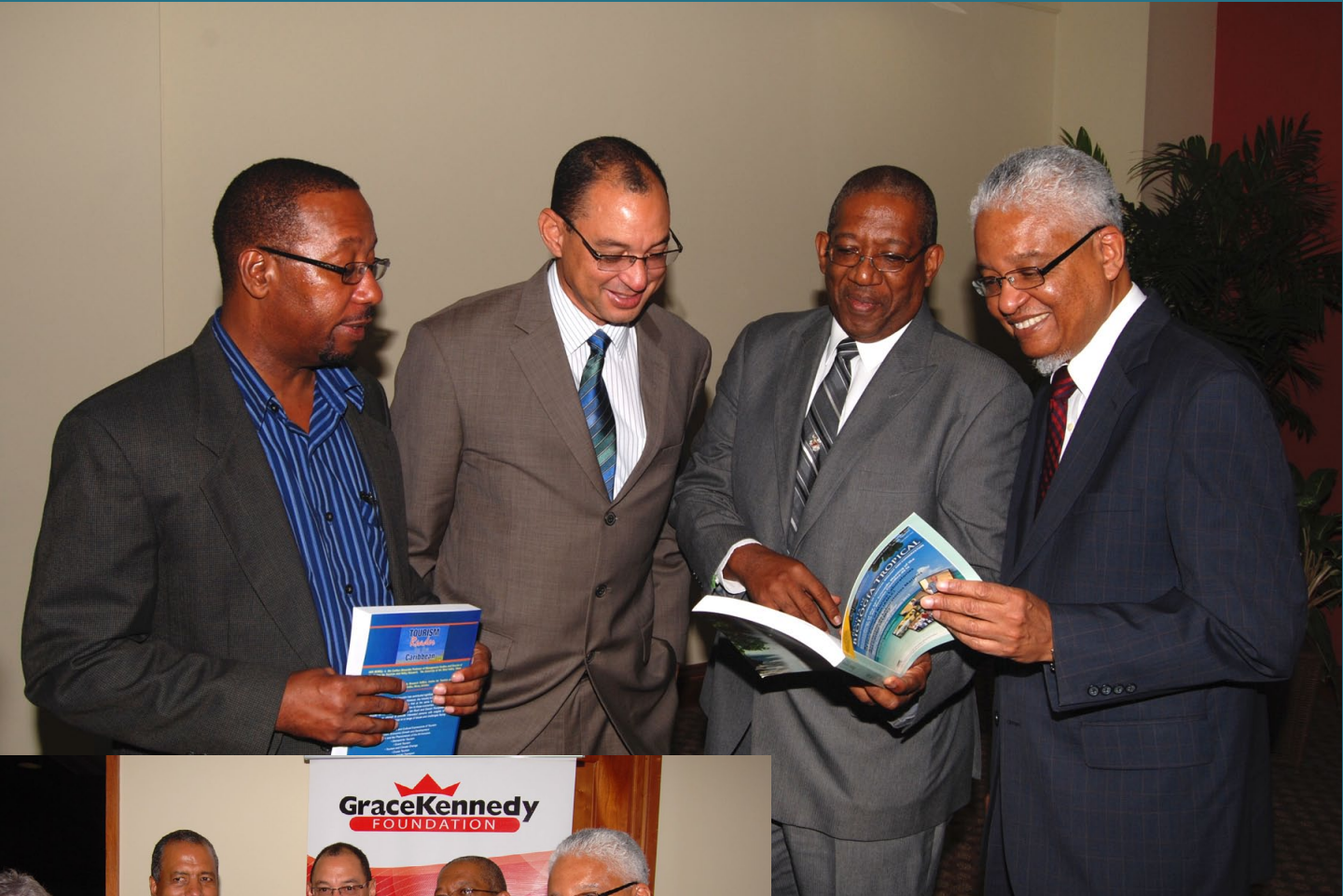
Separation Project, by announcing a donation of J\$1M to the furtherance of the programme. Six hundred thousand of that amount was donated by the Foundation, with the remainder coming from GraceKennedy Limited.

**100** PERSONS

Community Film Project

Prof. Elsa Leo-Rhynie, in her remarks stated “Our investment in the UWI Chairs over the past 25 years has yielded immeasurable returns. It has facilitated the training of a number of professionals in areas crucial to the region’s development. Professors Dale Webber and Ian Boxill have exhibited great passion, energy and leadership in their respective fields. Both have successfully developed and fostered partnerships both locally and internationally in the areas of research, innovation and development. They have made the GraceKennedy Foundation very proud.”

L-R: Professor Ian Boxill, S Carlton Alexander Chair in Management; Don Wehby, GraceKennedy Group CEO; Professor Dale Webber, James Moss-Solomon Snr Chair in Environmental Management; and Professor E. Nigel Harris, Vice Chancellor, UWI, glance through the textbook 'Revista de Biologia Tropical', edited by Prof. Dale Webber .



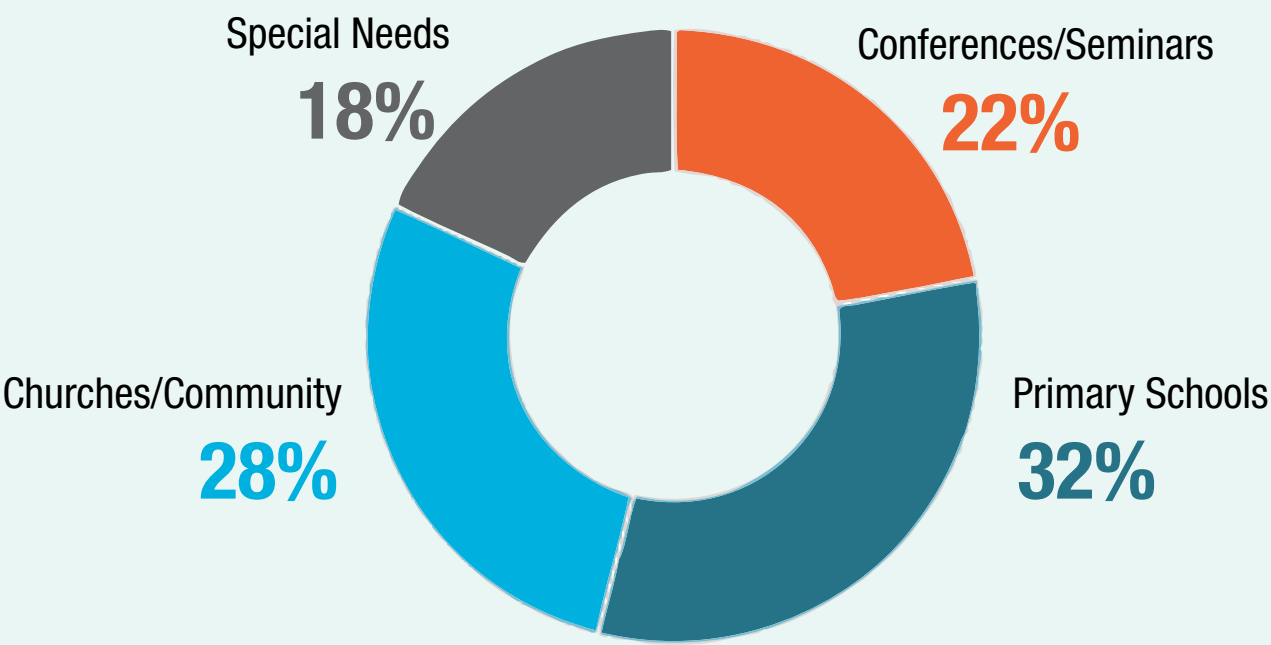
Prof. Dale Webber (2nd right) is presented with a cheque for the UWI Plastic Bottle Separation project by GraceKennedy’s Chairman Prof. Gordon Shirley (2nd left). Looking on are Prof. Elsa Leo-Rhynie (left), Don Wehby (center); and Prof. E. Nigel Harris.

Grants

The Foundation awarded grants to a variety of organizations located across the island. They ranged from primary schools, special needs schools, community organizations to youth-related conferences and workshops. Overall the grants impacted over 36,000 persons, many at the grassroots level where access to funding is very limited.

“What we have done for ourselves alone dies with us; what we have done for others and the world remains and is immortal.” **Albert Pike**

GRANT BREAKDOWN



GRANTS APPROVED

Name of Institution	Type of Grant
May Pen Primary	To refurbish the Guidance Counselling Unit. The unit caters to over 2,500 students attending the school as well as to neighbouring schools located in May Pen.
Mona Heights Primary	Retrofitted containers for a new grade1 classroom
Coffee Piece Primary and Infant Primary School	Computers and printers for the teachers and administrative staff
Roots 96.1 FM (Mustard Seed Communities)	Equipment for the community radio station's broadcasts
Sophie's Place (Mustard Seed Communities)	To refurbish the kitchen which caters to special needs children residing at the institution and the basic school located on the property
Sickle Cell Trust Jamaica	Funding to print educational brochures on the prevention of Sickle Cell Anaemia
Caribbean Child Research Conference	Funding to cover the cost of a sign language interpreter, videographer and photographer for the annual conference.
Centre for Tourism and Policy Research	Film equipment for the Greater August Town Community Film Project
KATALYXT Limited	IT equipment /Live streaming for a Youth Entrepreneurial Conference.
Maverley Gospel Hall Counselling Centre	Sound equipment for the Church's outreach programmes
Genesis Academy	Barbering equipment for a skills training programme at this special needs school
South Camp Juvenile Correctional Centre	To refurbish the institution's library inclusive of a computer. Teenage girls before the Courts are housed at this Centre.
Woodford Community Action Group	Concrete garbage disposal site for the community
Montego Bay Learning Centre	Fencing for a garden and gardening tools and equipment
Jones Town Primary	3 computers for the school's computer lab.
Flemmings Basic School	Playground Equipment
Stony Hill Infant Primary & Junior High	3 computers and a printer for the administrative office
Area Four Police Civic Committee	Scholarships for high school students
Jamaica Teaching Council	Teacher training workshops
The Step Centre	Computer Equipment for the administrative office
Living Water Programme	Photocopier for the after-school homework programme

Coffee Piece Primary & Infant School

Chairman: Bridget Daley- Dixon
Principal: Arthnel Palmer
Telephone: 404-5893

Coffee Piece P.A.
Clarendon
Email: coffeepiece.primary.cla@moey.gov.jm

Mrs. Caroline Mahfood
Executive Director
GraceKennedy Foundation
Harbour Street
Kingston.

Dear Mrs Mahfood,
We note your email requesting information on the difference your Foundation's grant has made on our institution during 2014. The school was the beneficiary of:

- 1 XTECH Desktop computer
- 1 Lenovo laptop
- 1HP DeskJet Ink Advantage 3515 Printer
- 1 Hp LaserJet P1102W Printer

These acquisitions have made a tremendous impact to our teaching/learning experience. Prior to receiving this grant, the school had no computers and a very defective and dated printer which most times malfunctioned. Upon assuming the leadership of the school I decided to approach GraceKennedy Foundation as I had previous experience that they are quite philanthropic when it comes to education. Our request was successful and the difference made is tremendous. These are the benefits and the value added that your Grant has brought to our school:

- Better records management
- Easy access to data on student achievement and performance that inform our planning
- The provision of more learning hands on material for students especially the needy ones.
- Increased evaluation/testing on an ongoing basis of our students.

The results in our external examinations give proof to the tremendous impact of these tools which are used extensively. Teachers always express the sentiments that GraceKennedy is a blessed company because of how your investment has contributed greatly to our national performance.

In the 2014 Grade Four Literacy Test (GFLT) we achieved a Literacy rate of 82% up from 47%.
In the 2014 Grade Four Numeracy Test we achieved mastery of 57% up from 32%.

The 2014 GSAT results were gratifying. For the first time Coffee Piece Primary achieved scores that surpassed the National Averages. This enabled us to place number 21 out of 112 primary schools in Clarendon. (Source: Gleaner 2014 GSAT Ranking). We want to say thanks to your Foundation and pledge to build on the platform set. This was achieved greatly in part because of the investment of GraceKennedy Foundation in the education of young minds. We hope the Foundation will continue to grow from strength to strength as it continues its sterling work in nation- building.

Yours truly,
Arthnel Palmer
(Principal)



We have new computers! Mrs Erica Fagan and Mrs Caroline Mahfood, GraceKennedy Foundation, looks on with Mr Arnold Palmer, and Member of Parliament, Mr Richard Azan, and students from Coffee Piece Primary.

Flemming's Basic School

Blacksmith Lane
Seaforth P.O.
St. Thomas
982-4548

Marjorie Godfrey
Administrative Assistant
Executive Director's Office
Grace Kennedy Foundation
June 2, 2015

Dear Sirs,
We must thank you again for all that you have done for the Flemming's Basic School Family. Our school has greatly benefited from the computers as well as the play equipment.

Our children are now exposed to computers and are able to identify the purpose of the computers. Also because we now have the internet connection, teachers can do research, present power point and slide shows to enhance their lessons as they teach. School documents can be done in the convenience of our computer lab which we didn't have before. Plus how could I forget to mention the printer and copier machine, we now do our own printing and copying of our students' activities, assessment papers as well as other school records. Without the Grace Kennedy Foundation this would not be possible and we must say thank you again.

The play equipment was your largest and most talked about donation in the community; because of this the children have something to do when they are outside during lunch and snack time. They have learnt how to socialize with their school friends they have learnt how to share, take turns and just enjoy being outdoors. The play equipment has also have an impact on our enrollment so far we have seen new parent enquiring about the procedure of registering their child/ children. And we have a few who we registered in January. We are forever grateful for what you have done for our school and we will always keep you in our hearts. You have given our school a much needed face lift; our school yard now looks child friendly and inviting.

Regards
Kayann Donald-Graham
Principal of the Flemming's Basic School



Caroline Mahfood cuts the ribbon. Looking on are Marjorie Godfrey, Administrative Assistant, GraceKennedy Foundation; and Mrs Donald-Graham, Principal, Flemmings Basic School .



Grant Handover at Flemmings Basic School. The students were gifted with well needed playground equipment.

Environment Matters!

Part of the mandate of the GraceKennedy Foundation is to advance environmental awareness and stewardship. One way that this has been accomplished is through the work of the James Moss-Solomon Snr Chair in Environmental Management (JMS Snr) at The University of the West Indies. Over the past 23 years, the Chair has been integral in facilitating research in a number of critical areas with some of the most outstanding environmental experts across the region.

Another way that the Foundation has advanced environmental issues is through the Luis Fred Kennedy Fund (LFK Fund). Although it is a small endowment, the Board has been strategic in the projects that have been funded to ensure the greatest impact. In 2014, the Foundation in partnership with Grace Foods, sponsored the launch of the book **“Environmental Management in the Caribbean: Policy and Practice”** which was edited by Foundation Director and former JMS Snr. Chair, Prof. Elizabeth Thomas-Hope.

In addition, the Foundation partnered with GraceKennedy Ltd to contribute one million dollars annually for the past two years to the UWI Centre for Environmental Management for its Plastic Bottle Separation Project. Prof. Dale Webber, the current JMS Snr Chair, who heads the Centre, agreed to use some of the funding to train GraceKennedy staff on the importance of environmental stewardship.

In January, training began with specially selected Environmental Ambassadors from each of the participating companies. Their primary role is to encourage their fellow employees to recycle their plastics; to educate them on the benefits

of protecting the environment and to monitor the collection process. The ambassadors have done an outstanding job, they are passionate and committed to the cause and as a result the response of the staff has been extremely positive.

At the end of 2014, Allied Insurance Brokers (AIB) was awarded ‘Top Performer’ for collecting the most plastic bottles in the recycling programme. The AIB staff, led by Environmental Ambassador, Everton Foster, collects approximately 300lb of plastic bottles weekly.

Special thanks to Prof. Dale Webber who worked tirelessly on this project. Prof. Webber’s presentation is so engaging and transformative that we decided to record it and post it on YouTube so the wider public can have access to it.

Congratulations to our staff who continue to make a difference one plastic bottle at a time!



300lb
PLASTIC BOTTLES
WEEKLY



GraceKennedy subsidiaries that were trained in 2014:

- Dairy Industries Jamaica Limited
- Grace Food Processors Canning
- Allied Insurance Brokers Limited
- Grace Foods and Services Company
- Hardware & Lumber Limited
- GK Corporate
- GK Financial Group Limited

To view Prof. Webbers training video visit our YouTube page at <https://www.youtube.com/user/GraceKennedyCares>

Benefits of Presentation on Recycling



Vivette Gooden (Dairy Industries): Since Prof. Webber’s presentation at Dairy Industries in July, I am careful about reusing plastic water bottles. I now bring in my bottles from home for recycling and I no longer heat food in Styrofoam containers.

Orett Virgo (H&L): I have always wanted an easy and convenient method to dispose of my plastics. The opportunity presented itself when H&L was included in the recycling project. Since its introduction, I have been bagging my plastics from home and taking them to the recycling bin at work.



Everton Foster (AIB): Having participated in the presentation by Professor Webber, I am more aware of the grading of plastic containers and almost involuntarily examine every plastic container I encounter and now make a more informed choice of how I use each. I apply the 3 Rs principle to my everyday life so that if an item can be reused I gladly do so even as I informally stage my own “protest” to the excessive use of plastic bags when I go shopping. I also aggressively seeking ways to get the message across to persons I encounter on ways to mitigate against “abuse” of our environment. The experience has been awesome, to put it mildly.



GraceKennedy Foundation director, Professor Elizabeth Thomas-Hope (right) signs a copy of the book **Environmental Management in the Caribbean: Policy and Practice** at the launch at the UWI Regional Headquarters on September 25, 2014.



Professor Elizabeth Thomas-Hope provides an overview of the book **Environmental Management in the Caribbean: Policy and Practice** at the launch on September 25, 2014 which was held at the UWI Regional Headquarters.



Prof. Dale Webber, shows the recycling bin that is sponsored by the GraceKennedy Foundation during his training session with GraceKennedy staff.



Caroline Mahfood presents Everton Foster, AIB's Environmental Ambassador, with the 'Top Performer' plaque for 2014 for the SBU that collected the most plastic bottles.

Staff Engagement

Partners for Change!

In 2014 the Foundation focused on engaging GraceKennedy staff in a number of its activities. Numerous studies have shown that an engaged workforce is important to a company’s well-being and profitability. It has also been shown to lead to the improved physical and emotional health of employees who volunteer. We were therefore pleased to have staff members partner with the Foundation on a number of projects and as a result we were able to have an even greater impact.

Obsolete phones donated for a special needs recycling project

GraceKennedy staff members donated over 200 defunct cell phones and chargers for the S.T.E.P. Centre’s phone recycling drive which is an initiative of one of our partners, the Digicel Foundation.



Obsolete phones that were donated by GraceKennedy Staff

Books for teens who are incarcerated

GraceKennedy staff also rallied and donated over 250 books for the South Camp Juvenile Correctional Centre which houses teenage girls who are before the Courts. The Centre’s library was refurbished on Labour Day through funds provided by the GraceKennedy Foundation and the hard work of the members of the Kiwanis Club of Constant Spring. Thanks to the donation, we were able to use some of the funds originally earmarked for books to purchase a computer for the library.



The Library officially open!: Sandra O’Meally, Commissioner of Corrections; Caroline Mahfood, GK Foundation; Shelly McFarlane, President of Kiwanis Club of Constant Spring cut the ribbon while Ralston Nunes, Lieutenant Governor of Kiwanis Club of Constant Spring looks on.



Cleaning up the environment one plastic bottle at a time!

Beach Clean Up Activities - Putting what we learn into practice!

Members of staff of Grace Foods and GraceKennedy's Corporate Office participated in the beach clean-up activities on International Coastal Clean-up Day. GraceKennedy Financial Group also had a team and together, approximately 100 employees came out to clean up our beaches.

Over the year, the GraceKennedy Foundation trained hundreds of employees on the importance of becoming environmental stewards. Congratulations to the members of the GraceKennedy team who have been doing a great job in 'separating their plastic bottles at source.'



Scholarships

In 2014 the GraceKennedy Foundation awarded seven full scholarships and over 30 bursaries to students attending university valued at \$14 million.

Meet our 2014/15 scholarship winners:



Mikhail Thompson
BSc. Mechanical Engineering (1st year)
GraceKennedy Jamaica Scholar
Former Student of Campion College

“I chose Mechanical Engineering as my field of study because I believe engineering, specifically in manufacturing and production, is a key area as we move towards establishing a global logistics hub. I am very thankful for being awarded the GraceKennedy Foundation Jamaica Scholarship as it shows that my hard work has paid off and that great things are expected from me. I will do my best to live up to those expectations.”



Nicolene Reece
BSc. Chemical Engineering (1st year)
University of Technology Scholar
Former student of St. Andrew High School for Girls

“I have always loved Chemistry and during my high school years, I developed a passion for the Sciences. This scholarship has helped me greatly. I am now able to access tertiary level education that was previously only a distant dream. It has allowed me to further my studies and be happy pursuing a career that I love.”



Japheth Clarke
BSc. Actuarial Science, UWI (1st Year)
Carlton Alexander Scholar
Former student of Jamaica College

“I chose Actuarial Science primarily because I love Mathematics and I was inspired by my 5th Form Add. Math teacher to study it. Winning the scholarship has really benefitted me. I am in such a happier state of mind and much more motivated to do well. GraceKennedy Foundation has invested money in me and I cannot afford to let them or my family down.”



Jason Brown
BSc. Eng. Computer Systems Engineering (1st year)
Douglas Orane Scholar
Former student of Campion College

“I chose this course of study because it’s a fusion of two fields that I have a deep passion for, Electronics and Computing. Winning this most prestigious scholarship has significantly lessened the financial burden on my parents and me, as the tuition for this course is J\$1M, and is not subsidized by the government. The scholarship allows me to focus more on my studies rather than how to fund my education.”



Je-Vaughn Wynter
MBBS, Medical Sciences, UWI (2nd year)
Former student of Kingston College

“Being awarded the 2014 Bruce Rickards Scholarship has been one of the best things that has ever happened to me. The scholarship has relinquished the noose that was holding me back from showing my greatest potential. I can now focus on my schoolwork without worrying about how my tuition will be paid. I want to say many thanks to the GraceKennedy Foundation for this opportunity.”



Taj-Marie McFarlane
BSc. Accounting, UWI (1st year)
Rafael Diaz scholar
Former student of St. Andrew High School for Girls

“I chose Accounting because I have a passion for numbers and I am intrigued with the financial aspects of a business. I am now able to fully direct my focus without having to be worried and side-tracked by financial pressures. It has provided a great sense of financial relief for my mother who is very close to retirement. The GraceKennedy Foundation has truly given me a start in fulfilling my goals.”



Lemar Archer
BA Drama in Education, (3rd year)
School of Drama, Edna Manley College Scholar
Former student of Charlemont High

“I believe that a career in Drama and Education can have a transformational impact on the society, and in particular, the youth. It is my aim to use the skills gained in my course of study to mould the minds of youngsters in such a way that they can channel their creative energies in a positive and productive way. Winning the GraceKennedy Foundation Scholarship has benefitted me tremendously by bridging a huge financial gap that I needed to take care of my school expenses. It has furnished me with a new sense of purpose and determination to apply myself diligently to make my dreams a reality.”

Graduates

Jason Lofters GraceKennedy Jamaica Scholar 2009

Jason graduated from the Faculty of Medicine with distinction, having obtained a GPA above 3.7. He was one of the top two students in his graduating class and was given an award for being one of the Faculty’s top graduands at the 2014 awards. In his final MB,BS exams he obtained honours in Medicine and Therapeutics.

Jason made the Dean’s List every year and was in the Honour Society for 2010. In 2013 he shared the Jamaica Association of Clinical Pathologists prize for a student research project at the UWI Faculty of Medical Sciences Annual Research Conference and co-authored two abstracts that were published in the West Indian Medical Journal supplement and had two posters presented at that year’s conference.

He is currently a medical intern at the St. Ann’s Bay Hospital and he hopes to specialize in internal medicine (possibly subspecialising in neurology) in the future.

“Because of the scholarship I was able to afford to go to university. I am also now fortunate to say that I graduated debt free. I should also mention the fact that I benefited from advice and resources from a past scholarship recipient (Kevin Williams, my med-brother) and that this highlights the fact that the Foundation has managed to cultivate a community of scholars willing to help each other.”



Bursaries

Carlton Alexander Bursaries The Carlton Alexander Bursary programme was instituted to encourage a spirit of excellence

The Carlton Alexander Bursaries were instituted 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.

Twenty- eight students from the secondary and tertiary levels were awarded bursaries at the 25th annual Carlton Alexander Bursary presentation, held at GraceKennedy’s corporate headquarters on Tuesday, August 26, 2014.

The bursaries valued at J\$1.44 million, were given to the children of GraceKennedy Limited’s employees in honour of its former Chairman and iconic business figure Hon. Carlton Alexander. GraceKennedy Group CEO, Don Wehby reminded those in attendance of Alexander’s commitment to education at all levels and his willingness to support anyone trying to attain that goal. While congratulating the recipients, Mr Wehby gave special recognition to the parents of the recipients and commended them for their role in guiding the children on a positive path.

\$1.4 million
Carlton Alexander Bursary

Guest speaker at the event, Ms Kerri-Lee Chintersingh, former GraceKennedy Foundation/ University of Technology Scholar and Valedictorian for the graduating class of 2013, shared her ten ‘Keys to Success’. She urged the recipients to have an unwavering desire for success and to harness the power of technology in order to excel in their respective fields.

Chairman of the GraceKennedy Foundation, Professor Elsa Leo-Rhynie, in her remarks to the recipients, stated that the Carlton Alexander Bursary programme was instituted to encourage a spirit of excellence and she encouraged the awardees to continue to do their best.

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

Denis Hernandez is a Lower 6th former at Calabar High School. He is originally from Cuba. He earned five ones, a two and a three in his CSEC exams. He placed 1st in the discus at the Vere Track Meet, and 3rd in the

shot put at the Carifta Trials and Grace Jackson Meet. He will be studying medicine in Cuba as of September 2015.

The Faustine Sharpe 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.



Grand-daughter of the late Faustine Sharp, Tina Sharp (3rd left) presents the bursary award to Peter-Gaye Gordon (2nd from the Right). Joining her from left are Caroline Mahfood, Chris & Paul Sharp, sons of Faustine Sharp, and Alecia Bernard, Vice-Principal, St. Andrew High School for Girls.

Peter-Gaye Gordon is a 17-year-old student of Grade 12. She is a positive, cooperative student who enjoys a good relationship with her peers. She has also maintained a good academic standard. Peter-Gaye has twice been awarded Certificates of Good Progress for her academic performance. She has thrice held the position of Gartshore House Representative for her Form. She is an active member of the Interact Club (an arm of the Rotary Club), Key Club and Inter-School Christian Fellowship (ISCF). During her tenure at St. Andrew High, Peter-Gaye has completed over 26 hours of community service.

Caribbean Maritime Bursary

The GraceKennedy Foundation, recognising the importance of persons being trained in logistics, announced at the annual lecture in March 2014 that a bursary valued at \$100,000 would be offered to a final year student studying logistics at the Caribbean Maritime Institute. We were so impressed with two of the candidates that the Board agreed to offer two bursaries in the inaugural year. The 2014 winners were Annette Daley and Crystal Creary.



Annette Daley received her bursary from Mrs Caroline Mahfood (3rd Right). Looking on is Dr Fritz Pinnock (2nd Left) and the Prime Minister of Antigua & Barbuda, The Hon. Gaston Browne.

GraceKennedy Jamaican Birthright Programme



The 2015 Birthright Ambassadors are here! Left -Right: Heidi Clarke, Director of Programmes, Sandals Foundation; Don Wehby, Group CEO, GraceKennedy Ltd, Birthright Interns Janae Bell and Ukpong Etang; Sandra Scott Deputy Director of the Jamaica Tourist Board; Birthright Interns Kira Stark & Jamila Dell'Acqua; Neil Lawrence, Diaspora Manager, Digicel Jamaica.

After being on hiatus for a period of six years, GraceKennedy re-launched the Jamaican Birthright Programme in 2014. The 1st cohort of interns will come to Jamaica in July 2015. The aim of the programme is to give second and third generation university student's internships at GraceKennedy's subsidiaries located in Jamaica, exposing them to a diversified Jamaican experience through music, social activities and professional tutelage.

GraceKennedy Limited will host the four university students- two from the United States and one from the United Kingdom and Canada - from July 4 - August 6, 2015, giving them hands-on experience in their chosen career fields. Applications are open to persons in the Diaspora between the ages 18 - 25 years who have Jamaican parentage or grand parentage.

They must be pursuing either an undergraduate or graduate degree and must have a Grade 'B' average or higher.

GraceKennedy Jamaican Birthright Programme will be coordinated by the Foundation. Application forms open September 1 - November 30 annually and are available online at www.gracekennedy.com.



AUDITED FINANCIAL STATEMENTS

GraceKennedy Foundation Limited
Financial Statements
31 December 2014

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Independent Auditor's 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 41 to 57, which comprise the statement of financial position as at 31 December 2014, and the income statement and the statement of cash flows for the year then ended, and notes, comprising 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.

Auditor's 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 2014 and of its financial performance and its 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.

Chartered Accountants
9 July 2015
Kingston, Jamaica

GraceKennedy Foundation Limited

Income Statement

Year ended 31 December 2014

(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
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2013 \$'000
Income								
Interest and dividends	10,376	11,444	6,829	3,214	1,473	7,336	40,672	38,746
Other	1,156	386	816	477	701	35,036	38,572	44,225
	11,532	11,830	7,645	3,691	2,174	42,372	79,244	82,971
Expenditure								
Impairment of equity securities	-	-	-	-	-	-	-	2,656
Annual lecture series	-	-	-	-	-	2,428	2,428	2,163
Grants	-	-	-	-	-	3,963	3,963	4,400
Printing and stationery	-	-	-	-	-	79	79	66
Auditors' remuneration	-	-	-	-	-	150	150	150
Directors' emoluments								
Fees	-	-	-	-	-	520	520	450
Expenses	-	-	-	-	-	280	280	250
Data processing fees	-	-	-	-	-	-	-	1,548
Bank charges	-	-	-	-	-	31	31	41
Staff costs	-	-	-	-	-	22,947	22,947	14,644
Other operating expenses	1,500	1,044	750	150	300	208	3,952	8,476
Scholarship and bursaries	7,602	3,622	-	1,950	-	3,894	17,068	16,182
University Chair	-	5,000	5,000	-	-	-	10,000	10,000
Environment projects	-	-	-	-	995	-	995	845
Motor vehicle and travel expenses	-	-	-	-	-	-	-	305
Public relations	-	-	-	-	-	458	458	354
Meetings and conferences	-	-	-	-	-	197	197	176
Fees - Registrar General	-	-	-	-	-	5	5	8
Membership fees	-	-	-	-	-	-	-	49
	9,102	9,666	5,750	2,100	1,295	35,160	63,073	62,763
Net Surplus	2,430	2,164	1,895	1,591	879	7,212	16,171	20,208
Accumulated surplus at the beginning of the year	93,083	113,660	29,826	24,955	22,044	8,493	292,061	271,853
ACCUMULATED SURPLUS	95,513	115,824	31,721	26,546	22,923	15,705	308,232	292,061

GraceKennedy Foundation Limited

Statement of Financial Position


31 December 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 \$'000	2013 \$'000
ASSETS			
Non-Current Assets			
Fixed Assets	6	27	11
Investments	7	600,569	564,283
Current Assets			
Investment securities at fair value through profit or loss	8	17,745	-
Short term deposits		-	20,085
Accounts receivable		-	290
Taxation recoverable		11,891	7,296
Cash and cash equivalents	9	54,599	43,960
		84,235	71,631
Current Liabilities			
Accounts payable and accrued liabilities		1,300	2,023
Net Current Assets		82,935	69,608
		683,531	633,902
FINANCED BY			
Share Capital	4	-	-
Contribution Fund	10	32,988	32,988
Grace, Kennedy Scholarship Fund	11	272,329	250,272
S. Carlton Alexander Memorial Fund	12	232,370	217,142
James Moss-Solomon, Snr. Chair Fund	13	61,998	60,370
Bruce Rickards Fund	14	44,588	42,401
Luis Fred Kennedy Fund	15	22,588	21,439
General Fund		15,705	8,493
Fair Value Reserve	16	965	797
		683,531	633,902

Approved for issue by the Board of Directors on 9 July 2015 and signed on its behalf by:


Caroline Mahfood Director


Fay McIntosh Director

Grace, Kennedy Foundation Limited

Statement of Cash Flows

Year ended 31 December 2014

(expressed in Jamaican dollars unless otherwise indicated)

	2014 \$'000	2013 \$'000
Cash Resources were Provided By/(Used In):		
Operating Activities		
Net surplus	16,171	20,208
Items not affecting cash:		
Depreciation	14	5
Loss/(gain) on disposal of investments	48	(8,217)
Impairment of equity securities	-	2,656
Amortisation of bond premium	771	-
Exchange gain on foreign balances	(9,549)	(9,325)
Interest and dividend income	(40,672)	(38,746)
	(33,217)	(33,419)
Changes in operating assets and liabilities:		
Accounts receivable	290	(290)
Accounts payable and accrued liabilities	(723)	90
	(33,650)	(33,619)
Withholding tax (paid)/recovered	(4,595)	119
Cash used in operating activities	(38,245)	(33,500)
Investing Activities		
Proceeds from disposal of investments	22,655	5,419
Purchase of structured products	(16,320)	-
Additions to investments	-	(43,122)
Acquisition of property, plant and equipment	(30)	(14)
Interest and dividends received	40,048	42,745
Cash provided by investing activities	46,353	5,028
Increase/(decrease) in cash and cash equivalents	8,108	(28,472)
Effect of changes in foreign exchange rates on cash and cash equivalents	2,531	5,112
Cash and cash equivalents at beginning of year	43,960	67,320
Cash and Cash Equivalents at End of The Year (Note 9)	<u>54,599</u>	<u>43,960</u>

GraceKennedy Foundation Limited

Notes to the Financial Statements

31 December 2014

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities
(a) 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.
(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.
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 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:

GraceKennedy Foundation Limited

Notes to the Financial Statements

31 December 2014

(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.

(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.

GraceKennedy Foundation Limited

Notes to the Financial Statements

31 December 2014

(expressed in Jamaican dollars unless otherwise indicated)

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.

GraceKennedy Foundation Limited

Notes to the Financial Statements
31 December 2014
(expressed in Jamaican dollars unless otherwise indicated)

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 2013	2	7	56	65
Additions	-	-	14	14
At 31 December 2013	2	7	70	79
Additions	-	-	30	30
At 31 December 2014	2	7	100	109
Accumulated Depreciation -				
At 1 January 2013	-	7	56	63
Charge for year	-	-	5	5
At 31 December 2013	-	7	61	68
Charge for year	-	-	14	14
At 31 December 2014	-	7	75	82
Net Book Value -				
31 December 2014	2	-	25	27
31 December 2013	2	-	9	11

GraceKennedy Foundation Limited

Notes to the Financial Statements
31 December 2014
(expressed in Jamaican dollars unless otherwise indicated)

7. Investments

Available-for-Sale Securities	2014 \$'000	2013 \$'000
Government of Jamaica –		
J\$ Local Bond:		
2019 – 8.5%	81,282	79,351
2020 – 7.675%	7,000	7,000
2024 – 11%	74,945	75,051
2030 – 11.875%	37,654	38,746
2035 – 7.75%	18,500	18,500
2035 – 7.75 %	11,000	11,000
	230,381	229,648
US\$ Local and Global Bond:		
2020 – 5.25%	1,769	1,639
2014 – 7.0%	-	1,643
2019 – 8.0%	33,369	28,036
	35,138	31,318
	265,519	260,966
Interest Receivable	5,599	5,665
	271,118	266,631
Corporate Bonds –		
US\$ Sagicor Group Bond		
2016 – 7.5%	37,979	35,774
Interest Receivable	340	333
	38,319	36,107
	309,437	302,738
Quoted, ordinary stocks –		
GraceKennedy Limited	283,691	254,187
Carreras Limited	3,695	3,700
Scotia Group Jamaica Limited	3,746	3,658
	291,132	261,545
	600,569	564,283

GraceKennedy Foundation Limited

Notes to the Financial Statements
31 December 2014
(expressed in Jamaican dollars unless otherwise indicated)

8. Investment Securities at Fair Value through Profit or Loss

	2014 \$'000	2013 \$'000
Derivative financial instruments –		
US\$ Proven Investments Limited Note		
2015 – 4.8%	17,118	-
Interest Receivable	627	-
	<u>17,745</u>	<u>-</u>

The issuer reserves the right to call and redeem the Notes at any time prior to the maturity date by paying the principal amount in full to the Foundation. The Foundation will also receive the outstanding interest accrued between the early redemption date and the last coupon payment.

The Foundation has the option to put his Notes to the issuer for full or partial redemption on each coupon payment date subject to giving ten (10) business days prior notice to the issuer.

9. Cash and Cash Equivalents

	2014 \$'000	2013 \$'000
Cash	19,018	5,381
Deposits	<u>35,581</u>	<u>38,579</u>
	<u>54,599</u>	<u>43,960</u>

Included in deposits is interest receivable of \$57,000 (2013 - Nil).

10. Contribution Fund

	2014 \$'000	2013 \$'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>

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11. 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.

	2014 \$'000	2013 \$'000
Original grant received	350	350
Accumulated surplus	95,513	93,083
Fair value reserve –		
Brought forward	156,839	142,390
Movement	<u>19,627</u>	<u>14,449</u>
	<u>176,466</u>	<u>156,839</u>
Total fund	<u>272,329</u>	<u>250,272</u>

12. S. Carlton Alexander Memorial Fund

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

	2014 \$'000	2013 \$'000
Primary grants received	10,557	10,557
Accumulated surplus	115,824	113,660
Fair value reserve –		
Brought forward	92,925	92,509
Movement	<u>13,064</u>	<u>416</u>
	<u>105,989</u>	<u>92,925</u>
Total fund	<u>232,370</u>	<u>217,142</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.

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13. James Moss-Solomon, Snr. Chair Fund

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

	2014 \$'000	2013 \$'000
Primary grants received	30,633	30,633
Accumulated surplus	31,721	29,826
Fair value reserve		
Brought forward	(89)	5,562
Movement	(267)	(5,651)
	(356)	(89)
Total fund	61,998	60,370

14. 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.

	2014 \$'000	2013 \$'000
Primary grant received	18,000	18,000
Accumulated surplus	26,546	24,955
Fair value reserve		
Brought forward	(554)	2,751
Movement	596	(3,305)
	42	(554)
Total fund	44,588	42,401

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15. 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.

	2014 \$'000	2013 \$'000
Accumulated surplus	22,923	22,044
Fair value reserve		
Brought forward	(605)	83
Movement	270	(688)
	(335)	(605)
Total fund	22,588	21,439

16. 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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17. 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.

	2014 \$’000	2013 \$’000
Credit risk exposures are as follows:		
Government of Jamaica securities available-for-sale	271,118	266,631
Corporate securities available-for-sale	38,319	36,107
Certificate of deposits and repurchase agreements	-	20,085
Derivative financial instruments	17,745	-
Accounts receivable	-	290
Cash and cash equivalents	54,599	43,960
	381,781	367,073

The above table represents the worst case scenario of credit risk exposure to the Foundation at 31 December 2014 and 2013.

GraceKennedy Foundation Limited

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17. Financial Risk Management (Continued)

(a) Credit risk (continued)

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

	2014 \$’000	2013 \$’000
Government of Jamaica	271,118	266,631
Corporate	110,663	100,442
	381,781	367,073

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.

(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.

GraceKennedy Foundation Limited

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17. Financial Risk Management (Continued)

(c) Market risk (continued)

(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:

	2014	2013
	%	%
Investments -		
Government of Jamaica Securities	9.50	9.65
Corporate securities	7.50	7.50
Derivative financial instruments		
Corporate securities	4.8	-

18. 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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18. Fair Value of Financial Instruments (Continued)

The following table presents the Foundation assets that are measured at fair value at 31 December 2014. 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 31 December 2014.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total balance \$'000
	2014			
Assets				
Available-for-sale financial assets-				
Equity securities	291,132	-	-	291,132
Debt investments	-	303,498	-	303,498
Financial assets at fair value through profit or loss -				
Derivative financial instruments	-	17,118	-	17,118
	291,132	320,616	-	611,748
	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

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.

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18. Fair Value of Financial Instruments (Continued)

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





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