POWER OF PARTNERSHIPS

#STRONGERTOGETHER

GraceKennedy FOUNDATION

ANNUAL REPORT 2020 - 2021

Our
VISION

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

Our
MISSION

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

Yasmin Benjamin and Tanaka Roberts of ICD Group, stand alongside painters Richie and Ricky White at the new mural at the corner of South Camp Road and Harbour Street in downtown Kingston.

Mural painter Fabian White and Charl Baker, lead artist, alongside Caroline Mahfood, CEO of GK Foundation at the mural.

Our PRINCIPLES

Equity / Voluntarism / Empowerment / Contributing to national development

Our VALUES

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

Table of CONTENTS

Charl Baker and her team put the finishing touches on a new mural at the corner of South Camp Road and Harbour Street in downtown Kingston. GraceKennedy Foundation, in partnership with the ICD Group of Companies and Kingston Creative, commissioned her to paint the mural to beautify the area and raise awareness about the negative impact of pollution on the Kingston Harbour.

Message from THE GRACEKENNEDY CHAIRMAN, PROFESSOR GORDON SHIRLEY

GraceKennedy can be justifiably proud of the professionalism and commitment with which the GraceKennedy Foundation (GKF) has guided its philanthropic efforts for just short of four decades. The GKF has brought insight and an acute sense of social responsibility in both executing its role, as well as guiding its parent company towards the most judicious paths to achieve its goal of demonstrating in a tangible and practical manner its **"We Care"** philosophy.

My message will focus on the impact of the Foundation's programme of environmental stewardship. This is a task which grows in significance every year, as we struggle to build Jamaica's resilience against the effects of climate change and ravages to our environment, brought about by natural events and human actions.

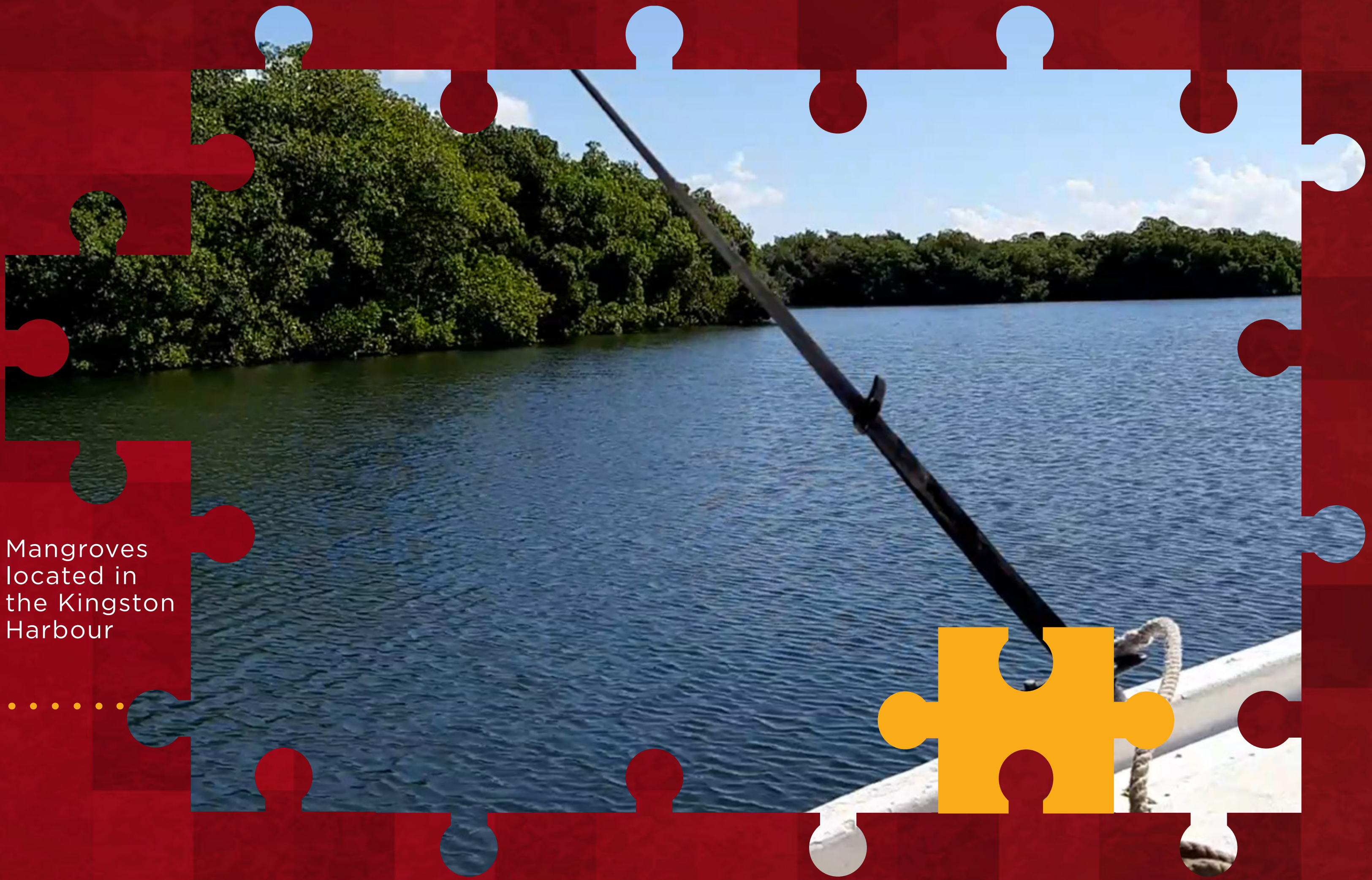
I commend and support the work of the James S. Moss-Solomon Sr. Chair in Environment, which will celebrate 30 years of service in environmental stewardship in 2022. The incumbent, Professor Mona Webber, has expertly steered the programme which is aligned to the United Nation's sustainable development goals 14 & 15:"Life below water" and "Life on land"; as well as Jamaica's Vision 2030 Goal #4:"Jamaica has a healthy natural environment." Consequently, much of the work during the period under review has been focused on the rehabilitation and protection of various aspects of coastal and marine life, including mangrove restoration.

In addition to the outstanding efforts of the Chair in Environment, the Foundation has taken on the mammoth and ambitious task of reducing solid waste in the Kingston Harbour and rehabilitating significant portions of the mangroves surrounding it. The pollution of the harbour has grown steadily over the past five decades and is now extremely severe. It is estimated that some 20 million gallons of untreated or poorly treated sewage is released into the waters of the harbour daily. The Foundation is partnering with the Mona Geoinformatics Institute; the Centre for Marine Sciences, UWI, Mona; and Newer Worlds Ltd. on an initiative that has been awarded a US$990,000 grant to execute a three-year pilot project, financed by the Ecosystem-based Adaptation (EbA) Facility and is a Caribbean Bio-Diversity Fund (CBF) project. We look forward to the results of this project and the improvement of the Kingston Harbour and its environs.

I note that the Foundation has already initiated efforts to clean up the Kingston Harbour by assisting The Ocean Cleanup, an international non-profit, with their baseline study on the amount of plastic and garbage entering the harbour at Hunt's Bay, Kingston.

As a small island developing state, Jamaica's vulnerability to global and regional threats requires meticulous management of our environment and the activities which impact it. The value of the Foundation's work in this regard cannot be overstated.

We thank Dr. Fred Kennedy for his astute leadership of the board of the GKF, the members of the board who give so generously of their time and Mrs. Caroline Mahfood and her team, who continue to execute the Foundation's programmes with professionalism and care.



Mangroves located in the Kingston Harbour

Message from THE GRACEKENNEDY GROUP CEO, DON WEHBY

Four decades ago, GraceKennedy's then Chair and CEO, the Hon. Carlton Alexander, recognized the need for educational advancement at a time when there was a crisis facing our nation. He declared "What is good for Jamaica is good for GraceKennedy", determining that one of the best ways our Company could contribute to national development was through establishing a scholarship tenable at the University of the West Indies (UWI). In 1980, GraceKennedy offered its first scholarship valued at J$5,000 to one worthy UWI student. Forty-one years later, the GraceKennedy Foundation has stayed true to Mr. Alexander's vision, having invested over J$400 million in the educational advancement of thousands of secondary and tertiary students throughout its history.

GKF's invaluable support of education in Jamaica over many years has changed the lives of hundreds of families, and has contributed to the advancement of law, medicine, science, business, and many other fields of development in Jamaica.

This year's launch of the Carlton S. Alexander Research Fund further builds on our Company's investment in educational advancement in Jamaica. This brand-new initiative by GKF will have immeasurable benefits not only for Jamaican academia, but also for our country. The new Fund will support the work of multiple UWI researchers, whose projects contribute to national development. I am also encouraged by GKF's recent announcement of another new partnership with UWI, which will provide digital upskilling for young Caribbean nationals. In this new Digital Era, it is critical that we take steps to bridge the digital divide, and one way to do this is by equipping our youth with the skills they will need for the jobs of the future. I am proud that GKF is taking the lead in this regard.

Even with the challenges created by the COVID-19 pandemic, the Foundation continues to expand its reach to positively impact the lives of more and more young Jamaicans each year. A good example of this is the GKF Campus Connect Food Bank, which has become a lifeline for many university students in Jamaica. Since its launch in April 2019, the GKF Food Bank has provided food packages valued at over J$8 million for hundreds of students, with J$5.6 million of that support being provided since the outbreak of the pandemic.

This is just a fraction of the truly outstanding work being pursued by GKF, which also implements programmes promoting healthy lifestyles and the protection of the environment.

Although the GKF's annual Birthright Programme was not possible in 2021 due to the pandemic, I am looking forward to seeing it return in 2022, just in time for GraceKennedy's 100th anniversary celebrations. GKF, and the Birthright Programme, will undoubtably play a pivotal role in GK100, as we mark this monumental milestone in our Company's history by continuing to give back in a big way to our communities, and to our country.

My heartfelt congratulations to the Chairman of GKF, Dr. Fred Kennedy, the Foundation's Board of Directors, Chief Executive Officer, Mrs. Caroline Mahfood and the entire GKF team on yet another year of remarkable performance.

Yasheka Stevens, GK Scholar, volunteering at the GK Campus Connect Food Bank

Message from THE GKF CHAIRMAN, DR. FRED KENNEDY

The COVID-19 pandemic has persisted into 2021 with its associated challenges. Nevertheless, the GraceKennedy Foundation has expertly and seamlessly executed its portfolio of projects.

Education

The scholarship and bursary programmes continue to reward the efforts of students who demonstrate hard work and discipline in pursuing their academic careers and reveal community spirit and leadership skills. The Foundation expended over $22 million in providing awards at the tertiary and secondary levels to over 90 students. Another $4.4 million was targeted at grants benefitting early childhood education projects.

With the resignation of Professor Ian Boxill, the most recent holder of the Carlton Alexander Chair in Management Studies at the University of the West Indies, Mona, the Foundation made the decision to reallocate the funds to create the Carlton Alexander Research Grant to provide funding of $5 Million for research projects at the UWI, Mona.

The response to our 2021 lecture was overwhelming. The presentation, "Jamaica's Tangible and Intangible Heritage: So Much to Tell" by Vivian Crawford, Executive Director of the Institute of Jamaica (IOJ), highlighted different aspects of Jamaica's heritage. He introduced some of the treasures stored at the IOJ, including reproductions of Taino artefacts (the originals of which are in the British Museum), historic documents and natural history fauna and floral.

We commend James Moss-Solomon for continuing to serve as the Executive-in-Residence at the Mona School of Business and Management (MSBM). This role allows him to guide and mentor students in the MBA programmes, as well as to support the MSBM in developing fora on topics of national import.

We missed the enthusiasm of the usual cadre of Birthright participants, as the programme had to be cancelled due to the COVID-19 pandemic and hope we will be able to welcome them back to Jamaica and GraceKennedy very soon.

Environmental Governance

Several decades ago, our chairman, Carlton Alexander, stated "What is good for Jamaica is good for GraceKennedy." The protection and conservation of our biodiversity to ensure the continued productivity of our waters and our land which, in turn, protects the livelihood of all Jamaicans is, indeed, good for Jamaica and for GraceKennedy.

We are proud of the outstanding work that Professor Mona Webber, Chair of the James Moss-Solomon Sr . Chair in Environmental Management at the UWI, and her team have been doing to ensure that our efforts are aligned with both international and national protocols. Much of the work over the past year focused on rehabilitation and protection of various aspects of the coastal and marine life, including mangrove restoration. These initiatives were aimed at increasing the island's resilience to natural disasters and the impact of climate change.

The Foundation also continues its work as a partner in a Caribbean Bio-Diversity Fund (CBF) pilot project, which has been made possible through the funding from the Ecosystem-based Adaptation (EbA) Facility, provided by the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) International Climate Initiative, through KfW, the German Development Bank. In spite of the pandemic, the project is progressing well.

Promoting environmental stewardship among GK's staff is critical to the Foundation's mandate. For the period, over 17,000 lbs of plastic was collected. Since 2014, over 87,000 lbs of plastics have been collected from the subsidiaries.

The GK Campus Connect Food Bank continues its mission to alleviate hunger among university students and has been providing monthly food packages to students attending University of the West Indies, University of Technology and Edna Manley College of the Visual and Performing Arts. I must acknowledge the dedication of the recently installed Food Bank Committee, comprised of GraceKennedy staff across the group who have been working assiduously to raise donations. I thank them for their support.

I must thank the Foundation's directors for their invaluable leadership and guidance. The work on the ground is passionately and meticulously executed by our CEO Mrs. Caroline Mahfood and her industrious team. The support of our parent company underpins our success and I extend our gratitude to Chairman Professor Gordon Shirley and CEO Don Wehby. I am honoured to chair the Foundation as we endeavour to fulfil our commitments to GraceKennedy and the wider Jamaica.

GRACEKENNEDY FOUNDATION

DIRECTORS AS AT JULY 2021

Fred
Kennedy
Chariman

James
Moss-Solomon

Hilary
Wehby

Allison
Rangolan

Radcliffe
Daley

Terry-Ann
Graver

Philip
Alexander

Carol
Gentles

Julie
Meeks-Gardner

Deidre
Cousins

Chaluk
Richards

Cathrine
Kennedy

Caroline
Mahfood
Chief Executive Officer

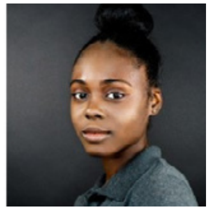
SCHOLARSHIP PROGRAMME

HAVING A POSITIVE IMPACT ON THE LIVES OF YOUNG JAMAICANS

The Foundation invested over $21 million in scholarships to students attending the University of the West Indies, the University of Technology, The Edna Manley College of Visual and Performing Arts and the Caribbean Maritime University. GKF has been awarding scholarships to Jamaican students for almost 40 years, with more than **J$100 million invested over the last six years**.

HEAR FROM OUR SCHOLARS


Davian Harriott, GK Jamaica Winner


Alanis Blake, UTech Winner


Kai Cole, EMC Winner


Jonnoy Hewitt, Carlton Alexander Winner


Ricardo Ricketts, Bruce Rickards Winner


Andrew Mullings, Bruce Rickards Winner


Janai Shelton, Douglas Orane Winner


Mark Hemans, GK Jamaica Merit


Neshkafay Johnson, Utech Merit


Irkah Wilson, EMC Merit


Malik Brown, Carlton Alexander Merit


Latonya Clayton, Rafael Diaz Winner


Daniel Whyte, CMU WInner


Keano Clarke, JIEE WInner


Kadeen Grant, GK Jamica Merit


Tariq Gayle, GK Jamaica Merit


Maquida Barrett, EMC Merit


Toni-Ann Gray, Utech Merit


Vhonnel Williams, UTech Merit

S. CARLTON ALEXANDER
MEMORIAL BURSARIES

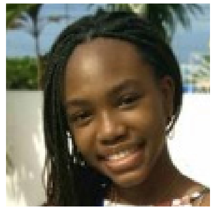
The S. Carlton Alexander Bursaries are awarded each year to children of GK Team Members attending secondary and tertiary institutions. GKF awarded J$1.5 million in bursaries to twenty students. The bursaries are renewed annually once recipients maintain a high academic performance.

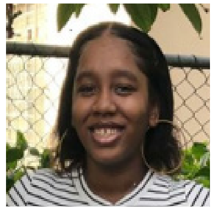
In his address to awardees, GK Group CEO, Senator Don Wehby, encouraged the bursary recipients to stay focused, work hard, and think of creative ways to serve others. “Always seek to improve your performance and succeed in all that you do while remaining humble. Humility keeps us focused on the things that are most important in life, like helping others, and it encourages us to continue learning,” he said.

Wehby also made special mention of Kahlil Walker, a 2020 tertiary level bursary recipient who is heading to Yale University in the new school year to pursue a degree in molecular bio-physics and bio-chemistry.


Ayanna
Pitterson


Tariq
Haye


Lori-Ann
Atkinstall

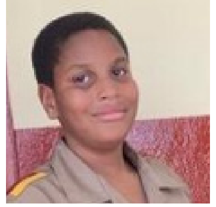

Jo-Anna
Martinez


Brianna
Anderson


Johnathan
Thomson


Tobi
Burnett


Ramira
Nelson

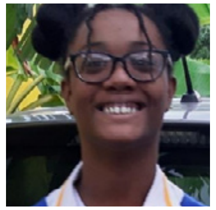

Jaden
Shaw


Gabrielle
Findlay


Chenelle
Williams


Gabrielle
Thomas

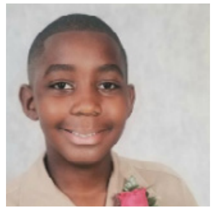

Petajhay
Shelly


Corone
Morris


Jazeyah
Richards


Khalil
Walker


Meckeda
Dickenson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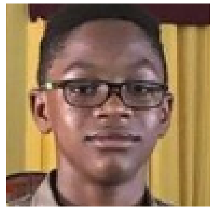
Jadon
Shelton


Sabrina
Montaque


Dorian
Castro

2021 Carlton Alexander Memorial Bursary Recipients.

GK CAMPUS CONNECT

Established in October 2019, the GK Campus Connect programme has provided GKF scholarship recipients with the opportunity to gain exposure to companies across the GraceKennedy Group.

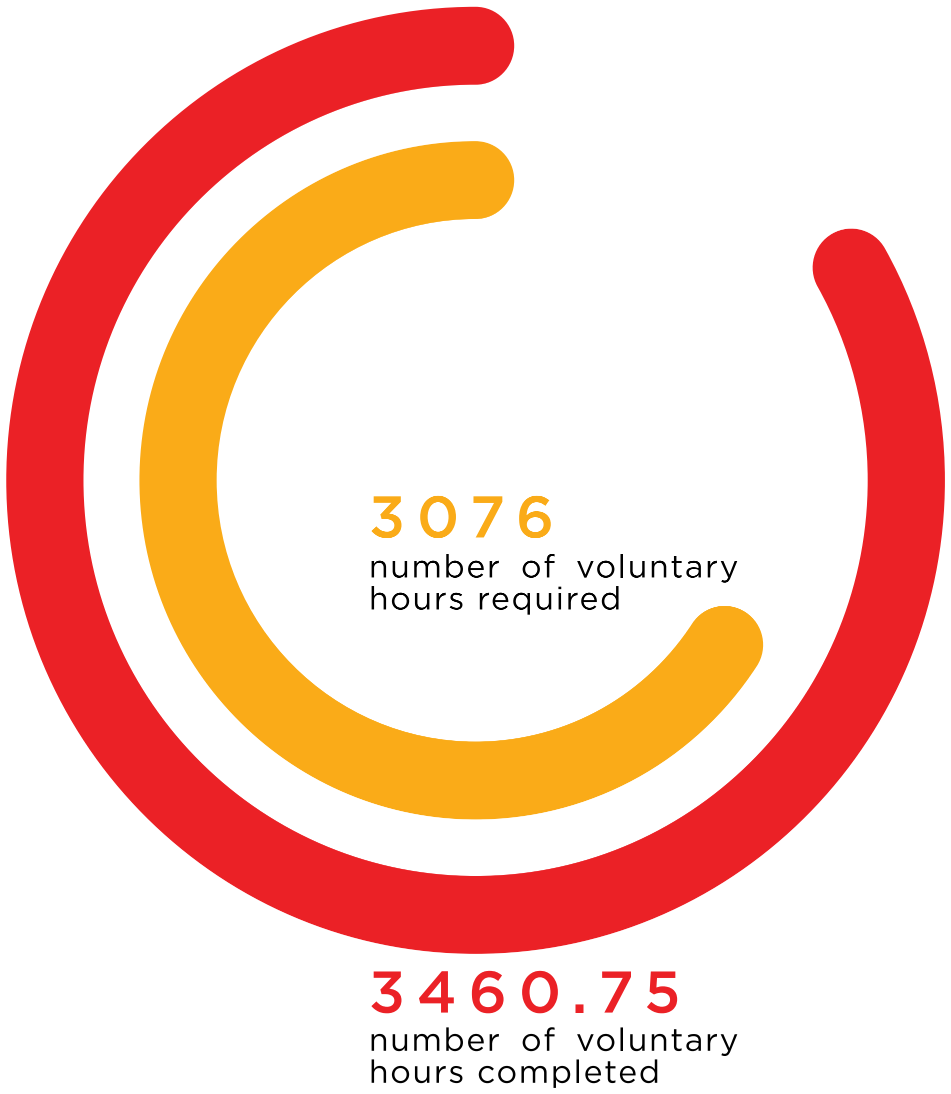
GraceKennedy subsidiaries have been keen on building relationships with our scholars. There is now a talent grid, where scholars can upload their resumes to be considered for employment and internship opportunities. To date **9 scholars** have been selected to work in companies across the Group.

Since December 2020, the scholars have been utilizing their voluntary hours to provide tutoring and homework support to students who attend the Grace and Staff Community Development Foundation Homework Centres and for children of GraceKennedy staff. Dubbed the 'Ace with Grace' programme, the scholars have completed 188 hours for the 2020/21 academic year.

WATCH HERE
to learn more about the Ace with Grace programme

In 2020, the COVID-19 Pandemic moved university classes online, and it became more urgent for students to have the right tools for online school. In February 2021, the Foundation presented laptops valued at over J$1 million to seven GK Scholars.

WATCH HERE
to see the laptop handover



GraceKennedy scholars spent time handing out packages to persons residing in Down Town Kingston as part of the PSOJ Covid-19 Relief Fund activities.

GK FOUNDATION LECTURE

The 2021 lecture delivered on its promise to share the rich and diverse heritage of our island nation. Presented by Vivian Crawford, Executive Director of the Institute of Jamaica (IOJ), it was streamed live via Zoom and YouTube and attracted an audience of over 700 online participants from Jamaica and overseas including the United States of America, Canada, the United Kingdom, Spain, the Turks and Caicos Islands, Barbados, the US and British Virgin Islands, Trinidad and Tobago, Antigua and Barbuda, Suriname, Georgia, and Namibia. To date there have been over 1700 views on YouTube.

In his presentation entitled "Jamaica - Tangible and Intangible Heritage: So Much to Tell", Mr. Crawford highlighted the treasures stored at the IOJ, including reproductions of Taino artefacts (the originals of which are in the British Museum), historic documents and remnants of Jamaica's natural history. Mr. Crawford relayed compelling stories about Jamaica's heritage, which were illustrated with vibrant images of the island's historical sites and culture.

WATCH the lecture **HERE**

DOWNLOAD the lecture book **HERE**

Maxine McDonnough, Public Relations Consultant, discusses Jamaica's tangible and intangible heritage with Vivian Crawford, Executive Director of Institute of Jamaica, and the 2021 GraceKennedy lecturer.

GK CAMPUS CONNECT FOOD BANK

FORGING PARTNERSHIPS TO CHANGE LIVES

As a part of GraceKennedy's efforts to support students in a multifaceted way at the tertiary level, the GraceKennedy Foundation opened the GK Campus Connect Food Bank to assist students attending The University of the West Indies (UWI), the University of Technology (UTech), and the Edna Manley College for the Visual and Performing Arts (EMC). Grace Foods and its subsidiaries contributed goods valued at **over $5.8 million** for the financial year. Over 700 packages were issued to students for the period. The Food Bank also donated food items to 16 NGOs. With the support of Grace Foods, the Food Bank also assisted students quarantined because of a Covid-19 outbreak at The UWI, Mona campus, with Hi-Lo vouchers, water and supplies to prepare cooked meals.

Congratulations to the Group CEO, Senator Don Wehby, and GKF's CEO Caroline Mahfood, on being elected as Honorary Life Members of the UWI, Mona Guild. The UWI Guild commended GKF's CEO for lending swift assistance to the residential students who were in quarantine and using her role as Chair of the Jamaica Network of Corporate Foundations, to garner support from other foundations.

GKF would like to thank Professor Colin Gyles, President of the University of Technology, Jamaica, and Mrs. Pauline Madourie, Scholarships Officer, UTech, for the support received over the past year – the provision of a room, shelving and other items to house the food bank.

As part of the Foundation's support for the Covid-19 vaccination push, a grant of J$1 million was given to the PSOJ/ Ministry of Health and Wellness, along with 150 cases of coconut water.

In April 2021, the Foundation partnered with several companies across the GK Group to raise J$14 million to support the relief efforts in St. Vincent, following several massive eruptions of the island's La Soufrière volcano.

A committee was formed to develop partnerships with external entities. Thank you to Victoria Mutual Building Society and Polypet Jamaica, who contributed over $120,000 and $160,000, respectively, towards the preparation of grocery packages. The committee has raised over $1.3 million in cash donations from private donors and partners.

Hear from our **FOOD BANK BENEFICIARIES**

Congratulations

to our Group CEO, Don Wehby, and CEO of the GraceKennedy Foundation (GKF), Caroline Mahfood, on being elected

Honorary Life Members of The University of the West Indies (UWI) Mona Campus Guild of Students

DON WEHBY
For his service in the public and private sectors and outstanding contribution to education and nation building.

CAROLINE MAHFOOD
For her longstanding contribution to education in Jamaica.

GraceKennedy
GROUP

JAMES S MOSS-SOLOMON SR. CHAIR
IN ENVIRONMENT

The holder of the GraceKennedy Foundation funded James S. Moss-Solomon Sr. Chair (JMS) in Environment, Prof. Mona Webber, contributed to the sustainable development of Jamaica through research, student development and outreach. The Chair's efforts are in keeping with the United Nation's sustainable development goals 14 & 15:"Life below water" and "Life on land"; as well as Jamaica's Vision 2030 Goal #4: "Jamaica has a healthy natural environment." Much of her work focused on the rehabilitation and protection of various aspects of coastal and marine life, including mangrove restoration. These initiatives were aimed at increasing the island's resilience to natural disasters and the impact of climate change.

CLICK HERE to view the work of the JMS Chair

Prof Mona Webber collecting sargassum.

ENVIRONMENTAL STEWARDSHIP
PARTNERSHIPS IN ACTIONS

In keeping with its mandate to raise awareness of the importance of environmental protection, the Foundation partnered with the ICD Group, The Multicare Youth Foundation and Kingston Creative to create a mural with an environmental theme in downtown Kingston. Located on a wall bordering the Barnes Gully, at the corner of South Camp Road and Harbour Street, the mural was conceptualized by Jamaican artist Charl Baker, who painted it with assistance from Rae Town resident, Fabian White and his twin sons, Ricky and Richie. This is the first mural on the walls of a gully in downtown Kingston and draws attention to one of the main ways the Kingston Harbour is being destroyed – the improper disposal of waste in gullies. The mural reminds us of the importance of protecting 'Mother Earth' for future generations, and one way we can do this is keeping gullies clean by disposing of our garbage properly.

HEAR FROM THE PARTNERS

The Recycling Programme, introduced to the GraceKennedy Group in 2014, continues to engage the interest and commitment of the staff who are encouraged to separate their plastics at source and bring them to work to be recycled. For the period, over 17,000 lbs of plastic was collected. Since 2014, over 87,000 lbs of plastics have been collected from the subsidiaries.

The Foundation is part of a consortium that was awarded a three year grant valued at US$990,000. The project's goals are to rehabilitate much of the mangroves surrounding the Kingston Harbour, reduce solid waste entering the Harbour from Barnes Gully (pilot project), and educate and train students and community members; as part of the Foundation's deliverables, which focus on changing the behaviour of the communities surrounding the gully to reduce land-based pollution entering the gully.

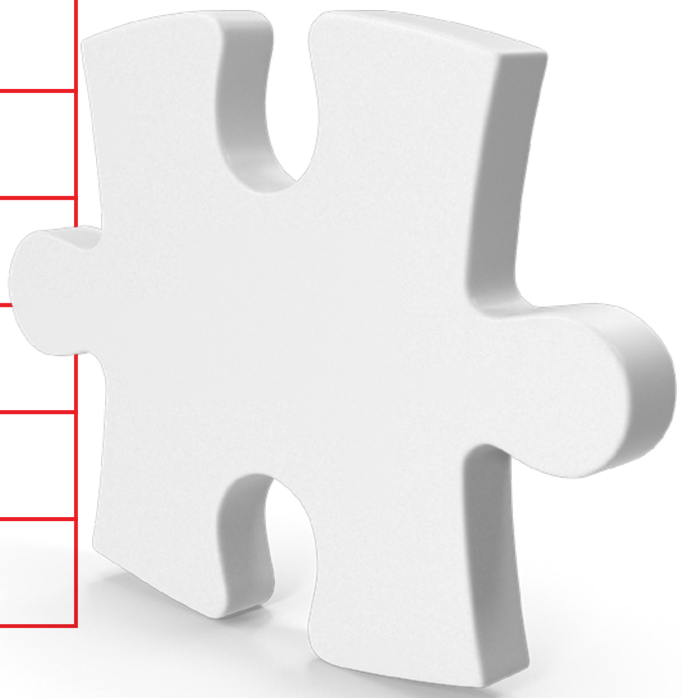
This project is financed as a Caribbean Bio-Diversity Fund (CBF) project, made possible through the funding of the Ecosystem-based Adaptation (EbA) Facility, provided by the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) International Climate Initiative, through KfW, the German Development Bank.

LEARN MORE about the EbA project

Mother Earth Mural on South Camp Road.

GRANTS AWARDED
FOR 2020-21

NAME OF GRANTEE	PURPOSE	GRANT TOTAL GIVEN
CREATIVE LANGUAGE BASED LEARNING FOUNDATION	Training of early childhood and special needs educators in literacy and language-based learning difficulties.	$600,000.00
KIWANIS CLUB OF YOUNG PROFESSIONALS KINGSTON	Funding for purchasing of tablets and clear window visible masks for 10 hearing impaired students ages 7 to 15 years who are supported by the Jamaica Association of the Deaf.	$250,000.00
SICKLE CELL TRUST (JAMAICA) NON-GOVERNMENTAL ORGANISATION	Support for the production of a book on the diagnosis, treatment and management of Sickle Cell.	$500,000.00
YOUTH ENVIRONMENTAL ADVOCACY PROGRAMME (YEAP)	6 bursaries for high school students on the YEAP Programme	$250,000.00
PRIVATE SECTOR ORGANISATION OF JAMAICA (PSOJ)	Support for the PSOJ COVID-19 vaccination push	$1,000,000.00
ST. VINCENT & THE GRENADINES	Donation to St. Vincent and the Grenadines to provide relief for persons who were impacted by the eruption of the La Soufrière volcano	$1,000,000.00
VIOLENCE PREVENTION ALLIANCE	Support for a targeted intervention in Cassava Piece, Kingston	$400,000.00
JAMAICA KIDNEY KIDS FOUNDATION	Support for the Paediatric Nephrology Conference 2021	$40,000.00
TOTAL FUNDING GIVEN		$4,040,000.00



FINANCIALS

GraceKennedy Foundation Limited

Financial Statements
30 June 2021

GraceKennedy Foundation Limited

Index

30 June 2021

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Independent auditor's report

To the Members of GraceKennedy Foundation Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of GraceKennedy Foundation Limited (the Foundation) as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at 30 June 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

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

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Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

pwc

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
6 December 2021

GraceKennedy Foundation Limited

Statement of Comprehensive Income
Year ended 30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

	GraceKennedy Scholarship Fund 2021 $'000	S. Carlton Alexander Memorial Fund 2021 $'000	James Moss-Solomon Snr. Chair Fund 2021 $'000	Bruce Rickards Fund 2021 $'000	Luis Fred Kennedy Fund 2021 $'000	JIEE Scholarship Fund 2021 $'000	General Income & Expenditure Account 2021 $'000	Total Fund 2021 $'000	Total Fund 2020 $'000
Income									
Interest & Dividend	20,541	17,878	7,336	3,692	2,466	-	6,913	58,826	50,152
Other	1,182	788	788	394	394	-	71,872	75,418	60,848
	21,723	18,666	8,124	4,086	2,860	-	78,785	134,244	111,000
Expenditure									
Annual Lecture Series	-	-	-	-	-	-	2,883	2,883	20
Grants	-	-	-	-	-	-	16,310	16,310	4,625
Printing & Stationery	-	-	-	-	-	-	131	131	138
Directors' Emoluments									
Fees	-	-	-	-	-	-	624	624	540
Expenses	-	-	-	-	-	-	336	336	312
Bank Charges	-	-	-	-	-	-	70	70	61
Staff Cost	-	-	-	-	-	-	51,144	51,144	46,106
Depreciation								-	2
Other Operating Expense	1,500	1,000	750	150	300	-	652	4,352	4,765
Scholarships & Bursaries	13,248	4,506	-	2,850	-	500	6,256	27,360	22,068
University Chair & Research Expense	-	-	5,500	-	-	-	-	5,500	5,500
Environmental Projects	-	-	-	-	1,705	-	2,419	4,124	1,509
Motor Vehicle and Travel Expenses	-		-	-	-	-	65	65	141
Public Relations	-	-	-	-	-	-	208	208	483
Meetings & Conferences	-	-	-	-	-	-	564	564	465
Fees - Registrar General	-	-	-	-	-	-	2	2	13
	14,748	5,506	6,250	3,000	2,005	500	81,664	113,673	86,748
Net Surplus/(Deficit)	6,975	13,160	1,874	1,086	855	(500)	(2,879)	20,571	24,252

GraceKennedy Foundation Limited

Statement of Financial Position

30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
ASSETS			
Non-Current Assets			
Investments	6	1,813,507	1,266,782
Current Assets			
Accounts Receivable		3,532	2,799
Inventory		759	-
Taxation Recoverable		7,468	3,913
Cash and Cash Equivalents	7	72,052	67,607
		83,811	74,319
Current Liabilities			
Accounts Payable & Accrued Liabilities	8	4,148	1,097
Net Current Assets		79,663	73,222
		1,893,170	1,340,004
FINANCED BY			
Contribution Fund	9	32,988	32,988
GraceKennedy Scholarship Fund	10	961,195	626,977
S.Carlton Alexander Memorial Fund	11	683,049	469,825
James Moss-Solomon Snr. Chair Fund	12	97,682	94,826
Jamaica Institute for Excellence in Education Scholarship Fund	13	3,827	4,327
Bruce Rickards Fund	14	55,901	54,227
Luis Fred Kennedy Fund	15	26,944	26,160
General Fund		19,546	22,423
Fair Value Reserve	16	12,038	8,251
		1,893,170	1,340,004

Approved for issue by the Board of Directors on November 23, 2021 and signed on its behalf by:

Fred Kennedy — Chairman

Chaluk Richards — Director

GraceKennedy Foundation Limited

Statement of Changes in Equity

Year ended 30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Contribution Fund $'000	GraceKennedy Scholarship Fund $'000	S. Carlton Alexander Memorial Fund $'000	James Moss-Solomon Snr. Chair Fund $'000	JIEE Scholarship Fund $'000	Bruce Rickards Fund $'000	Luis Fred Kennedy Fund $'000	General Income & Expenditure Account $'000	Fair Value Reserve $'000	Total Fund $'000
Balance at 30 June 2019	32,988	691,228	502,136	90,125	4,827	51,968	23,859	20,591	8,259	1,425,981
Net surplus/(deficit) for the year	-	8,718	9,995	2,111	(500)	537	1,559	1,832	-	24,252
Fair Value movement	-	(72,969)	(42,306)	2,590	-	1,722	742	-	(8)	(110,229)
Balance at 30 June 2020	32,988	626,977	469,825	94,826	4,327	54,227	26,160	22,423	8,251	1,340,004
Net surplus/(deficit) for the year	-	6,975	13,160	1,874	(500)	1,086	855	(2,879)	-	20,571
Fair value movement	-	327,243	200,064	982	-	588	(71)	2	3,787	532,595
Balance at 30 June 2021	32,988	961,195	683,049	97,682	3,827	55,901	26,944	19,546	12,038	1,893,170

GraceKennedy Foundation Limited
Statement of Cash Flows
Year ended 30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

	2021 $'000	2020 $'000
Cash Resources were used in:		
Operating Activities		
Net surplus	20,571	24,252
Items not affecting cash:		
Exchange gain on foreign balances	(1,697)	(4,387)
Depreciation	-	2
Interest and dividend income	(58,826)	(50,152)
	(39,952)	(30,285)
Changes in operating assets and liabilities:		
Accounts receivable	(733)	(1,451)
Accounts payable and accrued liabilities	3,051	(3,945)
Inventory	(759)	-
	(38,393)	(32,779)
Withholding tax	(3,555)	3,386
Cash used in operating activities	(41,948)	(29,393)
Investing Activities		
Proceeds from disposal of investments	78,792	166,158
Acquisition of investments	(91,146)	(170,601)
Interest and dividends received	58,747	49,394
Cash provided by investing activities	46,393	44,951
Increase in cash and cash equivalents	4,445	15,558
Cash and cash equivalents at beginning of year	67,607	51,049
Cash and Cash Equivalents at End of The Year (Note 7)	72,052	67,607

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

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

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

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

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

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

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

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

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Foundation has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following are relevant to its operations:

Amendments to IAS 1 and IAS 8 on the definition of material (effective for annual periods beginning or after January 1, 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The adoption of this amendment did not have a significant impact on the Foundation.

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are mandatory for the Foundation's accounting periods beginning after 1 July 2021, and which the Foundation has not early adopted. The Foundation has assessed the relevance of all such new standards, interpretations and amendments, and has determined that all standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no impact on adoption; or contain inconsequential clarifications that will have no material impact when they come into effect. This includes amendments resulting from the IASB's ongoing 'Improvements to IFRS' project.

(c) Revenue recognition
Interest and dividends are accounted for on the accrual basis.

(d) 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
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

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

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

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

(iii) Measurement
Measurement of debt instruments depends on the Foundation's business model for managing the asset and the cash flow characteristics of the asset. The Foundation classifies its debt instruments into two measurement categories:

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

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in the income statement using the effective interest rate method. Impairment losses are presented as a separate line item in the income statement.

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

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (continued)

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

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

3. Funding

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

4. Share Capital

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

5. Taxation

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

6. Investments

	2021 $'000	2020 $'000
FVOCI Securities		
Government of Jamaica		
J$ and US$ local bonds	179,502	192,580
Interest receivable	2,082	3,858
	181,584	196,438
Corporate Bonds		
J$ and US$ bonds	291,512	259,323
Interest receivable	3,590	1,735
	295,102	261,058
	476,686	457,496
Quoted ordinary stocks	1,336,821	809,286
	1,813,507	1,266,782

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

7. Cash and Cash Equivalents

	2021 $'000	2020 $'000
Cash	49,602	46,580
Deposits	22,450	21,027
	72,052	67,607

8. Accounts Payable and Accrued Liabilities

	2021 $'000	2020 $'000
Accrued Liabilities	4,148	1,097

9. Contribution Fund

	2021 $'000	2020 $'000
Contribution Fund - GraceKennedy Limited	28,988	28,988
Contribution Fund - Luis Fred Kennedy	4,000	4,000
Fund balance at start and end of period	32,988	32,988

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

10. GraceKennedy Scholarship Fund

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

	2021 $'000	2020 $'000
Primary grant received	350	350
Accumulated surplus	136,184	129,209
Fair value reserve		
Brought forward	497,418	570,387
Movement	327,243	(72,969)
	824,661	497,418
Total Fund	961,195	626,977

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.

	2021 $'000	2020 $'000
Primary grant received	10,557	10,557
Accumulated surplus	164,918	151,758
Fair value reserve		
Brought forward	307,510	349,816
Movement	200,064	(42,306)
	507,574	307,510
Total Fund	683,049	469,825

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

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.

	2021 $'000	2020 $'000
Primary grant received	30,633	30,633
Accumulated surplus	48,449	46,575
Fair value reserve		
Brought forward	17,618	15,028
Movement	982	2,590
	18,600	17,618
Total Fund	97,682	94,826

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

13. Jamaican Institute for Excellence in Education Scholarship Fund

The fund was established in 2019. It was funded by a contribution from the Jamaican Institute for Excellence in Education Scholarship (JIEE) to make scholarship payments to one final year student pursuing STEM studies at the University of the West Indies or the University of Technology and a grant to a graduate student pursuing research in environmental management or climate change.

	2021 $'000	2020 $'000
Accumulated surplus	4,327	4,827
Scholarships	(500)	(500)
Total Fund	3,827	4,327

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.

	2021 $'000	2020 $'000
Primary grant received	18,000	18,000
Accumulated surplus	34,301	33,215
Fair value reserve		
Brought forward	3,012	1,290
Movement	588	1,722
	3,600	3,012
Total Fund	55,901	54,227

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.

	2021 $'000	2020 $'000
Accumulated surplus	23,298	22,443
Fair value reserve		
Brought forward	3,717	2,975
Movement	(71)	742
	3,646	3,717
Total Fund	26,944	26,160

16. Fair Value Reserve

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

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

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 one of the most important risks for the Foundation; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Foundation's investment activities. The Foundation structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or group of related counterparties.

Impairment of Financial Assets

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

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

Maximum exposure to credit risk

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

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

	2021 $'000	2020 $'000
Credit risk exposures are as follows:		
Government of Jamaica securities FVOCI	181,584	196,438
Corporate securities FVOCI	295,102	261,058
Accounts receivable	3,532	2,799
Cash and cash equivalents	72,052	67,607
	552,270	527,902

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

GraceKennedy Foundation Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

17. Financial Risk Management (Continued)

(b) Liquidity risk

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

Liquidity risk management process

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

(i) Monitoring future cash flows and liquidity on a regular basis;

(ii) Maintaining a portfolio of highly liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Optimising cash returns on investment.

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

(c) Market risk

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

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

(i) Currency risk

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

The Foundation is exposed to foreign exchange risk primarily with respect to the United States (US) dollar. The statement of financial position at 30 June 2021 includes aggregate foreign assets of $241,626,000 (2020 - $193,503,000).

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

17. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) ***Currency risk (continued)***

Foreign currency sensitivity

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

	% Change in Currency Rate 2021	Effect on Net Surplus 2021 $'000	% Change in Currency Rate 2020	Effect on Net Surplus 2020 $'000
Devaluation	-6%	14,497	-6%	11,610
Revaluation	+2%	(4,833)	+2%	(3,870)

(ii) ***Interest rate risk***

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

	2021 %	2020 %
Investments -		
Government of Jamaica Securities	8.2	6.7
Corporate securities	6.9	6.9

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.

18. Fair Value of Financial Instruments (Continued)

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.

The following table presents the Foundation assets that are measured at fair value at 30 June 2021. The financial assets are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

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

	Level 1 $'000	Level 2 $'000	Total balance $'000
		2021	
Assets			
Fair value through OCI -			
Equity securities	1,336,821	-	1,336,821
Debt investments	-	476,686	476,686
	1,336,821	476,686	1,813,507
		2020	
Assets			
Fair value through OCI -			
Equity securities	809,286	-	809,286
Debt investments	-	457,496	457,496
	809,286	457,496	1,266,782

There were no transfers between levels during the period.

GK Scholar assisting at the GK Campus Connect Food Bank

POWER OF PARTNERSHIPS

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GraceKennedy FOUNDATION

ANNUAL REPORT
2020 - 2021