



DESNOES & GEDDES
FOUNDATION
IMPACTING LIVES. ENRICHING COMMUNITIES

ANNUAL REPORT

2020



TABLE OF CONTENTS

01 CHAIRMAN'S MESSAGE

02 ABOUT US

03 BOARD OF DIRECTORS

04 FOUNDATION TEAM

05 PICTORIAL HIGHLIGHTS

PROGRAMME EXECUTION AT A GLANCE

12 NO MALE LEFT BEHIND

15 LEARNING FOR LIFE

16 BEER LOVE ACADEMY

17 GROWING WITH COMMUNITIES

20 PROJECT GROW

FINANCIAL STATEMENTS

22 INDEPENDENT AUDITOR'S REPORT

25 STATEMENT OF FINANCIAL POSITION

26 STATEMENT OF SURPLUS OR DEFICIT

27 STATEMENT OF CHANGES IN RESERVE

28 STATEMENT OF CASH FLOWS

29 NOTES TO THE FINANCIAL STATEMENTS

40 ADDITIONAL INFORMATION – AUDITOR'S REPORT

41 ADDITIONAL INFORMATION DETAILED STATEMENT
OF SURPLUS OR DEFICIT

42 DESNOES & GEDDES FOUNDATION ADDITIONAL INFORMATION
SCHEDULE OF PROJECT EXPENSES

CHAIRMAN'S MESSAGE



Chairman
Noel daCosta, C.D.

Dear Friends,

Many say that the secret to a happy and fulfilling life is truly giving from the heart. The Desnoes & Geddes (D&G) Foundation stands for exactly that. This 15-year old organization has been blessed by each and every one of its donors over the year as they have allowed us to stay true to our vision. Our commitment to working with others to facilitate social and community development by implementing programmes that seek to alleviate poverty, develop human capital and increase the well-being of the citizens and residents of Jamaicans is our greatest mission.

On behalf of the Board of Directors, I offer my sincerest thank you for all of the support we have received. Without you, we would never have been able to play our part in enriching the lives of our fellow

Jamaicans and creating meaningful development in communities island wide.

The COVID-19 pandemic has affected the island greatly, but with perseverance and giving to those who are most in need, we can hope for a brighter tomorrow. I would like to extend my thanks to the board for their dedication this year and to all faculty and staff for their persistent efforts in ensuring all operations were run smoothly and efficiently. We thank all our partners, as these initiatives and campaigns would not have been as momentous without their generosity and support.

It is of the utmost importance to the D&G Foundation to properly manage the giving of the gifts that you all have bestowed on us. The Foundation is earnest about its commitment to the development of the Jamaican people and do everything within our power to foster growth wherever possible.

You are welcome to enjoy the D&G Annual Report 2020. This report gives an in-depth look at the initiatives, pledges and gifts that have been given over the year. Each one of these campaigns has had exceptional success and has significantly impacted the lives of all those who were involved.

Moving into 2022, we aim to have an even greater impact on as many people as possible. We continue to set out new goals for the Foundation, while staying true to our core values: Passion for People, Respect for Planet and Commitment to Partnership. None of the tasks we commit ourselves to will be easy, however, with the support we continue to receive and the level of dedication that each member of our team shows, we are confident that we can make an impact on the lives of even more people.

ABOUT US

*The Desnoes & Geddes Foundation is the charitable arm of Desnoes & Geddes Limited which trades as the world-renowned Jamaican beer, Red Stripe of the HEINEKEN company. The Foundation was registered as a charitable organization in 2006 and has since then been fulfilling its Mission of **Impacting Lives, Enriching Communities**.*

OUR VISION STATEMENT

We are committed to working with others to facilitate social and community development by implementing projects and programmes that seek to alleviate poverty, develop human capital and increase the well-being of the citizens and residents of Jamaica.

CORE VALUES

- Passion for People
- Respect for Planet
- Commitment to Partnership

BOARD OF DIRECTORS



Chairman
Noel daCosta, C.D.



Vice Chairman
Arthur Hamilton



Secretary
Dianne Ashton-Smith



Treasurer
Joy Roberts-Williams



Director
Cavell Francis-Rhiney



Director
Jordache Wilson

FOUNDATION TEAM

ADMINISTRATION



Accountant
Dennis Beckford



Administrator
Totlyn Brown-Robb

IDB PROJECT GROW TEAM



Project Manager
Stephannie Coy



Extension Lead
Devarn Breakenridge



Extension Officer
Adam McKenzie



Extension Officer
Alex Holmes



Extension Officer
Theo Watson



Extension Officer
Jesse Linton

PICTORIAL HIGHLIGHTS



Dennis Beckford (right), Accountant of the Desnoes & Geddes Foundation, shows Sherica Christian, Principal of Christian's Early Childhood Academy, how to maneuver her face shield. The Foundation donated sanitization packages valued at over \$200,000 to help schools in the enclaves of Spanish Town Road.

(L - R) Dianne Gordon-Denton, Vice Principal, and Janice Julal, principal of Denbigh High School, receive the cheque from Totlyn Brown-Robb, Administrator at the D&G Foundation. The Denbigh High School in Clarendon was among the winners of the Foundation's 5 for 5 Promotion, powered by Malta.





Student at the St Thomas-based Yallahs High School, Lawayne Lamont, displays one of several tablets donated to male students at the school by the Desnoes & Geddes Foundation, under the organisation's 'No Male Left Behind' project. In the background are Guidance Counsellor at the school, Sheldon Howell (left), and Extension Lead at the Foundation, Devarn Breakenridge.

The Desnoes & Geddes (D&G) Foundation donated \$300,000 to the Joseph Royal Education Centre in aid of their rebuilding project. Principal John Mitchell (left) and school chairman Perletta Johnson (centre) accepted the cheque from Dennis Beckford, D&G Foundation Accountant.



An internal promotion dubbed 10 for 100 was also executed for employees to nominate 10 needy schools for a \$100,000.00 Grant.



(From left) Pictured are Stephannie Coy, Project Manager at the Desnoes & Geddes Foundation and Angela Gordon-Black, Principal of Callaloo Mews Basic School. The Desnoes & Geddes (D&G) Foundation donated approximately \$200,000 in sanitization products to schools facing financial difficulty in meeting COVID-19 protocols for re-opening in September 2020.

(From left) While practising social distancing, Stephannie Coy, Project Manager of the Desnoes & Geddes (D&G) Foundation, discusses school closure with Brendalee McLaughlin, the Grade One Coordinator and Special-Needs Instructor at the Seaview Gardens Primary and Junior High. The Foundation recently provided printed copies of PEP course materials across all subjects, with the intent of continuing to assist the school in supplying their students with study material.



NO MIND LEFT BEHIND



The goal of “No Mind Left Behind” is to foster academic excellence and personal development for youth ages 3–18 through increased access to educational tools, social interventions and experiential activities/excursions.

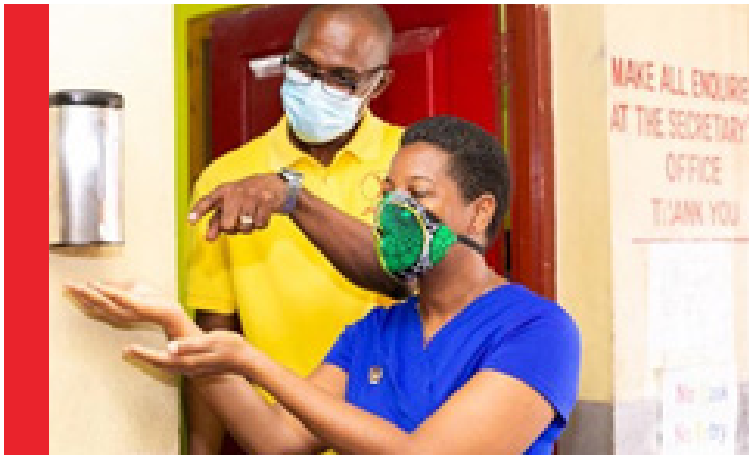
With the onset of the COVID-19 pandemic, the Foundation recognized the pressing needs of the educational community and mobilized our resources to come to their assistance. Through the initiative, 21 schools from eight parishes - Kingston & St. Andrew, Manchester, St. Thomas, St. James, St. Catherine, St. Ann, Trelawny and Clarendon - benefited from an investment of approximately \$10.1 million. The project impacted the lives of over 7,500 students and their families across institutions including seven basic schools, six primary schools, seven high schools and one special needs intervention center.

The initial activities of the programme saw the Foundation donating sanitization tools and equipment such as automatic sanitizer dispensers, handheld thermometers, 117 food packages to needy families and 24 food vouchers to teachers at the Christian Academy and Callaloo Mews Basic Schools through a partnership with Sampars.

As the pandemic worsened and difficulty that many students across Jamaica faced with the move to online learning, the Foundation quickly reacted with the provision of 150 tablets.

Among the first set of schools 'adopted' by the Foundation were Seaview Gardens Primary School, Cockburn Gardens Primary and Junior High, Christian's Early Childhood Academy and Callaloo Mews Basic School.

Under the 'No Male Left Behind' component, the Yallahs High School received two laptops for teachers, 10 tablets and food care bags for the 10 males participating in the project. Financial support and the donation of 10 tablets were also provided to Church Teachers' College Educational Assessment and Intervention Centre to host a workshop for parents and teachers on how to navigate the e-learning space.



Accountant Dennis Beckford showing Principal at Seaview Gardens Primary how to use the automatic dispenser.



Board Director Cavell Francis-Rhiney handing over Tablets to the Principal and teachers at Seaview Gardens Primary.



Board Director Joy Roberts-Williams handing over tablets to Principal at Cockburn Gardens Primary.

MINISTRY OF EDUCATION ENDORSES D&G FOUNDATION'S '5 FOR 5'



The Honourable Faval Williams, MP,
Minister of Education, Youth and Information.

The Minister of Education, Youth and Information, The Honourable Faval Williams, MP, has commended the Desnoes & Geddes (D&G) Foundation for its efforts to ensure educational continuity through a digital initiative aimed at putting \$2.5 million in the hands of five schools for improvement projects.

The Minister noted, "These are unforeseen and unprecedented times we are living in as we try to settle down in this new normal of wearing masks, practising social distancing and online learning. Despite all this, we must play our part to ensure our children receive the education they deserve and the necessary support from their schools. The Desnoes and Geddes Foundation 5 for 5 Promotion, powered by Malta is a great initiative that allows your voice to be heard by nominating and voting for the schools you think deserve a share of the prize. The ministry supports this initiative, and encourages Jamaicans to do the same by participating online."

The Foundation's '5 for 5 Promotion', will see five schools each getting \$500,000. The schools will be selected through a voting process online. There was an open call for nominations from October 23 - 30, where followers on @redstripecorporate Instagram and Facebook pages, chose the schools they believe were the most deserving of the half

million-dollar prize. The top 10 schools with the most nominations have advanced to the voting round.

Schools still in the running are Silverstone Basic School, Denbigh High School, Merl Grove High School, Revival Basic School, York Castle High School, The Queens School, Westwood High School, Yallahs High School, Glenmuir High School and New Vision Primary School. Voting has already commenced and will end on November 25. The top five schools with the most votes will be announced on November 27, and given \$500,000 each for their improvement projects.

"Youth empowerment and educational development are among the core principles of the D&G Foundation, so it was only fitting that we launch this programme to serve them. Now more than ever, our young people need to feel supported and secure in their studies so they can be successful during the school year and move on to achieve their dreams. Our donation to these schools is a way for us to show our solidarity with the education sector and provide support in a way that matters most," said Dianne Ashton-Smith, D&G Foundation board member.

The D&G Foundation is the philanthropic arm of local beer company Red Stripe, a part of the HEINEKEN Company. Like its other initiatives, the Foundation's 5 for 5 Promotion, in collaboration with Malta, aims to impact the lives of children across the island, many of whom are still trying to adjust to the online/remote learning environment.

For more details on the initiative, visit @redstripecorporate on Facebook and Instagram or email DandGFoundation@heineken.com.

D&G FOUNDATION 5 FOR 5, POWERED BY MALTA



The Foundation's '5 for 5 promotion' powered by Malta was an online competition which gave schools the opportunity to win a share of \$2.5 million for their improvement projects.

Jamaicans were encouraged to nominate their school on @redstripecorporate Facebook and Instagram pages. The ten schools with the most nominations would then advance to the voting round, where five winners would be determined and each awarded \$500,000.

The month-long campaign, which was endorsed by The Honourable Fayval Williams, Minister of Education, Youth and Information, saw over 10 schools nominated with over 4,000 fans voting online for their favourite school.

Silverstone Basic School in St. Catherine emerged with the most votes of 4,674 votes. The other winners were Denbigh High School, Merl Grove High School, Westwood High School and The Queens School.

NO MALE LEFT BEHIND

MENTORSHIP AND TRAINING

RATIONALE

The Desnoes & Geddes Foundation as a part of its mandate and motto 'Impacting Lives, Enriching Communities,' seeks opportunities to assist those facing particular challenges and those with a desire to further grow themselves and their communities'. The Foundation, through implementation of the No Male Left Behind programme; will answer the call of those in need and at high risk of falling behind and becoming marginalized young adults not fully equipped with the educational, vocational and emotional needs for integration, employment, job creation and psychological maturity. The project will assist, train and mentor at-risk boys from secondary institutions in the parish of St. Thomas by developing their life skills, maximizing their learning potentials, and enhancing their creative talents and abilities in key technical vocation subject areas.

The program will run for a period of two years initially and based on, assessment of the needs at the institutions, the success rate over the first two years be extended for an additional year.

THE FOUNDATION ALSO PROVIDED NON-COVID RELATED SUPPORT THROUGH:



Students from the CLBL Summer 2020 session

1. The continuation of sponsorship for the 2nd of a three (3) year commitment to a Schools' Challenge Quiz 3rd place contestant that is now attending UWI Mona.
2. Financial support to the DeCarteret College Choir's participation in the World Choir Olympics.
3. A contribution of \$100,000 to the Creative Language-Based Learning (CLBL) 2020 project to assist in the training of 71 teachers and remedial lessons provided to 85 students across 11 parishes. The CLBL is an educational initiative designed to create a community of educators skilled in teaching process-based, remedial reading, spelling, comprehension, critical thinking and maths to children across Jamaica.

PROGRAM GUIDE

| Coaching | Training | Support | Success |
|---|---|---|---|
| Mentors & Trainers D&G/RS | Trainers- D&G Foundation | Mentors- RS | Mentees |
| <ul style="list-style-type: none"> • Assist mentee in developing academic and life goals • Share best practices in key subject areas and help where possible in projects • Have mentee maintain a journal and review growth through a letter at the beginning middle and end of semester • Help mentee identify strengths and weaknesses and guide how to improve them • Share positive attitudes, persons and information with mentee • Help to strengthen current and new relationships of mentee | <ul style="list-style-type: none"> • Topics <ul style="list-style-type: none"> * Understanding emotions * Managing strong emotions * Power of positive attitude * Personal values * Goal setting: Make it happen * Effective study skills * Project of Life * Stress Management * Solving Problems * Career Assessment 1&2 * Why Volunteer * Creative Thinking | <ul style="list-style-type: none"> • Track class involvement • Guide mentee in time management • Aid in building timetable for class/study and homework • Help mentee build constructive network aligned with personal growth and career development • Align mentee with resources persons and material for growth and communication • Share best practices for key subject areas • D&GF-technology support for classes | <ul style="list-style-type: none"> * Attend all classes * Improvements in behavior * Improvements in social interactions-lowered aggression/greater participation in class/ improvements in communication and interaction * 80% boys passing 3 or more subjects and achieving other academic goals * 50% of the boys transitioning to higher education- HEART-NSTA, College, University * Boys gaining part-time or full time employment * Progress in achieving Life goals & Project of Life targets |



LEARNING FOR LIFE



LEARNING FOR LIFE HAS AS ITS MAIN OBJECTIVE TO PROVIDE UNATTACHED AND VULNERABLE YOUTHS 18–35 WITH SKILLS AND CAPACITY BUILDING TRAINING IN HOSPITALITY, RETAIL, ENTERPRISE, BARTENDING, AND AGRICULTURE THAT CAN FOSTER INCOME GENERATING ACTIVITIES AND FIRST-TIME EMPLOYMENT BY WAY OF PAID INTERNSHIPS.

In 2020, 216 youths benefited from training in agriculture and bartending, 172 and 44 beneficiaries respectively. The curricula for each of these projects was strengthened by the inclusion of life-skills/employability topics delivered by Foundation team members who were trained under the NEO Jamaica Project. The Foundation invested \$4.7 million to cover the internships for the trainees and inputs for the bartending programme.

Under the agriculture component 73 men and 99 women from St. Thomas, Portland and St. Catherine were trained. Through an agreement with CASE, 3rd and 4th year agriculture students received the Climate Smart Cassava Cultivation Training using the manual developed by the Foundation. The youths were also exposed to micro-enterprise training using a manual adapted by the Foundation from the “Farming as a Business” Manual provided under the Ja REEACH II project.

The Bartender training was completed in Portland and Manchester with 25 men and 19 women trained, and 100% of the participants receiving internships.

The key to the Foundation being able to realize its mission of impacting lives and enriching communities is the extent to which we are able to identify and partner with new or existing organizations that can support our objectives.

BEER LOVE ACADEMY



THE OBJECTIVE OF THE BEER LOVE ACADEMY IS TO RAISE THE STANDARD AND IMPROVE THE CAREERS OF PROFESSIONALS IN THE INDUSTRY THROUGH SKILLS DEVELOPMENT.

Formerly known as the Bar Academy, the renaming and rebranding is part of Red Stripe's goal to bring greater alignment and synergies between the formerly named Certified Bar that was executed by Commercial [now Beer Love Loyalty Programme] and Bar Academy executed by the Commercial Department, now the Beer Love Academy (BLA). The overarching programme is the Beer Love Programme.

As part of the Beer Love Academy, a Certified Beer Advisor course was developed and piloted with 16 existing bartenders, some of whom were alumni of the L4L Bartending training and were working on cruise liners but had now found themselves idle due to the COVID pandemic. The Training sought to provide a greater appreciation for and understanding of beers with the intent that bartenders would now be better placed to 'upsell' beer and increase its consumption.

Another component of the BLA is the upgrading of business competency of bar operators. In partnership with HEART NSTA, 13 bar operators from Kingston & St. Andrew were registered to participate in an online Micro-Entrepreneurs Certificate course. The training began with the provision of training by Foundation team members in the areas of soft skills e.g. conflict resolution and team building, general topics e.g. health and safety, COVID tips and general rules on stocktaking.

GROWING COMMUNITIES



SUPPORTING THE SOCIO-ECONOMIC GROWTH AND DEVELOPMENT OF COMMUNITIES

The Foundation provided support in the amount of \$6.3 million in response to requests from communities across Jamaica. All the initiative supported, showed alignment with our values. Passion for People and Commitment to Partnerships. The activities undertaken were:

- Cash donation of \$1million to aid in the re-opening of the Clifton Boys Home in Westmoreland that had suffered from a fire in 2017.
- Partnership with Malta to restart the business of an entrepreneur with a disability.
- Donation of 3,730 face shields and 1,865 gallons of sanitizers to the multi-stakeholder 'For the Bars: For Jamaica' initiative which was launched by Red Stripe to assist community bars with operating safely while adhering to the government guidelines for controlling the spread of the coronavirus in Jamaica.
- Cash donation to support the operations of the Women's Crisis Centre.
- Cash donation of \$300,000.00 to the Mustard Seed Communities to deliver care packages to needy families.
- Donation of a refrigerator to a destitute family adopted by The Sugar Companies of Jamaica who led the initiative to obtain housing and furnishings.

FOR OUR BARS: FOR JAMAICA



Waltham All Star Bar owner Mellissa Scotchman (fourth left) is one of 1800 bar operators across the island who are being supported by "For Our Bars. For Jamaica to jumpstart operations following the relaxation of COVID-19 restrictions. From left: Joel Brooks, Demand Specialist at Celebrations Brands Limited (CBL); Michelle Farr-Vassell, Brand Market Manager JAMBISCO; Stephannie Coy, Project Manager, D&G Foundation; Tereika Dyer, Bartender at the Waltham Allstar Bar; Hugh Graham, CEO of Paramount Trading; Latoya Simba, Trade Marketing Manager at Red Stripe; Ricardo Watson, Commercial Team Leader at CBL and Ever-Gaye Style-Morris, Brand Marketing Coordinator at Pepsi, join Scotchman as she receives complimentary products including beverages, snacks, hand sanitizer and face shields. Under the programme, bar operators and their staff will also receive training in the areas of profitability, sanitization and responsible serving.

DONATION TO MUSTARD SEED COMMUNITIES



Executive Director of the Mustard Seed Communities, Darcy Tulloch-Willams (centre) discusses the skills development programmes offered by the Mustard Seed Communities to their residents with Desnoes & Geddes (D&G) Foundation members Jordache Wilson (left) and Dennis Beckford. The non-profit organisation recently received a donation of \$100,000 and 10 crates of Malta from the Foundation that will bolster the Mustard Seed Communities' efforts.

PROJECT GROW



PROJECT GROW: ACCELERATING THE INCLUSION OF SMALL-SCALE FARMERS AND YOUTH INTO THE COMMERCIAL CASSAVA VALUE CHAIN



The main initiative under this component has been the implementation of the IDB funded Project Grow: Accelerating the Inclusion of Small-Scale Farmers and Youth into the Commercial Cassava Value chain 2017 - 2021. In its penultimate year, the project met 60% of the qualitative indicators, including the objective of including small scale farmers and youth into the commercial cassava value chain. The indicators not met were related to yield, training target and placing 1,000 youths.

Despite this, the Cassava Value Chain has grown since the involvement of Red Stripe and the Desnoes & Geddes Foundation. The project has successfully proven the viability of cassava cultivation as a raw material for more than the traditional bammy. Other uses:

- Gluten free flour
- Waste from the brewery processing used for animal feed
- Experimentation being done on using the sticks as a coal substitute.

Other major success factors include:

- The willingness of 2 financial institutions to develop credit products offering financing options for cassava farmers
- The research on new high yielding varieties in 4 ecological zones, which has allowed us to identify which varieties would be more productive in Jamaica
- The provision of training and employment to over 500 youths
- Increased knowledge for farmers on how to manage the farms as a business
- Development of training manuals that have improved farmers' capacity to cultivate cassava
- Expertise provided to RADA Extension Officers through training in cassava cultivation.



Desnoes & Geddes Foundation

Financial Statements

December 31, 2020



Independent auditor's report

To the Members of
Desnoes & Geddes Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Desnoes & Geddes Foundation ("the Foundation") which comprise the statement of financial position as at December 31, 2020, the statement of surplus or deficit, the statement of changes in reserve and statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at December 31, 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Jamaican Companies Act and the Charities Act.

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 are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, the Jamaican Companies Act and the Charities 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.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.



Independent auditor's report (cont'd)

To the Members of
Desnoes & Geddes Foundation

Report on the Audit of the Financial Statements (cont'd)

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 skepticism 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 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, 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.



Independent auditor's report (cont'd)

To the Members of
Desnoes & Geddes Foundation

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Foundation to express an opinion on the financial statements. We remain responsible for the direction, supervision and performance of the audit. We remain independent for our audit opinion.

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

Report on additional matters as required by the Jamaican Companies Act and the Charities Act

We have obtained all the information and explanations which, to the best of our knowledge, 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 financial statements, with the agreement therewith, give the information required by the Jamaican Companies Act in the

Kingston, Jamaica

August 17, 2021


Chartered Accountants

Desnoes & Geddes Foundation

Statement of financial position

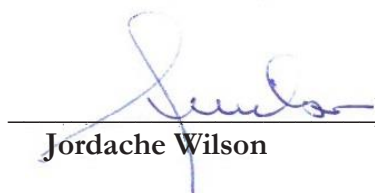
December 31, 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | (3) | 374,109 | 486,595 |
| | | 374,109 | 486,595 |
| Current assets | | | |
| Receivables | (4) | 1,182,393 | - |
| Taxation recoverable | (5) | 5,903 | 4,028 |
| Bank and cash | (6) | 33,748,686 | 39,162,711 |
| | | 34,936,982 | 39,166,739 |
| Total assets | | 35,311,091 | 39,653,334 |
| Reserve and liabilities | | | |
| Reserve | | | |
| Accumulated fund | (7) | 23,723,338 | 35,454,575 |
| Total reserve | | 23,723,338 | 35,454,575 |
| Current liability | | | |
| Special project funds | (8) | - | 833,283 |
| Payables and accruals | (9) | 11,587,753 | 3,365,476 |
| Total liabilities | | 11,587,753 | 4,198,759 |
| Total reserve and liabilities | | 35,311,091 | 39,653,334 |

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on August 17, 2021 and signed on its behalf by:

) Chairman
Noel daCosta

) Director
Jordache Wilson

Desnoes & Geddes Foundation

Statement of surplus or deficit

Year ended December 31, 2020

| | Note | 2020 \$ | 2019 \$ |
|---------------------------------------|------|---------------------|-------------------|
| Unrestricted contribution | | | |
| Contribution - projects | (2c) | 44,275,529 | 70,601,852 |
| Project expenses | | (36,332,700) | (36,594,875) |
| Gross surplus | | 7,942,829 | 34,006,977 |
| Administrative expenses | | (21,636,955) | (21,464,067) |
| Depreciation | | (112,486) | (164,925) |
| Operating (deficit)/surplus | | (13,806,612) | 12,377,985 |
| Interest income | | 7,484 | 1,996 |
| Gain on foreign exchange | (10) | 2,067,891 | 456,679 |
| (Deficit)/surplus for the year | | (11,731,237) | 12,836,660 |

The notes on the accompanying pages form an integral part of these financial statements.

Desnoes & Geddes Foundation Statement of changes in reserve

Year ended December 31, 2020

| | Accumulated surplus \$ |
|---|------------------------------|
| Balance at January 1, 2018 | 22,617,915 |
| Surplus for year 2019 being total comprehensive surplus | 12,836,660 |
| Balance at December 31, 2019 | <u>35,454,575</u> |
| Deficit for the year 2020 being total comprehensive surplus | (11,731,237) |
| Balance at December 31, 2020 | <u><u>23,723,338</u></u> |

The notes on the accompanying pages form an integral part of these financial statements.

Desnoes & Geddes Foundation

Statement of cash flows

Year ended December 31, 2020

| | 2020 \$ | 2019 \$ |
|---|---------------------|-------------------|
| Cash flows from operating activities: | | |
| (Deficit)/surplus for the year | (11,731,237) | 12,836,660 |
| Adjustment for: | | |
| Depreciation | 112,486 | 164,925 |
| Interest income | (7,484) | (1,996) |
| | (11,626,235) | 12,999,589 |
| (Increase)/decrease in receivables | (1,182,393) | 3,131,476 |
| Increase/(decrease) in payables and accruals | 8,222,277 | (4,417,192) |
| Decrease in special project funds | (833,283) | (9,553,430) |
| Net cash (used in)/provided by operating activities | (5,419,634) | 2,160,443 |
| Cash flows from investing activities: | | |
| Purchase of property, plant and equipment | - | (21,341) |
| Interest received net of withholding tax | 5,609 | 1,490 |
| Net cash (used in)/provided by investing activity | 5,609 | (19,851) |
| Net (decrease)/increase in cash and cash equivalents | (5,414,025) | 2,140,592 |
| Cash and cash equivalents at beginning of year | 39,162,711 | 37,022,119 |
| Cash and cash equivalents at end of year (Note 7) | 33,748,686 | 39,162,711 |

The notes on the accompanying pages form an integral part of these financial statements.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

1. General information and nature of operations

Desnoes & Geddes Foundation (the Foundation) was incorporated under the Laws of Jamaica on March 15, 2006 as a company limited by guarantee and not having a share capital. On June 7, 2006, the Foundation was granted a license by the Minister of Trade and Industry to omit the word “Limited” from its name. The Foundation began operations in 2007 and its registered office is located at 214 Spanish Town Road, Kingston 11, Kingston, Jamaica.

The main activities of the Foundation are:

- (i) Carrying out charitable purposes as shall extend to the relief of poverty, suffering and distress among citizens and/or residents of Jamaica, wherever situate;
- (ii) The provisions of facilities, undertakings and assistance in all forms, in each case for the benefit of citizens and or residents of Jamaica, the undertaking of community development projects in Jamaica for the benefit of communities across the island.
- (iii) The collaboration with other charitable organisations operating in Jamaica in and towards the provision of services and facilities to all such persons and for any and all of the forgoing purposes.

The major donor to the Foundation is Desnoes & Geddes Limited trading as Red Stripe which provides funding from royalties it earns from the sale of rights to use its logo.

On November 16, 2014 the Foundation was granted approved charitable status and was registered as such under the Charities Act.

2. Summary of significant accounting policies

The Foundation’s financial statements have been prepared on an accrual basis and under the historical cost convention except for the revaluation of properties and equity investments.

These financial statements are expressed in Jamaican Dollars (J\$).

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared under the historical cost convention.

Changes in accounting policies

New and revised standards that are effective during the current year

Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial year. The Foundation has assessed the relevance of all such new standards, interpretations and amendments and determined that the following does not have a material impact on the Foundation’s financial statements.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

2. Summary of significant accounting policies

a Basis of preparation (cont'd)

Changes in accounting policies (cont'd)

New and revised standards that are effective during the current year (cont'd)

- Amendments to references to the Conceptual Framework in IFRS standards
- Amendments to IAS 1 and IAS Definition of material
- Amendments to IFRS 9, benchmark IAS 39 & IFRS 7 interest rate reform
- Amendments to IFRS 16 COVID- 19 Rent Related Concessions

The Foundation is currently assessing the impact of future adoption of the new standards on its financial statements.

Standards, amendments and interpretations issued but not yet effective and have not been adopted early by the Foundation

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Foundation.

New standards, amendments and interpretations not early adopted or listed below have not been disclosed as they are not expected to have a material impact on the Foundation's financial statements.

- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018 – 2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

b Property, plant and equipment

- (i) Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. (Note 2).
- (ii) Depreciation is charged on the assets from the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to ten (10) years for furniture and fixtures and three (3) for computer equipment and peripherals.

c Revenue recognition

Revenue comprises grants from donors and interest income. Revenue is measured by reference to the fair value of donations and interest income received or receivable and is accounted for in the year to which it relates.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

2. Summary of significant accounting policies

d Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in Jamaican dollars, which is the functional currency of the Foundation.

Foreign currency translations and balances

- (i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.
- (ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.
- (iii) Gains/losses arising from fluctuations in exchange rates are included in surplus or deficit.

e Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled, or expired.

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

The Foundation's financial assets are classified as amortised cost.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Foundation's cash and cash equivalents, and related party receivables fall into this category of financial instruments.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

2. Summary of significant accounting policies (cont'd)

e Financial instruments (cont'd)

Impairment of financial assets

The Foundation applies the simplified approach for receivables which is permitted by IFRS 9. The simplified approach requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL.

Classification and measurement of financial liabilities

The Foundation's financial liabilities represent owing to related company.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Foundation designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

f Receivables

Receivables are classified as financial assets measured at amortised cost. These are initially recognised at original invoice amount (which represent fair value) and subsequently measured at amortised cost less provision for doubtful debts. A provision for doubtful debt is recognised when there is an indication that the debt is impaired.

g Bank and cash

These are classified as financial assets measured at amortised cost and consist of savings and current accounts balances.

h Payables and accruals

Payables and accruals are classified as financial liabilities measured at amortised cost. These are initially recognised at original transaction amount (which represents fair value) and subsequently measured at amortised cost.

i Reserve

Accumulated surplus includes all current and prior period results as disclosed in surplus or deficit.

j Impairment

The Foundation's property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

2. Summary of significant accounting policies (cont'd)

j Impairment (cont'd)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

k Use of estimates and judgements

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the Foundation's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

(ii) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(iii) Taxation

The Foundation is a registered Charitable Organisation under the Charities Act and as such is exempt from Income Tax.

I Comparative information

Certain previous year figures have been restated to conform to current year's presentation.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

3. Property, plant and equipment

The carrying amounts for property, plant and equipment for the years included in these financial statements as at December 31, 2020 are reconciled as follows:

| | Furniture and Fixtures \$ | Computer and Peripherals \$ | Total \$ |
|---|------------------------------------|--------------------------------------|------------------|
| Gross carrying amount | | | |
| Balance at January 1, 2020 | 591,603 | 319,961 | 911,564 |
| Carrying amount at December 31, 2020 | 591,603 | 319,961 | 911,564 |
| Depreciation | | | |
| Balance at January 1, 2020 | (158,335) | (266,634) | (424,969) |
| Charge for the year | (59,160) | (53,326) | (112,486) |
| Balance at December 31, 2020 | (217,495) | (319,960) | (537,455) |
| Carrying amount at December 31, 2020 | 374,108 | 1 | 374,109 |

| | Furniture and Fixtures \$ | Computer and Peripherals \$ | Total \$ |
|---|------------------------------------|--------------------------------------|------------------|
| Gross carrying amount | | | |
| Balance at January 1, 2019 | 570,262 | 319,961 | 890,223 |
| Additions | 21,341 | - | 21,341 |
| Carrying amount at December 31, 2019 | 591,603 | 319,961 | 911,564 |
| Depreciation | | | |
| Balance at January 1, 2019 | (100,063) | (159,981) | (260,044) |
| Charge for the year | (58,272) | (106,653) | (164,925) |
| Balance at December 31, 2019 | (158,335) | (266,634) | (424,969) |
| Carrying amount at December 31, 2019 | 433,268 | 53,327 | 486,595 |

4. Receivables

| | 2020 \$ | 2019 \$ |
|--------------------------|------------------|------------|
| Advance of project funds | 1,182,393 | - |
| Total | 1,182,393 | - |

5. Taxation

- (i) The Foundation is a registered Charitable Organisation under the Charities Act and as such is exempt from Income Tax.
- (ii) Taxation recoverable represents tax withheld by financial institutions on interest earned by the Foundation on its interest-earning bank deposits. The Foundation may apply to the Commissioner of Tax Administration Jamaica for refund of tax withheld.

Desnoes & Geddes Foundation Notes to the financial statements

December 31, 2020

6. Bank and cash

| | Interest Rate % p.a. | 2020 \$ | 2019 \$ |
|--|----------------------------|-------------------|-------------------|
| Cash | | 20,000 | 17,700 |
| JA\$ Savings account | | 100 | 100 |
| JA\$ Current account | | 10,318,406 | 18,244,138 |
| US\$ Savings account (US\$147,546) (2019 - US\$138,266) | 0.0025 | 20,932,096 | 18,258,191 |
| US\$ Savings account – IDB (US\$17,468) (2019 - US\$20,012) | 0.0025 | 2,478,084 | 2,642,582 |
| Total | | 33,748,686 | 39,162,711 |

Included in the general funds of the Foundation are amounts held on behalf of the special projects fund. (Note 8).

All amounts are short-term in nature and the carrying value is considered a reasonable approximation of fair value.

7. Accumulated fund

Included in accumulated fund is \$10,115,338 that was used to start-up funding donated by Diageo in 2011.

8. Special project funds – Inter-American Development Bank (IDB)

In 2016 the IDB agreed to provide funding for Red Stripe's Project Grow, through a project named Accelerating the inclusion of small – scale farmers and youth into the commercial cassava value chain, to the amount of US\$814,417 for four (4) consecutive years. The project began in 2017 with two (2) disbursements being made in the amounts of US\$81,442 and US\$119,338 on May 10, 2017 and November 21, 2017 respectively, to cover expenses relating to the project. The balance at the end of the reporting period is US\$NIL (2019 – US\$6,310) and represents unspent project funds held by the foundation for payments of future expenses. Eighty percent (80%) of funds disbursed should be spent within six (6) months of disbursement. The balance from disbursement is represented by cash at bank. (Note 6).

9. Payables and accruals

| | 2020 \$ | 2019 \$ |
|--------------|-------------------|------------------|
| Payables | - | 2,181,257 |
| Accruals | 337,550 | 137,550 |
| Other | 11,250,203 | 1,046,669 |
| Total | 11,587,753 | 3,365,476 |

The above is short-term in nature and the carrying value is considered a reasonable approximation of fair value.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

10. (Deficit)/surplus for the year

(Deficit)/surplus for the year is stated after charging/(crediting):

| | 2020 \$ | 2019 \$ |
|--------------------------|-------------|------------|
| Auditor's remuneration | 137,550 | 137,550 |
| Interest income | (7,484) | (1,996) |
| Gain on foreign exchange | (2,067,891) | (456,679) |

11. Expenses by nature

Total direct and administrative expenses

| | 2020 \$ | 2019 \$ |
|----------------------------------|-------------------|-------------------|
| Project expenses - | | |
| Rent | 322,500 | 804,938 |
| Stipends and other project costs | 36,010,200 | 35,789,937 |
| Directors fees | 1,500,000 | 1,500,000 |
| Salaries, wages and other | 19,202,452 | 18,681,874 |
| Audit fees | 137,550 | 137,550 |
| Depreciation | 112,486 | 164,925 |
| Bank charges | 65,081 | 79,548 |
| Legal and professional fees | - | 32,600 |
| Other expenses | 731,872 | 1,032,495 |
| Total | 58,082,141 | 58,223,867 |

12. Risk management policies

The Foundation's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Foundation seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Foundation is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

i Currency risk and sensitivity analysis

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 is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US\$) the Foundation however, maintains US\$ bank accounts in an attempt to minimise this risk.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

12. Risk management policies (cont'd)

a Market risk (cont'd)

i Currency risk and sensitivity analysis (cont'd)

At the end of the reporting period there was net assets/(liability) of approximately US\$165,014 (2019 - US\$158,278) which was subject to foreign exchange rate changes as follows:

Concentrations of currency risk

| | 2020 US\$ | 2019 US\$ |
|-----------------|----------------|----------------|
| Financial asset | | |
| - Bank and cash | 165,014 | 158,278 |
| Total | 165,014 | 158,278 |

The above asset is receivable in United States Dollars (US\$). The exchange rate applicable at the end of the reporting period is J\$141.87 (2019 - J\$132.05) to US\$1.

Foreign currency sensitivity

Due to the nature of the Foundation's operations and the very short term nature of balances denominated in currencies other than the Jamaican dollar, there is no material impact on the results of the Foundation's operations as a result of changes in foreign currency rates.

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Foundation's cash and cash equivalents are subject to interest rate risk. However, the Foundation attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

Interest rate sensitivity

Due to the fact that interest earned from the Foundation's interest-bearing bank accounts is immaterial, there would be no material impact on the results of the Foundation's operations as a result of fluctuations in interest rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Foundation's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

12. Risk management policies (cont'd)

b Credit risk (cont'd)

The Foundation faces credit risk in respect of its receivables and bank and cash. However, this risk is controlled by close monitoring of these assets by the Foundation. In addition, bank and cash are maintained with licensed financial institutions considered to be stable. Savings and current accounts held at commercial banks are insured under the Jamaica Deposit Insurance Scheme (JDIS).

The maximum credit risk faced by the Foundation is limited to the carrying amount of financial assets recognised at the end of the reporting period as summarised below:

| | 2020 \$ | 2019 \$ |
|---------------|-------------------|-------------------|
| Bank and cash | 33,728,686 | 39,145,012 |
| Total | 33,728,686 | 39,145,012 |

However, at the end of the reporting period a maximum of J\$600,000 per Commercial Bank is insured under the JDIS.

The Foundation does not require collateral or other credit enhancements in respect of receivables.

c Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its commitments associated with its financial liabilities.

The Foundation manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The Foundation maintains cash to meet its liquidity requirements.

The Foundation's financial liabilities comprise special project funds and payables and accruals. These amounts are due as follows:

December 31, 2020

| | Within 12 Months \$ | Total \$ |
|-----------------------|---------------------------|-------------------|
| Payables and accruals | 11,587,753 | 11,587,753 |
| Total | 11,587,753 | 11,587,753 |

December 31, 2019

| | Within 12 Months \$ | Total \$ |
|-----------------------|---------------------------|------------------|
| Special project funds | 833,283 | 833,283 |
| Payables and accruals | 3,365,476 | 3,365,476 |
| Total | 4,198,759 | 4,198,759 |

Desnoes & Geddes Foundation

Notes to the financial statements

December 31, 2020

13. Summary of financial assets and liabilities by category

The carrying amounts of the Foundation's financial assets and liabilities recognised at the end of the reporting period may be categorised as follows:

| | 2020 \$ | 2019 \$ |
|--|-------------------|-------------------|
| Financial assets measured at amortised cost | | |
| Current assets | | |
| Receivables | 1,182,393 | - |
| Bank and cash | 33,748,686 | 39,162,711 |
| Total | 34,931,079 | 39,162,711 |
| Current liability | | |
| Special project funds | - | 833,283 |
| Payables and accruals | 11,587,753 | 3,365,476 |
| Total | 11,587,753 | 4,198,759 |

14. Capital management, policies and procedures

The Foundation's capital management objectives are to ensure the Foundation's ability to continue as a going concern and to sustain future development of the organisation. The Foundation's Board of Directors reviews the financial position of the Foundation at regular meetings.

The Foundation is not subject to any externally imposed capital requirements.

15. Subsequent event

Due to the spread of the Coronavirus disease (COVID-19) which was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, the value of the financial instruments may be negatively impacted. However, a reasonable estimate of the effect cannot be made at this time.



Additional information – Auditor’s report

To the Directors of
Desnoes & Geddes Foundation
On Additional Information

The additional information presented on the following pages 20 to 21 has been taken from the accounting records of the Foundation and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the Foundation for the year ended December 31, 2020.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole although it is not necessary for a fair presentation of the state of the Foundation’s affairs as at December 31, 2020, or of the results of its operations or its cash flows for the year then ended.

HLB Mair Russell
HLB Mair Russell
Chartered Accountants

Kingston, Jamaica
August 17, 2021

Desnoes & Geddes Foundation

Additional information

Detailed statement of surplus or deficit

Year ended December 31, 2020

| | 2020 \$ | 2019 \$ |
|---|---------------------|-------------------|
| Unrestricted contributions | | |
| Contributions - projects | 15,184,337 | 49,735,000 |
| Other revenue | 29,091,192 | 20,866,852 |
| Less: Project expenses – Stipends and other expenses (page 21) | (36,332,700) | (36,594,875) |
| Gross surplus | 7,942,829 | 34,006,977 |
| Gain on foreign exchange | 2,067,891 | 456,679 |
| Interest income | 7,484 | 1,996 |
| | 10,018,204 | 34,465,652 |
| Administrative expenses | | |
| Directors' fees | 1,500,000 | 1,500,000 |
| Audit fees | 137,550 | 137,550 |
| Printing, stationery and transportation | 124,778 | 45,790 |
| Salaries and wages | 15,437,808 | 15,063,326 |
| Staff welfare | 3,766,644 | 3,618,548 |
| Bank charges | 65,081 | 79,548 |
| Professional fees | - | 32,600 |
| Telephone | 135,555 | 207,125 |
| Advertising and promotions | 345,725 | 142,592 |
| Rent | - | 506,700 |
| Other expenses | 123,814 | 130,288 |
| Depreciation | | |
| Depreciation | 112,486 | 164,925 |
| | 21,749,441 | 21,628,992 |
| Operating (deficit)/surplus for the year | (11,731,237) | 12,836,660 |

Desnoes & Geddes Foundation

Additional information

Schedule of project expenses

Year ended December 31, 2020

| | 2020 \$ | 2019 \$ |
|--------------------------------------|-------------------|-------------------|
| Project expenses | | |
| Venue hall rental | 322,500 | 804,938 |
| Stipends, accommodation and meals | 1,759,358 | 8,861,162 |
| Travelling | 1,094,540 | 2,472,930 |
| Scholarships and grants | 400,000 | 400,000 |
| Sponsorship | 497,000 | 791,065 |
| Graduations and awards | - | 369,019 |
| Donations and contribution - current | 16,189,002 | 4,050,993 |
| - prior | - | (6,704,000) |
| Agriculture consultants | 8,346,617 | 11,984,101 |
| Catering | 488,904 | 2,586,380 |
| KM & C Consultant | 500,000 | - |
| Research Assistant | 2,741,538 | 4,137,231 |
| Safety gears | - | 114,695 |
| Stationery | 40,988 | 41,324 |
| Postage, courier service | 5,000 | - |
| Uniforms | 370,344 | 735,505 |
| Other programmes | 3,576,909 | 5,949,532 |
| Total (page 20) | 36,332,700 | 36,594,875 |



DESNOES & GEDDES
FOUNDATION
IMPACTING LIVES. ENRICHING COMMUNITIES

ANNUAL REPORT

2020