



ANNUAL REPORT 2017



2017 At a glance



FABRIC CARE

Products sold: powder detergents, liquid detergents, fabric softeners

Brands: OZON, SUN, WITBOI

Markets served: Suriname, Guyana, Jamaica, Trinidad & Tobago, St. Kitts, Grenada, Dominica, Antigua, Barbados, St. Vincent, St. Lucia, Curaçao, Bonaire

Product updates: expanded SunCare with summer sparkle fragrance, updated fragrance for OZON Power Active

52.9%
of total sales



HOME CARE

Products sold: hand dishwashing liquids, toilet bowl cleaners, all purpose floor cleaners, window cleaners, bleach, spray&wipe surface cleaners, sponges, cleaning cloths

Brands: OZON, SUN, KLINOL, LYSOL

Markets served: Suriname, Guyana, Jamaica, Trinidad & Tobago, St. Kitts, Grenada, Dominica, Antigua, Barbados, St. Vincent, St. Lucia, Curaçao, Bonaire, French Guyana, The Netherlands

Product updates: OZON 6in1 spray&wipe, OZON power degreaser

37.9%
of total sales



OTHER

Products sold: insect repellent, plastic packaging, sponges, cleaning clothes, scrubbers

Brands: TROPICAL BUSH, OZON

Markets served: Suriname, Guyana, Trinidad & Tobago, St. Kitts, Grenada, Dominica, Antigua, St. Vincent, St. Lucia, Curaçao, Bonaire

Product updates: new bottle caps

9.2%
of total sales

N.V. Consolidated Industries Corporation (CIC)

is situated near the southern end of Paramaribo, the capital city of Suriname. We are a publicly traded company that was established in 1967 and a subsidiary of the VSH United group of companies. We commenced our commercial activities with the production and distribution of powder detergents for household and industrial use. The initial equipment included a spray tower, a steam boiler and a box-filling machine. The potential for success in different detergent types was quickly realized and we expanded to include a wide variety of liquid detergents, insect repellent and plastic packaging materials.

In January 2010, replacement investments in the plastic- and liquid equipment resulted in new production facilities, which readied us for further regional expansion.

In 2012, emphasis was placed on continued expansion in export markets and investing in research and development. Since then, we have successfully re-launched and expanded many of our brand portfolios and have started exporting to 5 new destinations.

With just over 115 full-time employees we proudly produce, distribute and market OZON, SUN, KLINOL, WITBOI, TROPICAL BUSH and LYSOL products for our customer base in Suriname and most regional markets.

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The Company

Mission statement

We are a dynamic manufacturing company of high quality household detergents and plastic packaging materials located in Paramaribo, Suriname. Since the foundation in 1967 the Company identified itself through continuous attention to quality and development of products to the demands of our customers and produced in state of the art production facilities.

We have committed ourselves to consolidation of our number 1 position in the Suriname market and to expand the market position of our products in the region for the benefit of our clients, employees, shareholders and society as a whole.

Core values

To be a Champion for our Customers, Partners, Shareholders and in the Community we hold fast to these values:

- **Your success is our desire**
- **Trust in our relationships and personally responsible for all our actions**
- **Creating a better company for a better world**



LYSOL



**Tropical
Bush**



Corporate responsibility

Our sense of responsibility towards the community and environment, in which we operate, focuses on the following areas:



Electricity

In 2017 we achieved the target of $\leq 265 \text{ KVa/MT}$ for energy consumption.

Water

In 2017 we invested in doubling our capacity to harvest rainwater which resulted in the use of $1,179 \text{ M}^3$ rainwater instead of potable water. Our usage of potable water subsequently dropped by 46% in 2017.



Fossil fuel

5% more fossil fuel per MT was used in 2017.

Injury

Zero incidents with personal harm were registered in 2017.



Contribution and donation

SRD 213,414 contributed to VSH Community Fund and other donations made. Donations included among others 50/50 project, Friends of Green Suriname, Villa Zapakara, sporting events, children's orphanages, hurricane relief.

Code of conduct

The Code of Conduct Applies to the members of the Supervisory Board, management, employees of CIC and all customers, suppliers, service providers, contractors and other relations of CIC who perform activities for or on behalf of CIC. They are deemed to be aware of these provisions and to apply them in their activities on behalf of CIC.



Quality Management System

In October 2006, CIC became ISO9001: 2008 certified. The ISO9001 family addresses various aspects of quality management and contains some of ISO's best known standards. The standards provide guidance and tools for the Company to ensure that our products and services consistently meet our customer's requirements, and that quality is consistently improved. In October 2017, we successfully passed the transition audit for ISO9001: 2015.

Our Quality Policy

It is our policy to satisfy our customers by providing them on time delivery of products and services that meet their requirements and enable them to achieve their goals. This is achieved with a continuous improvement mindset and critical eye on quality in all aspects, where consumer and market demands are central and every employee is involved.

The main quality targets for 2017 were:

	TARGET 2017	2017	2016
Minimize re-work (Plastic)	< 0.15%	0.24%	0.25%
Minimize re-work (Liquid)	< 0.31%	0.38%	0.49%
Minimize re-work (Powder)	< 0.40%	0.72%	0.74%

Although improvements were made, the quality targets for 2017 were not achieved. We continue our efforts to reach these objectives in 2018.

Environmental Management System

In October 2013, CIC became ISO14001 certified. The ISO14001 family of standards provides practical tools for the Company to manage our environmental responsibilities. ISO14001 focuses on environmental management systems to aid us in achieving this.

In October 2017, we successfully passed the transition audit for ISO14001: 2015.

Our Environmental Policy

We are aware that operations of CIC have an effect on our surroundings. We will ensure that all of these activities have minimal impact on the environment.

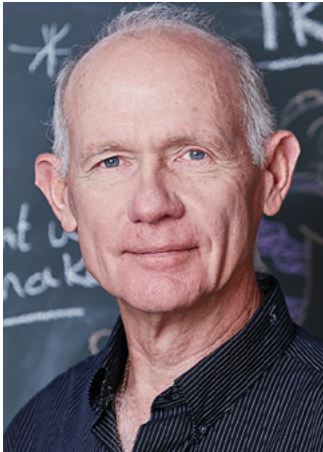
The main environmental targets for 2017 were:

	TARGET 2017	2017	2016
Decrease energy consumption per MT	≤265 kVA	262 kVA	237 kVA
Decrease fuel consumption per MT	≤90 liters	94 liters	90 liters
Decrease water consumption per MT	≤1.350 liters	1.200 liters	1.550 liters

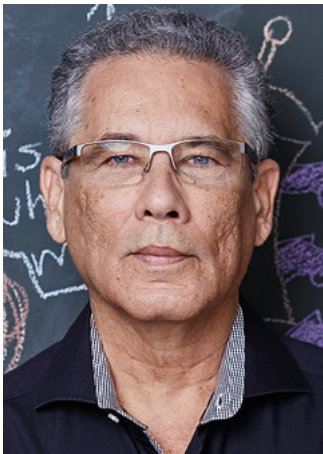
Doing Business Abroad



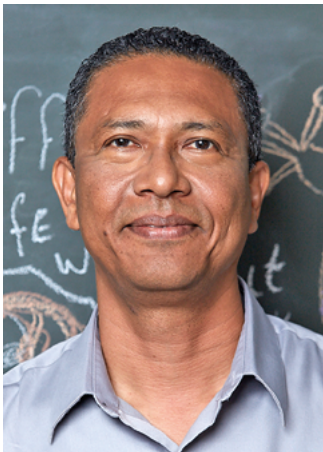




J.J. Healy
Chairman



Stephen Smit
Vice Chairman



Aubrey Nai Chung Tong

To the Shareholders

We hereby present our report on the activities of the Supervisory Board in 2017.

The Supervisory Board performed its duties in accordance with Suriname law, the Company's by-laws and Corporate Governance Code. We advised Management on relevant issues and monitored Management's performance in relation to goals set. Management regularly informed us, both verbally and in writing on material aspects of the business, major events, competitor activities, investments and transactions.

We kept abreast of results and the financial position, risks and risk management.

Consultation and decision-making

The Supervisory Board held regular monthly meetings, 11 in total. The subjects discussed in the meetings included the financial position and results, Company strategy, Company policy, corporate governance, business plans and appraisals, management letter, health, safety and environment, management development, commercial aspects and appointments. In the meeting of the Supervisory Board held on 9 October 2017 Management reported on progress made in 2017 with respect to the long term strategic plan. In the same meeting Management also presented the financial and operational plans for 2018 and the Board approved capital expenditures for 2018.

Corporate Governance

In January 2017, refreshment training on our Code of Conduct was given to all employees. In the meeting of the Supervisory Board held on 10 January 2017 the internal audit plan for 2017 was presented by the Internal Audit Department and approved by the Supervisory Board.

On 9 January 2018, the results of the internal audits 2017 were presented to the Supervisory Board as well as the audit plan for 2018. The result of the annual appraisal 2017 was discussed with the Supervisory Board on 13 February 2017.

The Audit Committee had 2 meetings in 2017. Topics discussed during these meetings were management letter and audit reports presented by the Internal Audit Department for 2017. On 1 March 2018 the Audit Committee met with the External Auditor to discuss the financial statements for the year 2017.

Supervisory Board changes and appointments

Under article 13 of the by-laws all Supervisory Board members retire in the Annual General Meeting of Shareholders. Six members, Mr. J.J. Healy Jr., Mr. S. Smit, Mrs. M.A. Ramsundersingh, Mr. O. Smith, Mr. P. Healy and Mr. A. Nai Chung Tong were re-elected as members of the Supervisory Board in the Annual General Meeting of Shareholders held on 22 March 2017.

Being eligible, the members Mr. J.J. Healy Jr., Mr. S. Smit, Mrs. M.A. Ramsundersingh, Mr. O. Smith, Mr. P. Healy and Mr. A. Nai Chung Tong offer themselves for re-election in the Annual General Meeting of Shareholders to be held on 21 March 2018.

Management Changes and Appointments

On 9 September 2017, Mr. Ruben Kranenburg resigned from his position as Sales Manager. Subsequently, Management decided to split this position into Regional- and Local Sales Manager to better support sales activities. Two candidates, Ms. Danielle Phang and Ms. Ratna Basant-Khedoe were identified as viable persons to head these departments. Final appointments will follow upon completion of a trainee program.

Performance of the Supervisory Board

On 9 January 2018 the performance of the Supervisory Board was evaluated through a self-assessment by the members. Based upon those individual appraisals, the performance was found to be good. In the coming period, the Board will focus on risk management, new business strategies, increased production efficiency through automation and increase exports.

Report of the Supervisory Board



Malini Ramsundersingh

Management Performance and Executive Performance Pay

Performance of the Managing Director is measured against a yearly minimum target of 15% of Return on Capital Employed and a three-year (2016-2018) target of 142% for growth in gross profit for the period. Capital Employed at 1 January 2017 amounted to SRD 37,781,438 and the Return on Capital Employed achieved in 2017 was 13.84% (2016: 18.72%). The minimum Return on Capital Employed of 15% was not achieved in 2017. Thus, the Managing Director will not receive a short-term bonus.

On 11 December 2017 the Supervisory Board evaluated the overall performance of the Managing Director and found her performance to be good. Specific areas of attention were discussed with the Managing Director including increasing exports, increasing production efficiency through automation, business diversification, risk analyses and -tolerances.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounts to SRD 74,750 per year and was approved in the Annual General Meeting of Shareholders held on 22 March 2017.

In the meeting of the Supervisory Board held on 13 February 2018, the Management recommends increasing the remuneration of the Supervisory Board to SRD 90,120 per year effective 1 April 2018. The Supervisory Board endorses this recommendation and requests the approval of the Shareholders.



Oliver Smith

Dividend Policy and Interim Dividend

The policy of the Company is to pay a dividend in the order of 30% of the net profit. Subject to unforeseen developments the Supervisory Board has approved the payment of interim dividend for the year 2018 as follows:

- 1st quarter payable 16 April 2018: SRD 0.03 per share
- 2nd quarter payable 16 July 2018: SRD 0.03 per share
- 3rd quarter payable 16 October 2018: SRD 0.03 per share
- 4th quarter payable 15 February 2019: SRD 0.03 per share

Financial Statements and division of profit

In compliance with the requirements of article 36 of the by-laws, management presented the financial statements 2017 to the Supervisory Board on 07 March 2018.

These financial statements can be found on pages 18 to 32 of this annual report.

The independent external auditor, Lutchman & Co, audited the financial statements. Their Auditor's Report can be found on page 15 to 16.

The net profit in 2017 amounts to SRD 3,381,560 (2016: SRD 3,828,725).

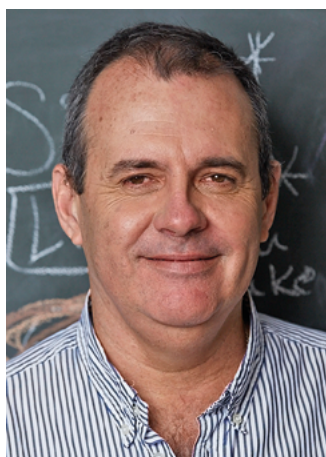
The net profit of subsidiary N.V. Carifrico in 2017 was SRD 34,933 (2016: SRD 63,069).

All operation at N.V. Carifrico discontinued in June 2017.

We recommend that the Shareholders approve the financial statements as presented.

The Supervisory Board endorses the recommendation of the Management to pay a cash dividend for the year 2017 of SRD 1,000,440 (2016: SRD 400,176). If approved, total dividend will amount to SRD 0.20 per share and the balance of the net profit amounting to SRD 2,381,120 will be added to retained earnings. Three quarterly dividends have been paid for a total of SRD 0.09 per share. The final dividend will thus amount to SRD 0.11 per share.

We advise the Shareholders to approve the dividend as recommended.



Patrick Healy

Appreciation

The Supervisory Board is grateful for the contribution made by management and by all the employees of the Company to the results of 2017.

Paramaribo, 07 March 2018

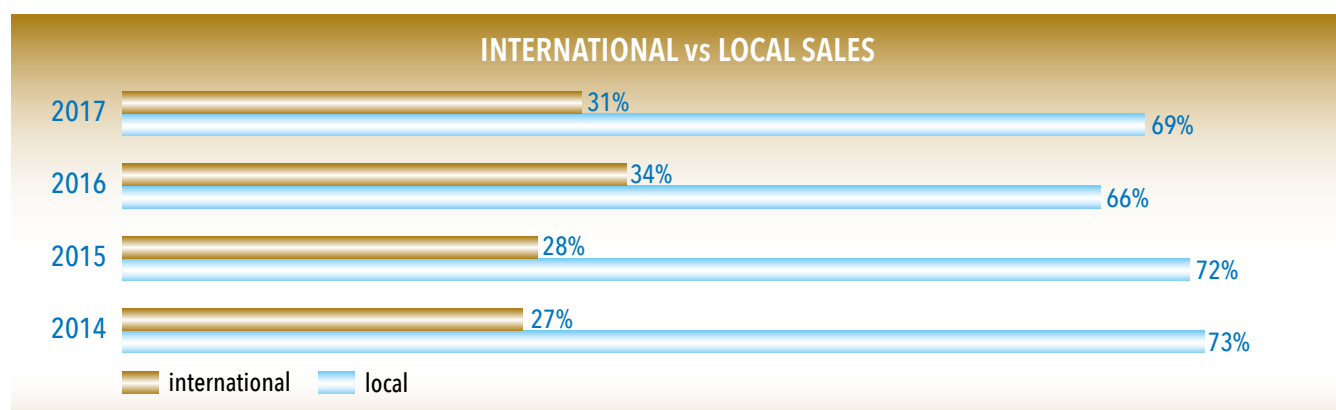
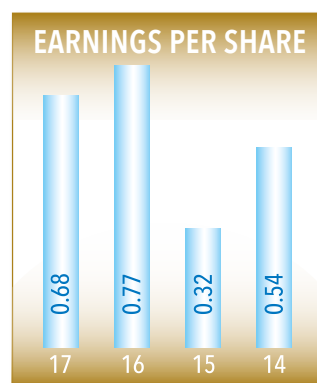
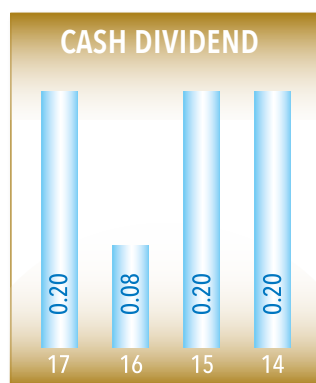
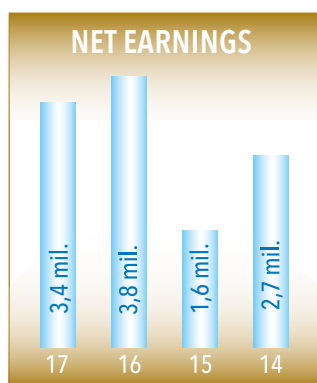
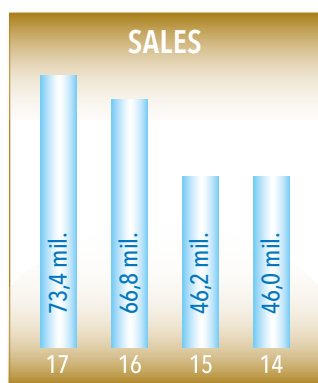
The Supervisory Board,

James J. Healy Jr., *Chairman*
Stephen Smit, *Vice Chairman*
Aubrey Nai Chung Tong
Malini Ramsundersingh
Oliver Smit
Patrick Healy



Financial highlights

in SRD	2017	2016	2015	2014
Sales	73,429,049	66,805,556	46,181,322	45,986,038
Net earnings	3,381,560	3,828,725	1,595,999	2,708,869
Return on Sales	4.6%	5.7%	3.5%	5.9%
Return on Assets	6.2%	6.9%	3.7%	6.6%
Shareholders' Equity	31,110,088	28,273,317	25,144,733	24,553,580
Liabilities	22,518,115	27,390,073	18,330,301	16,728,773
Total Equity and Liabilities	53,628,203	55,663,390	43,475,034	41,282,353
Per share of SRD 0.10	2017	2016	2015	2014
Earnings per share	0.68	0.77	0.32	0.54
Cash dividend	0.20	0.08	0.20	0.20
Share Price	11.00	11.00	10.50	10.00
USD exchange rate (per end of year)	7.55	7.50	4.20	3.35



Managing Director's report



The business environment

The Suriname GDP contraction in 2017 is estimated at 1.2% (2016: 9%)¹. The measures taken by the Government since 2015, including a substantial devaluation of the Suriname dollar and the subsequent reduction in subsidies of electricity, water and fuel, resulted in reduced consumer spending. The effects of these measures eventually stabilized the currency at SRD 7.50 to the USD during 2017. The balance of trade turned positive and foreign exchange reserves recovered to approximately a value of 3 months imports. In 2017, Fitch Ratings downgraded Suriname's credit rating from B+ to B-². Inflation for the year amounted to 9.2% (2016: 52.4%)³. Our business environment was further impacted by the devastating hurricanes Irma and Maria. Their occurrence disrupted the supply of key raw materials and demand of products from our regional partners particularly in the Leeward Islands. On the heels of reduced purchasing power in Suriname and Trinidad & Tobago, substandard imported brands also became a disrupting factor in our markets.

K. Healy
Managing Director

Company Anniversary

On 25 November 2017, the Company commemorated its 50th anniversary. To celebrate this occasion, the Company had different activities such as:

- Project 50/50: every month starting in June, consumers could nominate a deserving person to receive a generous package of OZON products to last them a month. A total of 300 households were touched by this project.
- OZON splash: to reward the loyalty consumers have shown us during the last 50 years, the Company organized a water themed party for kids in September. 2,500 people attended the event and it was a great success.
- Café Kaiyap: on 24 November, the Company gifted the employees a brand-new lunch room complete with all comforts to enjoy a stress-free lunchbreak.



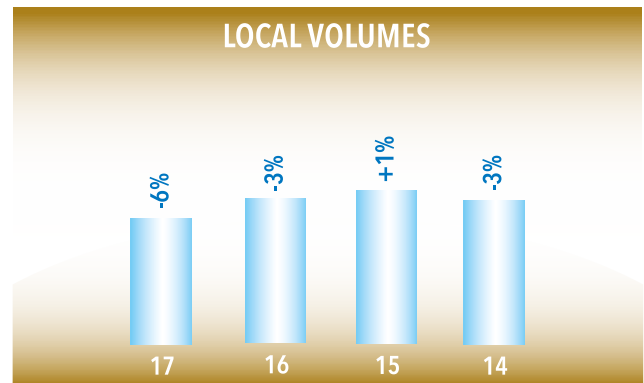
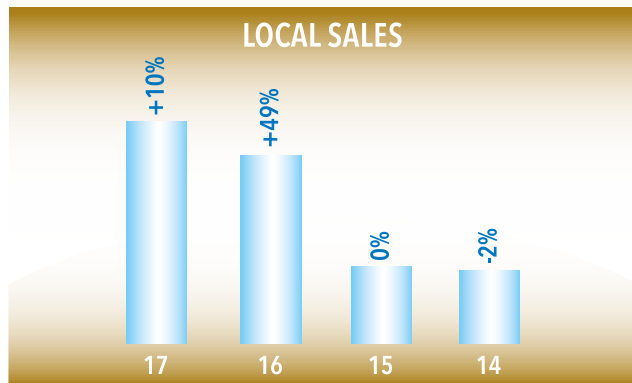
Production

In executing our operational strategic plan for 2017, the focus at the powder detergent plant was predominately on automation to create efficiency gains. In November 2017, we commissioned a second packaging machine and doubled our packaging capacity for powders. With these investments, we will be better equipped to meet demand. The powder detergent production volume decreased to 2,320MT in 2017 compared to 2,790MT in 2016. This is mainly a direct result of lower sales in an important export market, but also due to delays incurred during the active hurricane season. The decline in sales also had a direct impact on volumes produced in the liquid department, resulting in a 10% decrease to 4,077MT (2016: 4,512MT), although we managed to keep productivity at 83 kg/mh. With the commissioning of the PET blow molding machine in 2016, we managed to increase our plastic volumes by 14% to 314MT in 2017 (2016: 275MT).

Sales and Marketing

Erosion of consumer spending power continued in 2017, resulting in an increase in substandard products. Although these products were not able to hold on to market share, they did disrupt the market, resulting in a decline in our local volume by 6% compared to 2017. Strategic decisions were made with a focus on increasing profitability in a shrinking local market. These measures resulted in improved gross margins and increase in local sales of 10%.

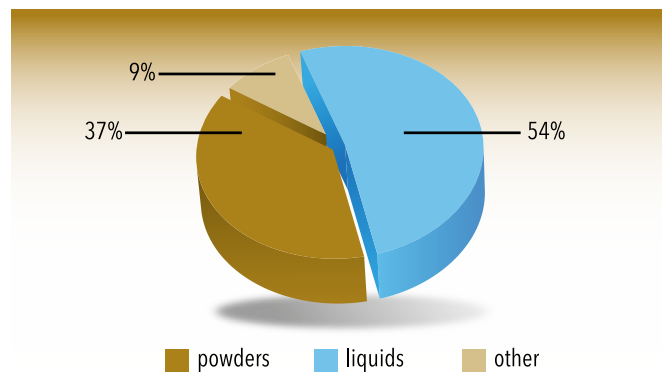
¹ Source: International Monetary Fund ² Source: Fitch Ratings ³ Source: General Bureau of Statistics



Plastic bottle volumes increased by 17% in 2017. PET bottle volumes have shown a steady growth since introduction in 2016 and we are confident that these sales will continue to grow.

Export volumes decreased by 16% in 2017. Approximately 59% of this decline was a direct result of poor performance in one major export market. Aggressive measures were taken in the second half of the year resulting in improved results in the last quarter of 2017. However, we were not able to recover the damage already done to our overall export volumes.

Import statistics indicate that OZON remains the number one detergent brand and that CIC dominates the cleaning segment in the Suriname market³. Total volumes in the liquid category continues to out-grow the powder detergents.



Human Resource Management (HRM)

At the end of 2017, the Company employed 115 persons (2016: 120 persons). We celebrated the anniversary of 13 employees who served 10 or more years with the Company.

We bade farewell to the following 5 employees who retired in 2017:

Mr. Alfonsus Tojong	25 years with the Company
Mr. Antonius Combo	26 years with the Company
Mrs. Irene Ommen	27 years with the Company
Mr. Soereshram Gajapersad	30 years with the Company
Mr. André Hatomi	42 years with the Company

We believe that providing an employee with training and development opportunities not only contributes to the quality and effectiveness of our organization, it also serves to motivate and retain employees. The following training & education programs were held in 2017:

TRAINING & EDUCATION 2017	#of EMPLOYEES
Sales & customer care	2
Personal development & leadership	10
Other programs in key areas	11
Bachelor's & master's degrees	3
HSEQ programs	Company wide

³ Source: General Bureau of Statistics

Managing Director's report



Risk Management

Potential Company risks are identified and addressed in several ways. The ISO9001 system addresses operational risks and ISO14001 addresses environmental risks.

The number of incidents in 2017 was 54, down from 64 in 2016. Of the 54 incidents, 28 are categorized as internal and external traffic incidents. The total number of lost working days due to incidents were zero days.

	2017	2016	2015	2014
Total number of incidents	54	64	48	59
near misses	2	25	1	3
environmental incidents	0	13	9	12
personal injury incidents	0	5	8	11
traffic incidents	28	10	10	9
other	24	11	20	24

In October 2017, our quality management system ISO9001:2008 and our environmental management system ISO14001:2008 were re-audited. Furthermore, we successfully completed a transition audit for the ISO9001:2015 and ISO14001:2015. No major shortcomings were reported and only recommendations for further improvements were made.

Investments

Capital investments in 2017 amounted to SRD 4,446,008 (2016: SRD 2,470,373). Among others, these investments included doubling of our storage and packing capacity for powder detergents, a new injection molding machine and mold for bottle caps and a bundle-pack machine.

Result and financial position

Sales increased compared to the previous year by

SRD 6.62 million to SRD 73.4 million (2016: SRD 66.8 million). Total costs decreased by SRD 162,627 to SRD 31.9 million (2016: SRD 32.1 million). The variances in costs are as follows:

	SRD	%
Decrease		
Administrative expenses	- 1,081,151	- 7.1%
Provisions	- 1,902,198	- 146.0%
Increase		
Personnel expenses	+ 2,227,283	+ 18.9%
Distributions costs	+ 465,216	+ 30.5%
Depreciation	+ 128,223	+ 6.0%
Total net decrease	- 162,627	- 0.5%

The increase in personnel expense of 18.9% is mainly a result of salary increases totaling 15.7% and a subsequent increase in contributions to the pension plan.

The distribution costs increased by 30.5% which is caused by the impact of the devaluation of the Suriname dollar on vehicle lease denominated in USD and increases in fuel prices.

The administrative expenses decreased by 7.1% and is primarily attributed to lower exchanges rate losses compared to 2016.

A redundancy provision was released in 2017 resulting in a decrease in provisions of 146.0% compared to 2016.

The result attributable to equity holders of the Company amounted to SRD 3,381,560, a decrease of 11.7% compared to 2016.

Three quarterly dividends were paid for a total of SRD 0.09 per share of nominal SRD 0.10 each. Management recommends paying a total cash dividend for the year 2017 of SRD 0.20 per share (2016: SRD 0.08) of nominal SRD 0.10 each. If approved, total dividend will amount to SRD 1,000,440 and the balance of net earnings amounting to SRD 2,381,120 will be added to retained earnings.

Subsidiary N.V. Carifrico discontinued all activities starting June 2017. The net income amounted to SRD 34,933 (2016: SRD 63,069).

Managing Director's report

Outlook 2018

Even though the effects of the economic and financial conditions faced in 2016 and 2017 have somewhat subsided, we remain vigilant in 2018. We expect the first quarter results to be on par with budget and we continue our efforts to increase efficiency in our production facilities as well as efforts on costs reduction. The focus will be on regaining ground both in the local and export markets. We are optimistic that we will reach our goals set for the year.

Appreciation

We thank our Shareholders, Supervisory Board, Employees and all other Stakeholders of CIC. We appreciate the confidence our customers and distributors have in our products and Company and we thank them for their contribution throughout the year.

Paramaribo, 07 March 2017

Kathleen Healy,
Managing Director



Aisha Esseboom
Marketing Manager



Ann Maria Diran
Finance Controller



Danielle Phang
Sales Export



Dewanand Ramlal
Head Technical Department
& Engineering



Jane Setrowidjojo
Management assistant



Maikel Macintosh
Operations Manager



Ratna Khedoe
Sales Lokaal



Roxanne Purperhart
Human Resource Officer



Trees Djasiman
HSEQ Manager



Wandena Debidin
Procurement Manager



Xamira Visser
Human Resource Officer

INDEPENDENT AUDITOR'S REPORT



To: the Shareholders of
N.V. Consolidated Industries Corporation
Paramaribo, Suriname

Opinion

We have audited the accompanying 2017 financial statements of N.V. Consolidated Industries Corporation, the "Company", in Paramaribo, which comprise the statement of financial position as at December 31, 2017, the statement of income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of N.V. Consolidated Industries Corporation and of its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards. 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 N.V. Consolidated Industries Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

In connection with our audit of the 2017 financial statements, our responsibility is to read the other information included in the annual report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the procedures performed, the other information included in the annual report is not materially inconsistent with the financial statements and appears not materially misstated.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles, 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 Company'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 company or to cease operations, or has no realistic alternative but to do so.

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

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 generally accepted auditing standards 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of the 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Paramaribo, March 07, 2018

Lutchman & Co, Accountants

Represented and signed by
Drs. M.R.A. Lutchman RA (chartered accountant)



Project **50/50**



Statement of Income

for the year ended 31 December 2017

		2017	2016
	note	SRD	SRD
Sales	4	73,429,049	66,805,556
Cost of sales	4	(36,635,721)	(28,508,671)
Personnel expense	6	(14,027,263)	(11,799,980)
Distribution costs		(1,990,867)	(1,525,651)
Administrative expense	7	(14,212,430)	(15,293,581)
Depreciation		(2,260,196)	(2,131,973)
Provisions	8	598,919	(1,303,279)
Earnings from operations		4,901,491	6,242,421
Finance cost		(688,194)	(514,418)
Other non-operating income	5	1,015,810	155,835
Earnings from continuing operations before tax		5,229,107	5,883,838
Income tax	9	(1,882,480)	(2,118,182)
Net profit from continuing operations		3,346,627	3,765,656
Income from discontinued operations	12	34,933	63,069*
Net earnings		3,381,560	3,828,725
Earnings per share			
Number of shares outstanding		5,002,200	5,002,200
Earnings per share	10	0.68	0.77
Division of profit			
Interim dividend		450,198	150,066
Final dividend		550,242	250,110
Addition to retained earnings		2,381,120	3,428,549
		3,381,560	3,828,725

* Presented on this line item for comparative purpose only. In 2016 Financial Statements presented as Profit of Subsidiary.

The accompanying notes on pages 22 to 32 are an integral part of these financial statements.

Paramaribo, 07 March 2018

Supervisory Board

J.J. Healy Jr., Chairmain

S. Smit, Vice Chairmain

A. Nai Chung Tong

M. Ramsundersingh

O. Smith

P. Healy

Managing Director

K. Healy

Statement of Financial Position

at 31 December 2017



		2017	2016
	note	SRD	SRD
ASSETS			
Non-current assets			
Property, plant and equipment	11	22,981,971	20,886,575
Intangible assets	11	26,881	45,856
Discontinued operations	12	1,929,617	1,894,684*
Financial Assets	12	1,083	1,083
Total non-current assets		24,939,552	22,828,198
Current assets			
Inventories	13	20,327,046	22,157,302
Trade and other receivables	14	5,817,813	8,793,869
Income tax receivable	9	-	1,273,257
Cash and cash equivalents	15	2,543,792	610,764
Total current assets		28,688,651	32,835,192
Total assets		53,628,203	55,663,390
EQUITY AND LIABILITIES			
Equity			
Share capital	16	500,220	500,220
Capital in excess of par value		39,874	39,874
Revaluation reserve		4,902,791	4,902,791
Retained earnings		22,285,643	19,001,707
Net earnings		3,381,560	3,828,725
Total equity		31,110,088	28,273,317
Liabilities			
Non-current liabilities			
Deferred tax liability	9	2,984,164	3,389,801
Provisions	17	3,802,305	3,802,305
Long-term borrowings	18	3,721,688	2,566,125
Total non-current liabilities		10,508,157	9,758,231
Current liabilities			
Provisions	17	130,000	1,197,856
Short-term borrowings	18	1,572,640	2,687,022
Liabilities owing to discontinued operations		607,523	601,584*
Income tax payable	9	611,817	-
Trade and other payables	19	9,087,978	13,145,380
Total current liabilities		12,009,958	17,631,842
Total equity and liabilities		53,628,203	55,663,390

* Presented on this line item for comparative purpose only. In 2016 Financial Statements presented as Subsidiary respective Subsidiary payables. The accompanying notes on pages 22 to 32 are an integral part of these financial statements.

Paramaribo, 07 March 2018

Supervisory Board

J.J. Healy Jr., Chairmain

S. Smit, Vice Chairmain

A. Nai Chung Tong

M. Ramsundersingh

O. Smith

P. Healy

Managing Director

K. Healy



Statements of Changes in Equity

for the year ended 31 December 2017

in SRD	Share Capital	Capital in excess of Par Value	Revaluation Reserve	Retained Earnings	Total
Equity at 1 January 2016	500,219	39,710	4,902,791	19,151,773	24,594,493
Issue of shares	1	164	-	-	165
Net earnings	-	-	-	3,828,725	3,828,725
Dividend	-	-	-	(150,066)	(150,066)
Equity at 31 December 2016 before appropriation of profit	500,220	39,874	4,902,791	22,830,432	28,273,317
Final dividend	-	-	-	(250,110)	(250,110)
Equity at 31 December 2016 after appropriation of profit	500,220	39,874	4,902,791	22,580,322	28,023,207
Equity at 1 January 2017	500,220	39,874	4,902,791	22,580,322	28,023,207
Issue of shares	-	-	-	-	-
Net earnings	-	-	-	3,381,560	3,381,560
Dividend	-	-	-	(300,132)	(300,132)
Unclaimed dividend	-	-	-	5,453	5,453
Equity at 31 December 2017 before appropriation of profit	500,220	39,874	4,902,791	25,667,203	31,110,088
Proposed final and fourth quarter dividend	-	-	-	(700,308)	(700,308)
Equity at 31 December 2017 after appropriation of profit	500,220	39,874	4,902,791	24,966,895	30,490,780

The accompanying notes on pages 22 to 32 are an integral part of these financial statements.

Paramaribo, 07 March 2018

Supervisory Board

J.J. Healy Jr., Chairmain

S. Smit, Vice Chairmain

A. Nai Chung Tong

M. Ramsundersingh

O. Smith

P. Healy

Managing Director

K. Healy

Statement of Cash Flows

for the year ended 31 December 2017



	2017	2016
	SRD	SRD
Cash flows from operating activities:		
Earnings from continuing operations before tax	5,229,107	5,883,838
<i>Adjusted for:</i>		
- Depreciation	2,260,196	2,131,973
- Gain on disposal of property, plant & equipment	(172,529)	-
- Provisions	(598,919)	1,303,279
- Interest paid	688,194	514,418
- Revaluation (gain) / loss on loans	(17,889)	1,705,339
<i>Changes in working capital:</i>		
- Change in inventories	1,830,256	(9,216,350)
- Change in trade and other receivables	2,976,056	(3,906,508)
- Change in trade and other payables	(4,105,088)	5,992,008
- Change in discontinued operations payable	5,939	129,453
- Adjustments of current assets due to provisions	1,876	(351,800)
<i>Other</i>		
Payments disposal of waste	(341,855)	(15,608)
Payments redundancy	(128,958)	(39,497)
Cash generated from operations	7,626,386	4,130,545
Paid interest	(688,194)	(514,418)
Paid income tax	(403,042)	(1,276,668)
Net cash generated from operating activities	6,535,150	2,339,459
Cash flow from investing activities:		
Proceeds from sale of shares	-	165
Purchase of intangible assets	-	(56,925)
Proceeds from sale of property, plant & equipment	281,920	8,561
Purchase of property, plant & equipment	(4,446,008)	(2,470,373)
Net cash used in investing activities	(4,164,088)	(2,518,572)
Cash flow from financing activities:		
Proceeds from loans and overdrafts	4,132,804	500,645
Repayments of loans	(4,073,735)	(1,090,948)
Unclaimed dividend	5,453	-
Dividend paid	(502,556)	(703,691)
Net cash used in financing activities	(438,034)	(1,293,994)
Net increase / (decrease) in cash for the year	1,933,028	(1,473,107)
Cash and cash equivalents at 1 January	610,764	2,083,871
Cash and cash equivalents at 31 December	2,543,792	610,764

The accompanying notes on pages 22 to 32 are an integral part of these financial statements.

Paramaribo, 07 March 2018

Supervisory Board

J.J. Healy Jr., Chairmain

S. Smit, Vice Chairmain

A. Nai Chung Tong

M. Ramsundersingh

O. Smith

P. Healy

Managing Director

K. Healy



Notes to the Financial Statements

1. Information on the reporting entity

N.V. Consolidated Industries Corporation (CIC) is a company registered and domiciled in Suriname. The Company's registered office is at Industrieweg - Zuid BR 34, Paramaribo City, Suriname. The financial statements refer to the Company's financial statements as at and for the year ended 31 December 2017.

The Company is involved in the manufacturing of a wide range of industrial and household detergents and plastic packaging material. The Company has a manufacturing plant at above mentioned address and sells in Suriname, the Caribbean and Europe.

The Company's parent, which is also its ultimate parent entity, is N.V. Verenigde Surinaamse Holdingmij.-/ United Suriname Holding Company (VSH United). VSH United holds a majority share of 60.15% in the company. The Company has one subsidiary, N.V. Carifrico, in which it holds a 98.9% share and which is recognized as discontinued operations as of June 2017.

These financial statements were authorized for issue by the Supervisory Board on 07 March 2018 and will be submitted for approval to the Annual General Meeting of Shareholders on 21 March 2018.

2. Basis of preparation

2.1) Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting principles.

2.2) Basis of Measurement

Specific basis of measurement are:

Property is stated at revalued amount less accumulated depreciation. Plant and equipment are valued at cost less accumulated depreciation. Financial assets are presented at fair value unless disclosed otherwise. Intangible assets are valued at cost less accumulated amortization. Other assets and liabilities are stated at face value using the historical cost method.

2.3) Functional and presentation currency

These financial statements are presented in Suriname Dollars (SRD), which is the Company's functional currency. All financial information presented in Suriname Dollars has been rounded to the nearest dollar.

2.4) Use of estimates and judgments

The preparation of financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods if affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in note 17.

2.5) Applications of IFRS Standards

Certain provisions from the following IFRS standards were applied to the financial statements:

IAS 07 : Statement of Cash Flows

IAS 16 : Property, Plant and Equipment

IAS 17 : Leases

IAS 18 : Revenue

IAS 24 : Related Party Disclosures

IAS 33 : Earnings per Share

Notes to the Financial Statements



3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the free market exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at reporting date are translated to the functional currency at the exchange rate at that date. Exchange differences arising are charged or credited to the statement of income.

The exchange rates used for the US Dollar (USD) and the EURO at reporting date are:

in SRD	2017	2016
USD	7.55	7.50
EURO	9.04	7.93

Property, Plant and Equipment (PP&E)

Land is carried at revalued amount and all other property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the costs of individual assets to their residual values over their estimated useful lives as follows:

- Buildings 5 - 40 years
- Land improvements 5 - 10 years
- Machinery and Equipment 5 - 10 years
- Other assets 3 - 5 years

Land is not depreciated.

When a major repair or maintenance is performed, its cost is recognized in the carrying amount of the PP&E as a replacement, if the recognition criteria are satisfied. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the statement of income. There are no assets held under financial leases, and assets held under operating leases are not recognized in the statement of financial position.

Investments in progress are carried at cost on the basis of expenditure at reporting date. Investments in progress are not depreciated. Upon completion, the total costs are transferred to the relevant PP&E.

Intangible Assets

Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the statement of income under depreciation.

The current estimated useful is 3 years.

Subsidiary

Subsidiary is the entity over which the Company has control, defined as the power to govern the financial and operating policies so as to obtain benefits from their activities. The subsidiary is recognized at equity value and the Company's share in the profit or loss is recognized in the Company's statement of income.

Financial assets

Financial assets consist of shares in two companies:

- CIC Plastics N.V. in which the Company has 100% of all outstanding shares. At the moment there are no activities in this company. This asset is measured at equity value.
- N.V. Chemco in which the Company has 25% of all outstanding shares. This asset is measured at cost.

Inventories

Inventories are stated at cost, less the write down of unmarketable inventories if applicable. Costs comprise direct materials and all costs incurred to bring inventories to their present location and condition net of discounts, rebates and bonuses.

Finished products and work in progress

Finished products and work in progress are valued based on the raw and packaging materials used.

Trade and other receivables

Trade and other receivables are stated at fair value less an allowance for uncollectible amounts, if there is objective evidence that the Company will not be able to collect the receivable. Trade receivables do not carry interest.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and cash on hand and carried at nominal value.

Share capital

Ordinary shares are classified as equity.

Earnings per share

Earnings per share is calculated by dividing the net profit or net loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Capital in excess of par value

The capital in excess of par value relates to the difference between nominal value and the price of the shares issued.

Revaluation reserve

This reserve has arisen from the revaluation of the Company's land in 2009.

Provisions

Provisions are recognized for actual (legal or constructive) obligations, existing at reporting date and arising from past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions which are expected to be utilized within a year are presented within other current liabilities in the statement of financial position.

Employee benefits

The Company participates in a defined benefit pension plan. Some of the pensioners are insured while other employees participate in a pension foundation which is a separate legal entity. The Company has an obligation to pay medical benefits to pensioners. A provision based on actuarial calculations has been recognized for long term employee benefit obligations. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Trade and other payables

Trade and other payables are stated at fair value. Trade payables do not carry interest.

Sales

Sale of products in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of sales taxes, customer discounts and other sales related discounts. Sale of products is recognized in the statement of income when the amount of revenue can be measured reliably, the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, and there is no continuing management involvement with the products.

Cost of Sales

Cost of sales comprises the cost of raw- and packaging material.

Other non-operating income

Other non-operating income comprises of income related to previous years items and proceeds from promotional activities.

Expenses

Borrowing costs

All borrowing costs are recognized as an expense when incurred.

Operating lease payments

Payments made under operating leases are recognized in the statement on a straight-line basis over the term of the lease.

Notes to the Financial Statements



Income tax

Taxes on income are accrued in the same period as the revenues and expenses to which they relate. Current tax receivables or payables for the current and prior periods are measured at the amount expected to be recovered from the Tax Authorities.

The tax rates and the tax laws used are those that are enacted or substantively enacted at reporting date.

Deferred taxes are recorded, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for commercial purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at reporting date.

4. Sales and Cost of sales

in SRD	2017	2016
Sales production	71,285,661	65,174,076
Sales merchandise	2,143,388	1,631,480
Total sales	73,429,049	66,805,556
Cost of sales production	35,456,123	27,663,676
Cost of sales merchandise	1,179,598	844,995
Total cost of sales	36,635,721	28,508,671
Total gross margin	36,793,328	38,296,885

Sales discounts are as of 2017 (SRD 2.122.520) deducted against sales. In 2016 these were included in the cost of sales at SRD 2.039.702. The comparative figures of 2016 have been restated for comparative purposes.

5. Other non-operating income

in SRD	2017	2016
Alignment of goods in transit	115,795	129,476
Refund received on invoices	451,681	-
Gain on disposal of assets	172,529	-
Other	275,805	26,359
Total non-operating income	1,015,810	155,835

6. Personnel expense

in SRD	2017	2016
Salaries and wages	8,511,181	7,320,752
Vacation and holiday expenses	700,590	657,061
Bonuses	1,628,220	1,258,841
Medical	1,320,103	1,027,088
Pension	1,176,535	1,037,246
Training	162,190	64,959
Other personnel expenses	528,444	434,033
Total personnel costs	14,027,263	11,799,980

Pensions

The pensions of employees are insured at Assuria Levensverzekering N.V. (Assuria). Employees contribute 6% of their base salary to the pension insurance. The balance of the actuarial calculated pension premiums is contributed by the Company. The plan maintained by Assuria is a defined benefit plan, with the following maximum base salary per year:

- Personnel SRD 60,000
- Staff SRD 72,000

Members of the Management who elected to join the Stichting VSH Pensioenfonds contribute 5% while the Company contributes 12% of the base salary to the foundation. The plan maintained by the foundation is a defined benefit plan, with the following maximum base salary per year:

- Staff SRD 162,500
- Management SRD 260,000

Pension liabilities of the foundation at 31 December 2017 amounted to SRD 36,948,261⁵ and total equity amounted to SRD 66,696,654⁵.

The Company's pension contribution is as follows:

in SRD	2017	2016
Pension costs	1,508,317	1,213,886
Contribution by employees	(331,782)	(176,640)
Total pension costs	1,176,535	1,037,246

7. Administrative expenses

in SRD	2017	2016
Marketing	3,772,609	2,142,285
Manufacturing	3,715,753	3,283,010
Maintenance	2,220,443	1,878,920
Office	1,184,413	969,848
Other	3,319,212	7,019,518
Total administrative expenses	14,212,430	15,293,581

Other includes exchange losses of SRD 359,402 (2016: SRD 4,653,878).

8. Provisions

in SRD	2017	2016
Uncollectible amounts	(1,876)	46,633
Waste Disposal	(45,498)	112,500
Redundancy	(551,545)	-
Medical Obligation	-	838,978
Reduced marketability of inventories	-	305,168
Total provisions	(598,919)	1,303,279

9. Income tax and deferred tax liabilities

Income Tax

Income tax is calculated at the applicable rate (36%) over the result of the financial year, taking into account temporary differences between the calculation of profit according to the financial statements and the taxable profit calculation.

In 2013, the Tax Inspector agreed that the final tax assessments for the years 2007 up to and including 2012 will be imposed after an audit by the Tax Authorities. The year 2007 needed to be included so the refund in the final income tax return of that year can be granted. Since the agreement was made in the year 2013, the years 2011 and 2012 were included. The Tax Inspector also agreed that the income tax due on the final income tax return 2012 could be reduced.

⁵unaudited

Notes to the Financial Statements



The income tax payable/receivable is specified as follows:

in SRD	2017	2016
Balance at 1 January	(1,273,257)	(1,184,485)
Paid during the year	(403,042)	(1,276,668)
Due for the year	1,882,480	2,118,182
PP&E replacement reserve	250,573	260,153
Inventory adjustments	155,064	(1,190,439)
Balance at 31 December	611,817	(1,273,257)

Deferred tax liabilities

Deferred tax liabilities relate to tax liabilities arising from the differences between valuation for commercial and for tax purposes. In the following movement of the deferred tax liabilities the effect of such differences in valuation principles is presented.

in SRD	2017	2016
Balance at 1 January	3,389,801	2,459,515
Inventory adjustments	(155,064)	1,190,439
PP&E replacement reserve	(250,573)	(260,153)
Balance at 31 December	2,984,164	3,389,801

10. Earnings per share

All shares of the Company are ordinary shares with a par value of SRD 0.10. The calculation of earnings per share at 31 December 2017 was based on the profit attributable to ordinary shareholders of the Company of SRD 3,381,560 (2016: profit SRD 3,828,725) and a weighted average number of ordinary shares outstanding during the year ended at 31 December 2017 of 5,002,200 (2016: 5,002,200).

in SRD	2017	2016
Numbers of shares	5,002,200	5,002,200
Earnings per share in SRD	0.68	0.77

Dividends paid and proposed

The following dividends were declared and paid by the Company:

in SRD	2017	2016
First quarter - no interim dividend paid (2015: SRD 0.03) per share	-	150,066
Second quarter interim dividend at SRD 0.03 (2016: nil) per share	150,066	-
Third quarter interim dividend at SRD 0.03 (2016: nil) per share	150,066	-
	300,132	150,066

After reporting date 2017:

Fourth quarter interim dividend at SRD 0.03 (2016: nil) per share	150,066	-
The Management proposed the following final dividend:		
SRD 0.11 (2016: SRD 0.05) per share	550,242	250,110
Total dividend declared	1,000,440	400,176

The proposed dividend 2016 was adopted by the Annual General Meeting of Shareholders of 22 March 2017.

11. Property, plant and equipment (PP&E) and intangible assets

in SRD	Property	Machinery and Equipment	Furniture and Fixtures	Investments in progress	Total	Software
Cost						
At 1 January, 2017	16,066,204	17,457,408	5,149,477	1,760,217	40,433,305	163,125
Additions	-	1,457,404	223,364	2,765,240	4,446,008	-
Transfers	1,597,820	1,740,470	33,485	(3,371,776)	-	-
Disposals	-	(532,172)	(131,970)	-	(664,141)	-
Corrections	-	22,711	(22,711)	-	-	-
At 31 December, 2017	17,664,025	20,145,821	5,251,646	1,153,681	44,215,171	163,125
Accumulated Depreciation						
At 1 January, 2017	(3,665,314)	(11,520,271)	(4,361,145)	-	(19,546,730)	(117,269)
Depreciation charge	(547,872)	(1,420,048)	(273,301)	-	(2,241,221)	(18,975)
Corrections	-	(8,327)	8,327	-	-	-
Written back on disposals	-	422,781	131,970	-	554,750	-
At 31 December, 2017	(4,213,186)	(12,525,866)	(4,494,148)	-	(21,233,200)	(136,244)
Net Carrying Amount						
At 1 January, 2017	12,400,890	5,937,136	788,333	1,760,217	20,886,575	45,856
At 31 December, 2017	13,450,838	7,619,955	757,498	1,153,681	22,981,971	26,881

in SRD	Property	Machinery and Equipment	Furniture and Fixtures	Investments in progress	Total	Software
Cost						
At 1 January, 2016	16,008,231	16,695,954	5,948,968	1,207,809	39,860,962	126,493
Additions	-	1,408,732	297,549	764,092	2,470,373	56,925
Transfers	65,990	56,918	88,777	(211,691)	-	-
Disposals	(8,017)	(704,196)	(1,185,817)	-	(1,898,030)	(20,293)
Corrections	-	-	-	-	-	-
At 31 December, 2016	16,066,204	17,457,408	5,149,477	1,760,217	40,433,305	163,125
Accumulated Depreciation						
At 1 January, 2017	(3,170,493)	(10,874,693)	(5,270,110)	-	(19,315,295)	(126,493)
Depreciation charge	(499,973)	(1,348,931)	(272,000)	-	(2,120,904)	(11,069)
Corrections	-	-	-	-	-	-
Written back on disposals	5,152	703,352	1,180,965	-	1,889,470	20,293
At 31 December, 2016	(3,665,314)	(11,520,271)	(4,361,145)	-	(19,546,730)	(117,269)
Net Carrying Amount						
At 1 January, 2016	12,837,738	5,821,261	678,859	1,207,809	20,545,667	-
At 31 December, 2016	12,400,890	5,937,136	788,333	1,760,217	20,886,575	45,856

Based on internal analysis, reclassifications between asset groups were made in the opening cost values of 2017. This had no impact on the carrying amount of the PP&E at 31 December 2016.

The PP&E and intangible assets are insured against fire up to USD 10,671,500 (SRD 80,569,825).

Notes to the Financial Statements



12. Subsidiary and financial assets

Discontinued operations

Discontinued operations relates to the company's 98.9% subsidiary Carifrico N.V.

In June 2017, all buildings at Carifrico N.V. were demolished. Aside from billboard rental to CIC in the amount of USD 350 per month, there are no other economic activities. This event therefore saw the end of Carifrico's primary revenue generating activity. Carifrico is presented separately as a discontinued operation.

Key financial figures of Carifrico N.V. are set out below.

Results of Carifrico N.V. (unaudited)

in SRD	2017	2016
Income	227,687	386,800
Earnings from Discontinued Operations before tax	55,190	75,222
Income tax	(19,868)	(11,452)
Earnings from Discontinued Operations after tax	35,321	63,770

Statement of Financial Position of Carifrico N.V. (unaudited)

in SRD	2017	2016
Assets		
Property, plant and equipment	1,327,510	1,327,510
Intercompany receivables	607,521	601,583
Income tax receivable	9,426	17,842
Total Assets	1,944,457	1,946,935
Equity and Liabilities		
Share capital	2,000	2,000
Revaluation reserve	1,327,510	1,327,510
Retained earnings	579,517	515,747
Result for the year	35,321	63,770
Total Equity	1,944,348	1,909,027
Trade and other payables	109	7,908
Provisions	-	30,000
Total Liabilities	109	37,908
Total Equity and Liabilities	1,944,457	1,946,935

Financial assets

The financial assets consist of:

- 100% share in CIC Plastics N.V. and consist of all outstanding shares in this company. At present there are no activities in CIC Plastics N.V. This asset is valued at equity value of SRD 1,000.
- 25% share in N.V. Chemco. This asset is valued at cost of SRD 83.

13. Inventories

in SRD	2017	2016
Raw materials and packaging	13,082,045	13,973,264
Goods for sale	1,380,394	909,197
Finished goods	1,982,938	2,356,483
Supplies and spare parts	1,377,518	997,361
Goods in transit	2,633,070	4,211,412
Provision for reduced marketability	(128,919)	(290,415)
Total Inventories	20,327,046	22,157,302

The inventories are insured against fire up to USD 3,061,500 (SRD 23,114,325).

14. Trade and other receivables

in SRD	2017	2016
Trade receivables	5,577,692	8,352,492
Less provision for uncollectible amounts	-	(53,177)
Net trade receivables	5,577,692	8,299,315
Receivables regarding personnel	22,519	25,254
Prepayments and deposits	162,235	411,947
Import duties to be settled	25,701	27,566
Other receivables	29,666	29,787
Total trade and other receivables	5,817,813	8,793,869

15. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and cash on hand.

in SRD	2017	2016
Denominated in SRD	402,976	490,115
Denominated in US Dollars	2,101,716	64,444
Denominated in EURO	39,100	56,205
Total Cash and Cash equivalents	2,543,792	610,764

The cash and cash equivalents are at the free disposal of the Company.

16. Share capital and capital in excess of par value

At 31 December 2017 the issued share capital comprised of 5,002,200 shares (2016: 5,002,200 shares) with a par value of SRD 0.10 each. All issued shares are fully paid up.

The capital in excess of par value relates to the difference between the nominal value and the price of the shares issued in 1998 and 2016 minus the amount paid up in 2013 by disbursement of SRD 0.09 nominal (conversion of SRG to SRD shares).

17. Provisions

Provisions consist of:

in SRD	2017	2016
Disposal of waste*	-	387,353
Redundancy*	130,000	810,503
Medical obligation**	3,802,305	3,802,305
Total provisions	3,932,305	5,000,161

*Short term Provisions <12 months 130,000 1,197,856

**Long term Provisions >12 months 3,802,305 3,802,305

Redundancy

Provision was made for redundancy payments in line with planned organizational restructuring.

Long term medical obligation

CIC is obligated to pay medical expenses for pensioners. The balance at year-end is based on an actuarial calculation.

Notes to the Financial Statements



18. Borrowings

Borrowings consists of long term loans for investments in buildings and machinery and short term loans which comprise of one secured bank overdraft facility from the De Surinaamsche Bank N.V.

The movement in borrowings is as follows:

in SRD	2017	2016
Balance at 1 January	3,092,625	2,478,234
Movements:		
Revaluation (gain)/loss	(17,889)	1,705,339
Loans received	4,132,804	-
Loan installments	(2,601,406)	(1,605,367)
Interest	688,194	514,418
Repayment of loans	5,294,328	3,092,625
Short term (<12 months)	(1,572,640)	(526,500)
Balance at 31 December	3,721,688	2,566,125

Institution	De Surinaamsche Bank N.V.
Amount of loan in currency of contract	USD 1,050,000
Term of the loan	15 years
Expiry date	November 2022
Monthly repayment	USD 5,850
Balance per 31 December 2017	USD 342,150 (2016: USD 412,350)

The collateral encompasses to De Surinaamsche Bank N.V. is a mortgage on land and buildings at the Saramaccadoorsteek no 10.

Institution	Assuria Levensverzekering N.V.
Amount of loan in currency of contract	USD 260,000
Term of the loan	5 years
Expiry date	April 2022
Monthly repayment	USD 5,210
Balance per 31 December 2017	USD 260,000

On 10 April 2017 a five-year loan in the amount of USD 260,000 was signed with Assuria Levensverzekering N.V. to finance capital investments during the year. This loan was issued with a grace period of one year. No collateral was given.

Institution	Assuria Levensverzekering N.V.
Amount of loan in currency of contract	SRD 2,130,804
Term of the loan	2 years
Expiry date	August 2018
Monthly repayment	SRD 96,753
Balance per 31 December 2017	SRD 748,095

On 1 March 2017 the Company entered into a 2 year loan with Assuria Levensverzekering N.V. to finance working capital requirements. In October 2017, an additional payment of SRD 500,000 was made and this loan now expires in August 2018.

On 19 December 2006, the Company obtained an overdraft facility with a maximum of SRD 100,000 from De Surinaamsche Bank N.V. to finance working capital requirements on an ongoing basis. This facility was not used during the year. On 14 July 2015, the Company obtained an overdraft facility with a maximum of USD 400,000 from De Surinaamsche Bank N.V. to finance working capital requirements on an ongoing basis during the year. At 31 December 2017 the balance was a negative USD 85,814 (SRD 647,896) (2016: USD 288,070 (SRD 2,160,525)).

The collateral given to the bank is:

- pledge of securities
- fiduciary assignment of inventories
- fiduciary assignment of machinery and equipment

19. Trade and other payables

in SRD	2017	2016
Trade payables	7,206,554	11,525,454
Other taxes payable	550,598	530,635
Employee benefits	1,197,229	1,054,476
Dividend payable	55,816	13,581
Other payables	77,781	21,234
Trade and other payables	9,087,978	13,145,380

20. Off balance sheet commitments

Operational leases

The total commitments for future minimum lease payments under non-cancelable operational leases at reporting date amount to:

in SRD	2017	2016
Due within one year	2,010,630	1,516,800
Between one and five years	5,520,556	4,363,613
Total	7,531,186	5,880,413

Non-cancelable operating lease payments represent rentals payable by the Company for use of computer hardware and vehicles.

21. Related party disclosure

Supervisory Board

The remuneration of the Supervisory Board is approved by the Annual General Meeting of Shareholders. In 2017 the total remuneration amounted to SRD 72,288 (2016: SRD 62,234).

Management

The remuneration of key management personnel of the Company is determined by the Supervisory Board. The remuneration consists of a fixed monthly salary and a bonus. The bonus of the Managing Director is based on the Executive Performance Scheme and is measured against a yearly minimum target of 15% of return on capital employed. Based on the 2017 return on capital employed of 13.84%, no short term bonus will be paid.

Related party transactions

The Company is a 60.15% subsidiary of VSH United. The Chief Executive Officer and the Chief Legal Officer of VSH United are members of the Supervisory Board of the Company.

The related party transactions are executed on an arm's length basis. Outstanding balances are not secured, do not carry interest and are settled with cash and cash equivalents.

- the yearly IT related services and salary administration services invoiced by VSH United amounts to SRD 637,378 (2016: SRD 504,958).
- the Company contributes on a monthly basis 1.5% of the profit before tax to the VSH Community Fund. In 2017 the total contribution to the VSH Community Fund amounted to SRD 104,800 (2016: SRD 83,185).