



N.V. CONSOLIDATED INDUSTRIES CORPORATION

ANNUAL REPORT **2016**





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Knowledge
is
power



THE COMPANY

Who we are

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 had 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 4 new destinations.

With just over 120 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.



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.



120
employees



7.577 MT
production



14
export countries



Market leader
in Suriname

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**

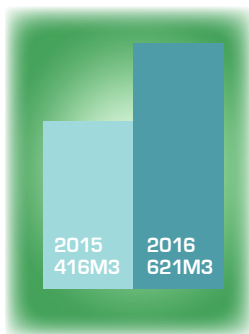
CORPORATE RESPONSIBILITY

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



Electricity

8% less electricity consumption compared to 2015.



Water

621M3 harvested rainwater was used in 2016. This is up by 49% compared to 2015.



Fossil fuel

0.6% more fossil fuel per MT was used in 2016. Since implementation of the energy saving policy in 2013, a total reduction of 13.5% in fossil fuel consumption has been realized.



Injury

5 incidents with personal harm were registered in 2016. Down from 8 incidents with personal harm in 2015.



Contribution and donation

SRD 121,877 contributed to VSH Community Fund and other donations made. Donations included among others the local academic hospital (AZP), Friends of Green Suriname, Villa Zapakara, sporting events, children's orphanages and correctional facilities.



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

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.

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 2016 were:

 TARGET 2016  ACTUALS 2016

minimize Plastic re-work



minimize Liquid re-work



minimize Powder re-work



The quality targets for 2016 were not achieved. We continue our efforts to reach these objectives in 2017.

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.

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 2016 were:

 TARGET 2016  REALIZED 2016

decrease energy consumption per MT



decrease fuel consumption per MT



decrease water consumption per MT



Trees Djasiman | Manager HSEQ

Gregory Zinhagel | Officer HSEQ



**50%
MORE**

OUT WITH THE OLD

IN WITH THE NEW

REPORT OF THE SUPERVISORY BOARD



J.J. Healy
Chairman



S. Smit
Vice Chairman



P. Healy



A. Nai Chung Tong



M.A. Ramsundersingh



O. Smith

To the Shareholders

We hereby present our report on the activities of the Supervisory Board in 2016.

The Supervisory Board performed its duties in accordance with Suriname law, the Company's bylaws and the 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.

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 and appointments. In the meeting of the Supervisory Board held on 11 October 2016 management reported on progress made in 2016 with respect to the long term strategic plan. In the same meeting management also presented the financial and operational plans for 2017 and the

Board approved capital expenditures for 2017.

Corporate Governance

In the meeting of the Supervisory Board held on 12 January 2016 the internal audit plan for 2016 was presented by the Internal Audit Department and approved by the Supervisory Board.

The result of the annual appraisal 2016 was discussed with the Supervisory Board in March 2017.

In the meeting of the Supervisory Board held on 12 July 2016 article 4.2 b, c, d and article 4.3 b, c, d were added to the Corporate Governance Code. These articles introduce the Audit Committee of the Board and the charter which describes the purpose, authority, composition and responsibilities of the Audit Committee of the Supervisory Board. In the Board meeting held on 11 October 2016 Mr. S. Smit was appointed Chairman of the Audit Committee and Mrs. M. Ramsundersingh, member. On 10 January 2017 the results of the internal audits 2016 were presented to the Supervisory Board as well as the audit plan for 2017.

Supervisory Board changes and appointments

Under article 13 of the bylaws 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 reelected as members of the Supervisory Board in the Annual General Meeting of Shareholders held on 22 March 2016.

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 reelection in the Annual General Meeting of Shareholders to be held on 22 March 2017.

Management Changes and Appointments

On 12 December 2016, Mrs. Sharita Bansradj-Dindajal resigned as Financial Controller due to relocating back to The Netherlands. Mrs. Bansradj joined the company on 01 August 2012.

In January 2017, the Management appointed Mrs. Ann Maria Diran-Mahadeo as Financial Controller.

Performance of the Supervisory Board

On 13 December 2016 the performance of the Supervisory Board was evaluated through a self-assessment by the members. Based upon individual appraisals by the members, the performance was found to be satisfactory. In the coming period the Board will focus on review of the Code of Conduct, improve attendance, optimizing the processes within the organization, cash flow and external risks including economic and currency instability.

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 2016 amounted to SRD 31,815,213 and the Return on Capital Employed achieved in 2016 was 18.7% (2015: 7.5%). The minimum Return on Capital Employed of 15% was achieved in 2016. The Managing Director will receive a short term bonus amounting to SRD 59,469.

On 13 December 2016 the Supervisory Board evaluated the overall performance of the Managing Director and found the performance to be good. Specific areas of attention were discussed with the Managing Director including further development of financial administration software tools, optimizing distribution, further increase of exports and develop new business in accordance with the long term strategic plans.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounts to SRD 65,000 per year and was approved in the Annual General Meeting of Shareholders held on 22 March 2016. In the meeting of the Supervisory Board held on 14 February 2017 the Management recommended to increase the remuneration of the Supervisory Board to SRD 74,750 per year effective 1 April 2017. The Supervisory Board endorses this recommendation and requests the approval of the Shareholders.

Dividend Policy and Interim Dividend

In the meeting of the Supervisory Board held on 14 June 2016 the Supervisory Board approved the recommendation of the Management to suspend the payment of interim dividend, due to the impact of the Suriname dollar devaluation and exchange rate volatility on the liquidity position of the Company. Subject to unforeseen developments the Supervisory Board has approved the payment of interim dividend for the year 2017 as follows:

- 2nd quarter payable 14 July 2017: SRD 0.03 per share
- 3rd quarter payable 13 October 2017: SRD 0.03 per share
- 4th quarter payable 15 February 2018: SRD 0.03 per share

Financial Statements and division of profit

In compliance with the requirements of article 36 of the bylaws, management presented the financial statements 2016 to the Supervisory Board on 07 March 2017.

These financial statements can be found on pages 16 to 30 of this annual report. The independent external auditor, Lutchman & Co, audited the financial statements.

Their Auditor's Report can be found on page 15.

The net profit in 2016 amounts to SRD 3,828,725 (2015: SRD 1,595,999). The net share profit of subsidiary N.V. Carifrico in 2016 was SRD 63,069 (2015: SRD 7,874).

We recommend that the Shareholders approve the accounts as presented.

The Supervisory Board endorses the recommendation of the Management to pay a cash dividend for the year 2016 of SRD 400,176 (2015: SRD 1,000,437). If approved, total dividend will amount to SRD 0.08 per share and the balance of the net profit amounting to SRD 3,428,549 will be added to retained earnings. One quarterly dividend has been paid for a total of SRD 0.03 per share. The final dividend will thus amount to SRD 0.05 per share of nominal SRD 0.10 per share.

We advise the Shareholders to approve the dividend as recommended.

Appreciation

The Supervisory Board is grateful for the contribution made by management and by all the employees of the Company to the results of 2016.

Paramaribo, 07 March 2017

The Supervisory Board,

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



Silvan Nelom | Production Controller

Ivar Nooitmeer | Operations Trainee

SALIENT FIGURES

in SRD	2016	2015	2014	2013	2012
Net revenue	38,515,789	24,199,079	23,145,963	23,320,262	20,202,416
Result before tax	5,946,907	2,489,318	4,229,278	3,941,415	1,028,904
Net profit	3,828,725	1,595,999	2,708,869	2,515,978	658,498
Paid-in capital	500,220	500,219	500,219	500,219 ¹	50,002
Shareholders' Equity	28,273,317	25,144,733	24,553,580	22,816,747	20,908,340
Liabilities	27,390,073	18,330,301	16,728,773	19,456,780	21,828,420
Total Equity and Liabilities	55,663,390	43,475,034	41,282,353	42,273,527	42,736,760
Per share of SRD 0.10	2016	2015	2014	2013	2012
Earnings	0.77	0.32	0.54	0.50	0.13
Cash dividend	0.08	0.20	0.20	0.12	0.12
Share price	11.00	10.50	10.00	9.00	9.00
USD exchange rates per end of year	7.50	4.20	3.35	3.35	3.35

¹ Conversion of SRG shares to SRD shares in 2013 (SRD 0.01 to SRD 0.10 par value).



MANAGING DIRECTOR'S REPORT

The business environment

The Suriname GDP contraction is estimated at 9% for 2016 (2015: -2.7%)². The recession continued in 2016 due to a number of factors, including the closing of the Suralco Alumina Refinery, the current low prices for oil and gold exports and the impact of the fiscal adjustment implemented by the Government.

In May 2016 the official exchange rate of the Suriname dollar was floated and depreciated further to SRD 7.50 per USD 1 at the end of the year (2015: SRD 4.04). Inflation for the year amounted to 55.5% (2015: 25.0%)³. Purchasing power declined substantially thus reducing imports which in the first quarter of 2017 seemed to have a stabilizing effect on the exchange rate. In October 2016, the Newmont Merian gold mine started production and is expected to support economic activity.

Production

Production volume for liquid detergents increased by 3.8% to 4.512 MT in 2016 (2015: 4.348 MT). This growth factor can be attributed to the success of the new or improved products in our portfolio both locally and regionally. We installed a new automatic production line for concentrated disinfectants and implemented the first in-line product analyzers. Our bleach production had a setback in the last quarter of 2016 due to technical issues. These were resolved by intense cooperation from our technical department and the supplier; all issues were resolved by December 2016.

Production volume for powder detergents increased by 2.9% to 2.790 MT in 2016 (2015: 2.712 MT). Regional demand for smaller packages resulted in reaching our maximum capacity for packing powder detergents. Subsequently, we have ordered a second packaging machine which will accommodate further growth in the coming years. In 2016, an upgrade of the production hall and spray tower was realized. Installation of various automation machinery in filling and packaging was also realized in 2016.

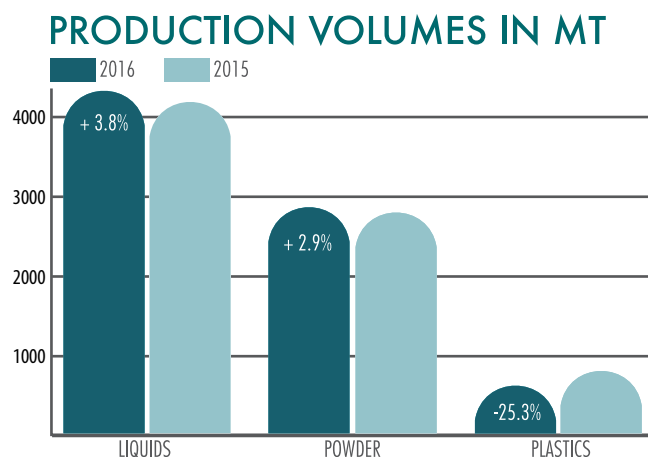


Kathleen Healy | Managing Director

Sales and Marketing

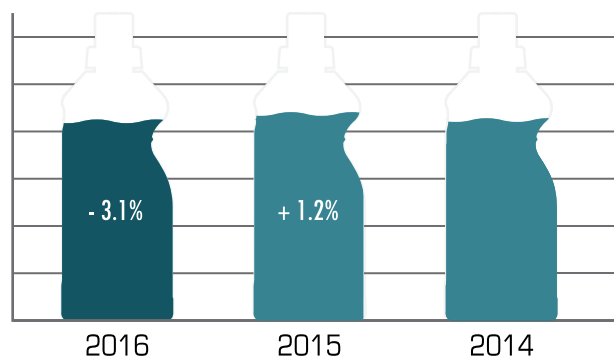
Due to the volatile local economy, disposable income of consumers declined in 2016 which resulted in a contraction of the local market. Subsequently, smaller brands did not survive the changing landscape which created an opportunity for us to grow our market share.

Prospects in this more price-sensitive market also arose for our SUN brand. With aggressive and targeted sales strategies we were able to reclaim market share and expand our consumer base for our Ozon and SUN brands. Unfortunately, growth in market share was not significant enough to make up for the contracting market which resulted in a decline in local volume of 3.1% compared to 2015.



Production quantities in the plastic blow molding department decreased by 25.3% to 275 MT in 2016 (2015: 368 MT). This decrease is the result of one major customer's decision to install their own blow molding facility. The re-introduction of PET bottle production in April 2016 helped slowdown the decline in the last quarter of 2016.

LOCAL VOLUME

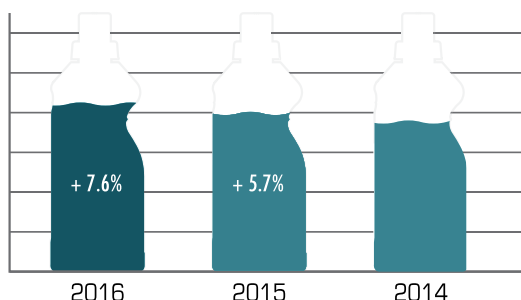


² Source: International Monetary Fund

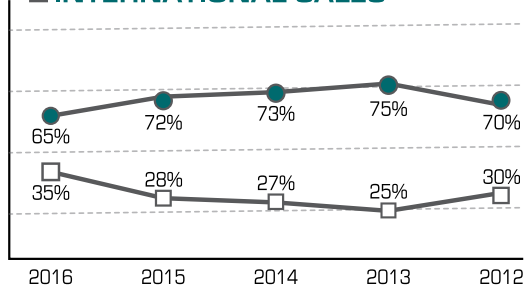
³ Source: General Bureau of Statistics

Plastic volumes showed a decline of 14.4% in 2016 due to a key customer's switch to in-house production of their own bottles. PET volumes have shown a steady growth since introduction in April 2016 and we are confident that these sales will continue to grow to make up for the decline.

EXPORT VOLUME



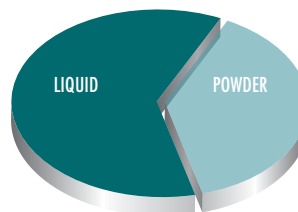
● SURINAME SALES □ INTERNATIONAL SALES



Export volumes increased by 7.6% in 2016 with Guyana, Jamaica and Curaçao taking the lead in fastest growing markets. The successful expansion in our product portfolio in each export market and our dedicated distributors contributed to this growth.

Market surveys indicate that OZON remains the number one detergent brand and that CIC dominates the cleaning segment in the Suriname market⁴. Total volumes in the liquid category continue to out-grow the powder detergents.

LIQUIDS vs POWDER DETERGENTS



In 2016 we formulated our OZON and SUN brand-DNA. We created the brand-key which formulates our brand challenges, brand values, target group, brand essence and the competitive environment in the local and regional markets. This brand-key serves as a base for further establishment of our brands and we are excited to launch this regionally in 2017.

Together with our research and development department we expanded our SUN portfolio with SUN Wash Liquid Laundry detergent and SUN Toilet Bowl Cleaner, to assure our competitiveness in the cleaning industry. Our window cleaner, OZON Windola, was relaunched in a new packaging which was well received by consumers. Lastly we also revamped our Tropical Bush Insect Repellent packaging and expanded the product range to include a spray and kids friendly version.

⁴ Source: General Bureau of Statistics (report as footer).

INTERNATIONAL MARKETS

- Jamaica
- Trinidad & Tobago
- St. Kitts
- Dominica
- Antigua
- Barbados
- St. Vincent
- St. Lucia
- Grenada
- Aruba
- Curaçao
- Guyana
- French Guyana
- The Netherlands

Rheyna Wijsman | Officer Sales Export

Sunita Jagdew | Officer Sales Export



Fabian Greb | Supervisor Finance

Training & Education 2016

Number of employees

Sales & Customer Care	3
Personal Development & Leadership	6
Other programs in key areas	40
Bachelor & Master Degree's	1
HSEQ programs (Spill, Basic Safety, Fire Alarm etc.)	Company wide

Human Resource Management (HRM)

At the end of 2016 the Company employed 120 persons (2015: 115 persons). We celebrated the anniversary of 11 employees who served 10 or more 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.

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 2016 was 64, up from 48 in 2015. Of the 64 incidents 25 are categorized as near misses. The total number of lost working days due to incidents amounted to 6 days due to 5 incidents that resulted in a personal injury.

Our quality management system ISO9001 and our environmental management system ISO14001 were successfully re-audited in October 2016.

No major shortcomings were reported and only recommendations for further improvements were made.

In 2016 we continued to work on disposal of waste material in accordance with environmental laws and regulations with EKOKEM in Denmark. We are pleased to announce that all containers with waste material have been sent to Denmark for disposal in the first quarter of 2017.

Investments

Capital investments in 2016 amounted to SRD 2,470,373 (2015: SRD 2,141,932). Among others, these investments included a PET blow-molding machine, a liquid filling machine and re-habilitation of the powder detergent factory.

INCIDENTS

	2016	2015
Near misses	25	1
Environmental incidents	13	9
Personal injury incidents	5	8
Traffic incidents	10	10
Other	11	20

Of the 13 environmental incidents, 4 had a minimal environmental impact. The remaining incidents were caused by spills in the production facilities that were cleaned according to our guidelines to mitigate the effect on our environment.



Result and financial position

Exchange rate volatility had a significant impact on sales and financial results.

Sales increased compared to the previous year by SRD 22.6 million to SRD 68.8 million (2015: SRD 46.2 million). Revenue increased to SRD 38.5 million (2015: SRD 24.2 million). Export revenue was inflated by the higher exchange rate. Local revenue increased due to price increases but these were not sufficient to offset the decrease in real gross margins.

The variances in costs can be explained as follows:

Decrease	SRD	%
Depreciation	-208,749	-8.9%
Increase		
Personnel expenses	+2,235,681	+23.4%
Distributions cost	+529,279	+53.1%
Administrative expenses	+6,763,679	+79.3%
Provisions	+1,352,403	+2,753.0%
Interest	+186,828	+57.0%
Total net increase	+10,859,121	+50.0%

The increase in personnel expense of SRD 2,235,681 is mainly the result of salary increases totaling 39.1% and a subsequent increase in contributions to the pension plan.

The distribution costs increased by SRD 529,279 which is caused by the impact of the devaluation of the Suriname dollar on the lease agreement denominated in USD.

The administrative expenses increased by SRD 6,763,679 in 2016 of which SRD 4,653,878 is attributed to currency exchange losses. The exchange losses resulted from purchase of foreign currency at rates higher than the administrative and official exchange rates and the revaluation of foreign currency assets and liabilities due to the devaluation of the Suriname dollar.

Provisions increased by SRD 1,352,403 in 2016 of which SRD 838,978 is the result of an addition to the provision medical obligations for retirees. This provision was adjusted after calculation by the actuary.

The result attributable to equity holders of the Parent Company amounted to SRD 3,828,725 an increase of 139.9% compared to 2015.

One quarterly dividend was paid of SRD 0.03 per share of nominal SRD 0.10 per share. The Management recommends paying a total cash dividend for the year 2016 of SRD 0.08 (2015: SRD 0.20) per share. This dividend represents a payout ratio of 10% which is substantially lower than the norm. However, lower local margins and investments in machinery and equipment will require a prudent allocation of financial resources. If approved, total dividend will amount to SRD 400,176 and the balance of the net profit amounting to SRD 3,428,549 will be added to retained earnings. The Management has recommended resumption of interim dividend payments starting in the second quarter of 2017.

Subsidiary, N.V. Carifrico had no other activities than renting its facilities to CIC for storage purposes. The income amounted to SRD 386,800 (2015: SRD 170,850) and was sufficient to cover costs for maintenance and security. This resulted in a net profit of SRD 63,770 (2015: SRD 7,964).

Outlook 2017

The effects of the economic and financial challenges faced in 2016 continued in 2017 and the first quarter results are expected to show lower revenues than budgeted. Subject to unforeseen circumstances, we expect the results for 2017 to be lower than 2016 as regional sales are down and our local gross margins are under pressure. We plan to further invest in business operations to support a growth in volumes in order to achieve our long term strategy of regional dominance. While we remain driven to succeed, emphasis must be on increasing profitability.

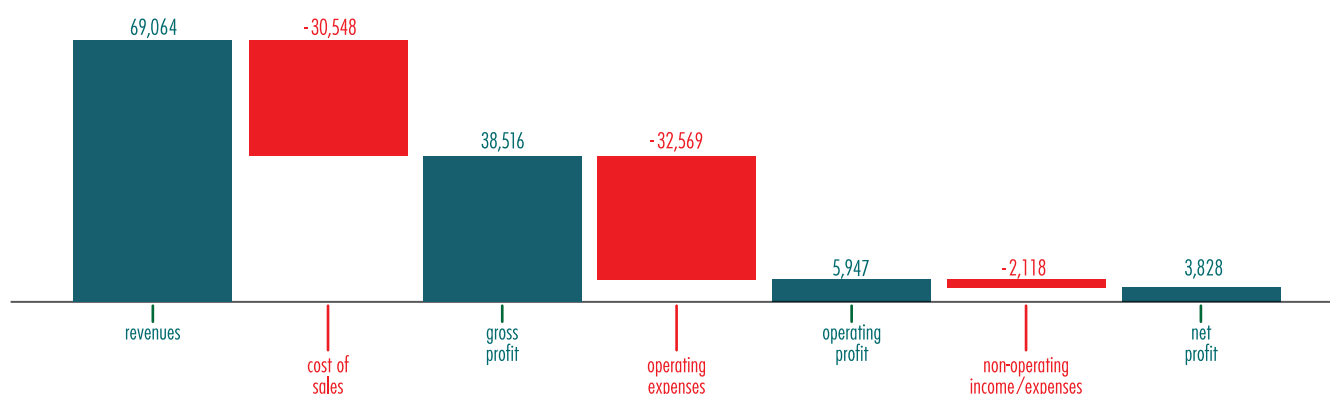
Appreciation

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

REVENUES & PROFITS 2016 (x 1000)



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements 2016 of N.V. Consolidated Industries Corporation, which comprise the balance sheet at 31 December 2016, the income statement, the statement of changes in equity and the cash flows statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with generally accepted accounting principles. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of N.V. Consolidated Industries Corporation at 31 December 2016 and of its result and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Paramaribo, 07 March 2017

Lutchman & Co, Accountants

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

Income Statement

for the year ended 31 December 2016

		2016	2015
	note	SRD	SRD
Revenue			
<i>Industry</i>			
Sales		68,845,261	46,181,322
Cost of sales		30,548,376	22,100,239
	4	38,296,885	24,081,083
Profit of subsidiary	12	63,069	7,874
Other income	5	155,835	110,122
		38,515,789	24,199,079
Costs			
Personnel expense	6	11,799,980	9,564,299
Distribution costs		1,525,651	996,372
Administrative expense	7	15,293,581	8,529,902
Interest		514,418	327,590
Depreciation		2,131,973	2,340,722
Provisions	8	1,303,279	(49,124)
		32,568,882	21,709,761
Profit before tax		5,946,907	2,489,318
Income tax	9	2,118,182	893,319
Net profit		3,828,725	1,595,999
Earnings per share			
Number of shares outstanding		5,002,200	5,002,185
Earnings per share	10	0.77	0.32
DIVISION OF PROFIT			
Interim dividend		150,066	450,197
Final dividend		250,110	550,240
Addition to retained earnings		3,428,549	595,562
		3,828,725	1,595,999

The accompanying notes on pages 20 to 30 are an integral part of these financial statements.

Paramaribo, 07 March 2017

Supervisory Board

J.J. Healy Jr., Chairman
S. Smit, Vice Chairman
A. Nai Chung Tong
M. Ramsundersingh
O. Smith
P. Healy

Managing Director

K. Healy

Balance Sheet

at 31 December 2016

		2016	2015
	note	SRD	SRD
Assets			
Non-current assets			
Property, plant and equipment	11	20,886,575	20,545,667
Intangible assets	11	45,856	-
Subsidiary	12	1,888,027	1,824,958
Financial assets	12	1,083	1,083
Total non-current assets		22,821,541	22,371,708
Current assets			
Inventories	13	22,157,302	12,940,952
Trade and other receivables	14	8,800,526	4,894,018
Income tax receivable	9	1,273,257	1,184,485
Cash and cash equivalents	15	610,764	2,083,871
Total current assets		32,841,849	21,103,326
Total assets		55,663,390	43,475,034
Equity and Liabilities			
Equity			
Share capital	16	500,220	500,219
Capital in excess of par value		39,874	39,710
Revaluation reserve		4,902,791	4,902,791
Retained earnings		19,001,707	18,106,014
Result for the year		3,828,725	1,595,999
Total equity		28,273,317	25,144,733
Liabilities			
Non-current liabilities			
Deferred tax liability	9	3,389,801	2,459,515
Provisions	17	3,802,305	2,963,327
Long-term borrowings	18	2,566,125	1,797,878
Total non-current liabilities		9,758,231	7,220,720
Current liabilities			
Provisions	17	1,197,856	1,140,461
Short-term borrowings	18	2,687,022	2,340,233
Subsidiary payables		601,584	472,131
Trade and other payables	19	13,145,380	7,156,756
Total current liabilities		17,631,842	11,109,581
Total equity and liabilities		55,663,390	43,475,034

The accompanying notes on pages 20 to 30 are an integral part of these financial statements.

Paramaribo, 07 March 2017

Supervisory Board

J.J. Healy Jr., Chairman
S. Smit, Vice Chairman
A. Nai Chung Tong
M. Ramsundersingh
O. Smith
P. Healy

Managing Director

K. Healy

Statement of Changes in Equity

in SRD	SHARE CAPITAL	CAPITAL IN EXCESS OF PAR VALUE	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
Equity at 1 January 2015	500,219	39,710	4,902,791	18,560,620	24,003,340
Net profit	-	-	-	1,595,999	1,595,999
Dividend	-	-	-	(450,197)	(450,197)
Corrections previous years	-	-	-	(4,409)	(4,409)
Equity at 31 December 2015 before appropriation of profit	500,219	39,710	4,902,791	19,702,013	25,144,733
Final dividend	-	-	-	(550,240)	(550,240)
Equity at 31 December 2015 after appropriation of profit	500,219	39,710	4,902,791	19,151,773	24,594,493
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 profit	-	-	-	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
Proposed 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

The accompanying notes on pages 20 to 30 are an integral part of these financial statements.

Paramaribo, 07 March 2017

Supervisory Board

J.J. Healy Jr., Chairman
S. Smit, Vice Chairman
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M. Ramsundersingh
O. Smith
P. Healy

Managing Director

K. Healy

Statement of Cash Flows

for the year ended 31 December 2016

	2016	2015
	SRD	SRD
Cash flow from operating activities:		
Profit before tax	5,946,907	2,489,318
<i>Adjusted for:</i>		
- Depreciation	2,131,973	2,340,722
- Profit of subsidiary	(63,069)	(7,874)
- Provisions	1,303,279	(49,124)
- Interest paid	514,418	327,590
<i>Changes in working capital:</i>		
- Change in inventories	(9,216,350)	(463,339)
- Change in trade and other receivables	(3,906,508)	(603,173)
- Change in trade and other payables	5,988,624	2,205,236
- Change in subsidiary payable	129,453	36,173
- Adjustments of current assets due to provisions	(351,801)	(58,191)
Cash generated from operations	2,476,926	6,217,338
Paid interest	(514,418)	(327,590)
Paid income tax	(1,276,668)	(2,400,299)
Net cash generated from operating activities	685,840	3,489,449
Cash flow from investing activities:		
Proceeds from sale of shares	165	-
Purchase of intangible assets	(56,925)	-
Disposal of property, plant & equipment	8,561	-
Purchase of property, plant & equipment	(2,470,373)	(2,141,932)
Net cash used in investing activities	(2,518,572)	(2,141,932)
Cash flow from financing activities:		
Proceeds and repayments from loans	1,115,036	417,715
Payments: disposal of waste	(15,608)	(27,379)
Payments: pension provision	-	(539,558)
Payments: redundancy	(39,497)	-
Dividend paid	(700,306)	(1,000,437)
Net cash from/used in financing activities	359,625	(1,149,659)
Net decrease/increase in cash for the year	(1,473,107)	197,858
Cash and cash equivalents at 1 January	2,083,871	1,886,013
Cash and cash equivalents at 31 December	610,764	2,083,871

The accompanying notes on pages 20 to 30 are an integral part of these financial statements.

Paramaribo, 07 March 2017

Supervisory Board

J.J. Healy Jr., Chairman
S. Smit, Vice Chairman
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 2016.

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 59.44% in the company.

The Company has one subsidiary N.V. Carifrico in which it holds a 98.9% share.

These financial statements were authorized for issue by the Supervisory Board on 07 March 2017 and will be submitted for approval to the Annual General Meeting of Shareholders on 22 March 2017.

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 valued at costs adjusted for hyperinflation 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 cumulated 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 19 : Employee Benefits
- IAS 24 : Related Party Disclosures
- IAS 29 : Financial Reporting in Hyperinflationary Economies
- 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 the balance sheet date are translated to the functional currency at the exchange rate at that date. Exchange differences arising are charged or credited to the income statement.

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

in SRD	2016	2015
USD	7.50	4.20
EURO	7.93	4.58

Property, Plant and Equipment (PP&E)

Land is carried at cost adjusted for hyperinflation. Land improvements and buildings are carried at cost adjusted for hyperinflation less accumulated depreciation. 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 income statement. There are no assets held under financial leases, and assets held under operating leases are not recognized in the balance sheet.

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 income statement 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 income statement.

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.

Notes to the Financial Statements

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 nominal 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 are 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 the balance sheet 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 balance sheet.

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 for 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 nominal value. Trade payables do not carry interest.

Revenue

Revenue from the 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. Revenue from the 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 income

Other income comprises of bank interest received, income related to previous years items and proceeds from promo activities. Interest income is recognized when earned.

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 by the balance sheet 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 by the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.) Contribution margin

in SRD	2016	2015
Sales production	67,042,881	44,775,732
Sales merchandise	1,802,380	1,405,590
Total Sales	68,845,261	46,181,322
Cost of sales production	29,532,481	21,132,098
Cost of sales merchandise	1,015,895	968,141
Total cost of sales	30,548,376	22,100,239
Total contribution margin	38,296,885	24,081,083

5.) Other Income

in SRD	2016	2015
Income from previous year	129,476	54,062
Other	26,359	56,060
Total other income	155,835	110,122

6.) Personnel expense

in SRD	2016	2015
Salaries and wages	7,320,752	5,856,606
Vacation and holiday expenses	657,061	396,424
Bonuses	1,258,841	1,130,928
Medical	1,027,088	950,495
Contribution to pension plan	1,037,246	706,695
Training	64,959	103,999
Other personnel expenses	434,033	419,152
Total personnel expense	11,799,980	9,564,299

Notes to the Financial Statements

Pensions

The pensions of the employees are insured at Assuria Levensverzekering N.V. (Assuria). The 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 125,000
- Management SRD 200,000

Pension liabilities of the foundation at 31 December 2016 amounted to SRD 24,092,140⁵ and total equity amounted to SRD 55,361,606⁵. The Company's pension contribution is as follows:

in SRD	2016	2015
Pension-insurance costs	1,213,886	854,388
Contribution by employees	(176,640)	(147,693)
Total pension costs	1,037,246	706,695

7.) Administrative expenses

in SRD	2016	2015
Marketing	2,142,285	1,882,880
Manufacturing	3,283,010	1,600,496
Maintenance	1,878,920	1,324,820
Office	969,848	621,391
Other administrative expenses	7,019,518	3,100,315
Total administrative expenses	15,293,581	8,529,902

Other administrative expenses includes exchange losses of SRD 4,653,878 (2015: SRD 1,597,451).

8.) Provisions

in SRD	2016	2015
Uncollectable amounts	46,633	-
Waste disposal	112,500	-
Redundancy	-	850,000
Medical obligation	838,978	(311,848)
Reduced marketability of inventories	305,168	58,191
Pension	-	(645,467)
Total provisions	1,303,279	(49,124)

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 from 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 paid partly.

⁵unaudited

Notes to the Financial Statements

Wage Tax

In the year 2013 a wage tax audit regarding the years 2007 up to and including 2011 started.

According to the law, the Tax Inspector cannot impose an assessment after five years. The result thereof is that the wage tax audit up to and including the year 2011 can be considered closed.

The income tax payable is specified as follows:

in SRD	2016	2015
Balance at 1 January	(1,184,485)	(60,849)
Paid during the year	(1,276,668)	(2,400,299)
Due over the year	2,118,182	893,319
PP&E replacement reserve	260,153	416,526
Inventory adjustments	(1,190,439)	(33,182)
Balance at 31 December	(1,273,257)	(1,184,485)

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	2016	2015
Balance at 1 January	2,459,515	2,842,859
Inventory adjustment	1,190,439	33,182
PP&E replacement reserve	(260,153)	(416,526)
Balance at 31 December	3,389,801	2,459,515

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 2016 was based on the profit attributable to ordinary Shareholders of the Company of SRD 3,828,725 (2015: profit SRD 1,595,999) and a weighted average number of ordinary shares outstanding during the year ended at 31 December 2016 of 5,002,200 (2015: 5,002,185).

in SRD	2016	2015
Numbers of shares	5,002,200	5,002,185
Earnings per share in SRD	0.77	0.32

Dividends paid and proposed

The following dividends were declared and paid by the Company:

in SRD	2016	2015
First quarter interim dividend SRD 0.03 per share (2015: SRD 0.03)	150,066	150,065
Second quarter - no interim dividend paid (2015: SRD 0.03)	-	150,066
Third quarter - no interim dividend paid (2015: SRD 0.03)	-	150,066
	150,066	450,197

After the balance sheet date 2016:

Fourth quarter - no interim dividend paid (2015: SRD 0.03)	-	150,066
The Management proposed the following final dividend: for 2016: SRD 0.05 per share (2015: SRD 0.08)	250,110	400,174
Total dividend declared	400,176	1,000,437

The proposed dividend 2015 was adopted by the Annual General Meeting of Shareholders of 22 March 2016.

Notes to the Financial Statements

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

Changes in PP&E are as follows:

in SRD	Property	Machinery and Equipment	Furniture and Fixtures	Investments in progress	Total
Book value 1 January 2015	11,640,714	6,604,385	853,538	1,645,378	20,744,015
Movements 2015:					
Investments	1,693,153	601,323	285,025	1,207,809	3,787,309
Depreciation	(496,130)	(1,384,446)	(459,704)	-	(2,340,280)
Transferred	-	-	-	(1,645,378)	(1,645,378)
Book value 31 December 2015	12,837,737	5,821,262	678,859	1,207,809	20,545,667
Movements 2016:					
Investments	65,990	1,465,650	386,326	1,760,216	3,678,182
Depreciation	(499,972)	(1,348,932)	(272,000)	-	(2,120,904)
Transferred	-	-	-	(1,207,809)	(1,207,809)
Disposal	(2,865)	(844)	(4,852)	-	(8,561)
Book value 31 December 2016	12,400,890	5,937,136	788,333	1,760,217	20,886,575
<i>Consists of:</i>					
Cost Value	16,071,355	18,160,761	6,330,442	1,760,217	42,322,775
Accumulated Depreciation	(3,670,465)	(12,223,625)	(5,542,110)	-	(21,436,200)
Book value 31 December 2016	12,400,890	5,937,136	788,333	1,760,217	20,886,575

Intangible assets

Changes in intangible assets are as follows:

in SRD	Software
Book value 1 January 2015	442
Movements 2015:	
Investment	-
Amortization	(442)
Book value 31 December 2015	-
Movements 2016:	
Investment	56,925
Amortization	(11,069)
Book value 31 December 2016	45,856
<i>Consists of:</i>	
Current Value	56,925
Accumulated Amortization	(11,069)
Book value 31 December 2016	45,856

The PP&E and intangible assets are insured against fire up to USD 10,671,500 (SRD 80,036,250).

Notes to the Financial Statements

12). Subsidiary and financial assets

Subsidiary

Changes in carrying amount of the subsidiary are as follows:

in SRD	2016	2015
Balance at 1 January	1,824,958	1,821,493
Company's share of profit	63,069	7,874
Correction previous years	-	(4,409)
Balance at 31 December	1,888,027	1,824,958

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	2016	2015
Raw materials and packaging	13,973,264	9,415,353
Goods for sale	909,197	860,990
Manufactured finished goods	2,356,483	769,174
Supplies and spare parts	997,361	817,808
Goods in transit	4,211,412	1,168,896
Provision for reduced marketability	(290,415)	(91,269)
Total Inventories	22,157,302	12,940,952

The inventories are insured against fire up to USD 3,061,500 (SRD 22,961,250).

14). Trade and other receivables

in SRD	2016	2015
Trade receivables	8,352,492	4,558,981
Less provision for uncollectible amounts	(53,177)	(13,790)
Net trade receivables	8,299,315	4,545,191
Receivables regarding personnel	25,254	19,206
Prepayments and deposits	411,947	248,606
Import duties to be settled	27,566	12,893
Other receivables	36,444	68,122
Total trade and other receivables	8,800,526	4,894,018

15). Cash and cash equivalents

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

in SRD	2016	2015
Denominated in SRD	490,115	1,259,400
Denominated in US Dollars	64,444	685,048
Denominated in EURO	56,205	139,423
Total cash and cash equivalents	610,764	2,083,871

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

Notes to the Financial Statements

16). Share capital and Capital in excess of par value

At 31 December 2016 the issued share capital comprised of 5,002,200 shares (2015: 5,002,185 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	2016	2015
Disposal of waste*	387,353	290,461
Redundancy*	810,503	850,000
Medical obligation**	3,802,305	2,963,327
Total provisions	5,000,161	4,103,788

*Short term Provisions <12 months 1,197,856 1,140,461

**Long term Provisions >12 months 3,802,305 2,963,327

Disposal of waste

This provision represents the Company's liability for the disposal of waste (including shipment cost) due to the fire in 2009 and was based on a quote from EKOEM in Denmark.

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.

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	2016	2015
Balance at 1 January	2,478,234	2,583,645
Movements:		
Revaluation	1,705,338	514,183
Loan installments	(1,605,365)	(947,184)
Interest	514,418	327,590
Total Borrowings	3,092,625	2,478,234
Short term (<12 months)	(526,500)	(680,356)
Balance at 31 December	2,566,125	1,797,878

Institution: De Surinaamsche Bank N.V.

Amount of loan in currency of contract: USD 1,050,000

Term of the loan: 7 years

Monthly annuity: USD 5,850

Balance at 31 December 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. 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 2016 the balance was USD 288,070 (SRD 2,160,525) (2015: USD 395,209 (SRD 1,659,877)).

Notes to the Financial Statements

The collateral given to the bank is:

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

In October 2016, the loan from Assuria N.V. was fully paid off.

19). Trade and other payables

The trade and other payables are specified as follows:

in SRD	2016	2015
Trade payables	11,525,454	5,797,605
Other taxes payable	530,635	459,992
Employee benefits	1,054,476	757,685
Dividend and dividend tax payable	13,581	16,966
Other payables	21,234	124,508
Total trade and other payables before profit distribution	13,145,380	7,156,756
Proposed dividend	250,110	550,240
Total trade and other payables after profit distribution	13,395,490	7,706,996

20). Off balance sheet commitments

Operational leases

The total commitments for future minimum lease payments under non-cancelable operational leases per balance sheet date amount to:

in SRD	2016	2015
Due within one year	1,516,800	981,498
Between one and five years	4,363,613	2,329,593
Total	5,880,413	3,311,091

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 2016 the total remuneration amounted to SRD 62,234 (2015: SRD 56,742).

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 2016 return on capital employed of 18.7% a short term bonus of SRD 59,469 has been approved by the Supervisory Board.

Related party transactions

The Company is a 59.44% subsidiary of VSH United. The Chief Executive Officer and the Chief Legal Officer, Deputy Chief Executive Officer of VSH United are members of the Supervisory Board of the Company.

Conditions related party transactions

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 121,099 (2015: SRD 60,999).

Contribution

The Company contributes on a monthly basis 1.5% of the profit before tax to the VSH Community Fund. In 2016 the total contribution to the VSH Community Fund amounted to SRD 83,185 (2015: SRD 44,049).

Notes to the Financial Statements

22). Subsequent events

Events after the balance sheet date:

- On 1 March 2017 all waste disposal from the 2009 fire was shipped to Denmark; the costs will be set off against the provision disposal of waste.
- Stichting VSH Pensioenfonds increased the maximum base salaries per year as per 1 January 2017 as follows:
 - Staff from SRD 125,000 to SRD 162,500
 - Management from SRD 200,000 to SRD 260,000
- On 28 February 2017, the Company obtained a loan from Assuria Levensverzekering N.V. of SRD 2,075,574 with a term of 2 years and a monthly annuity of SRD 97,704.

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