



N.V. VSH FOODS

*"Laughter is
Brightest when
Food is Best."*
-Irish Proverb

Annual Report

N.V. VSH FOODS

2014



Table of contents

	Page
Supervisory Board and Management	04
Report of the Supervisory Board	06
Salient figures	08
Managing Director's Report	10
Independent Auditor's Report	14
Income statement for the year ended 31 December 2014	18
Balance sheet at 31 December 2014 before appropriation of profit	19
Statement of changes in equity for the year ended 31 December 2014	20
Statement of cash flows for the year ended December 2014	21
Notes to the financial statements	22



Mission Statement & Core Values

Mission Statement

We commit ourselves:

To produce, market and distribute top quality margarine, butter and other foodstuff in a safe and hygienic manner at competitive prices.

To ensure growth, profitability and continuity of the Company for the benefit of our customers, shareholders, employees and the community:

By producing these in an efficient manner from high quality raw materials with motivated and skilled employees and by guaranteeing supply to the market through aggressive marketing and sales channels.

By continuously monitoring and improving, where possible, the production process with the help of our quality system and thereby guaranteeing the market hygienic and safe products that comply with applicable legislation and the demands of our customers.

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





Supervisory Board and Management

Supervisory Board

- 01. James J. Healy Jr.
Chairman
- 02. Stephen Smit
Vice Chairman
- 03. Antoine Brahim
- 04. Arthur Tjin A Tsoi
- 05. Patrick Healy



Management

- 06. Marlon Telting
Managing Director
- 07. Melisa Ensberg
Operations Manager
- 08. Marif Sastrodiwirjo
Sales Manager



Brands

Marigold
Marigold Butter
Marigold Butter Spread



Golden Brand
Golden Brand Margarine
Golden Brand Slim Margarine
Golden Brand Slim No Salt Margarine



Yellow Bird
Yellow Bird All Vegetable Margarine



Bake 'n Fry
Bake 'n Fry Shortening



Baker's Choice Line
All purpose white Margarine, Cream Margarine,
Puff pastry Margarine, All purpose soft Margarine,
All purpose Margarine, Bread Improver, Frying oil

BAKER'S CHOICE

Report of the Supervisory Board To the Shareholders

Financial Statements and division of profit

The Management has submitted the financial statements 2014 to the Supervisory Board on 27 February 2015. These financial statements can be found on pages 18 to 32. Lutchman & Co, accountants audited the financial statements. Their report can be found on page 14. The net profit amounts to SRD 2,178,135 (2013: SRD 1,236,994).

Three quarterly dividends were paid for a total of SRD 0.24 per share of nominal SRD 0.10 per share. The Supervisory Board endorses the recommendation of the Management to pay a cash dividend for the year of SRD 0.70 (2013: SRD 0.60) per share of nominal SRD 0.10 per share.

If approved, total dividend will amount to SRD 913,300 and the balance of the net profit amounting to SRD 1,264,835 will be added to retained earnings.

Supervisory Board changes and appointments

Under article 7.20 of the bylaws all Supervisory Board members retire in the Annual General Meeting of Shareholders. All five members, Mr. J.J. Healy Jr., Mr. S. Smit, Mr. A. Brahim, Mr. A. Tjin A Tsoi and Mr. P. Healy were re-elected as members of the Supervisory Board in the Annual General Meeting of Shareholders held on 7 March 2014. Being eligible, all board members Mr. J.J. Healy Jr., Mr. S. Smit, Mr. A. Brahim, Mr. A. Tjin A Tsoi and Mr. P. Healy offer themselves for re-election in the Annual General Meeting of Shareholders to be held on 13 March 2015.

Management

In 2014 the Management consisted of:

- Mr. Marlon Telting, Managing Director
- Ms. Melisa Ensberg, Operations Manager
- Mr. Marif Sastrodiwirjo, Sales Manager

Mr. Marlon Telting was appointed Managing Director of the Company in the Annual General Meeting of Shareholders held on 7 March 2014.

Ms. Raffaele Lie Pauw Sam resigned as Sales and Marketing Manager on 31 May 2014.

On 15 August 2014 Mr. Marif Sastrodiwirjo was appointed Sales Manager. He has extensive experience in sales and distribution. The position of Marketing Manager remains vacant.

Consultation and decision-making

The Supervisory Board held regular monthly meetings, 13 in total. The subjects discussed in the meetings included the financial position and results, company strategy, company policy, business plans and appraisals, health, safety and environment, management development and appointments.

In the board meeting held on 20 October 2014 Management presented the operational plans for 2015 and the Board approved capital expenditures for 2015. Management remuneration was evaluated and approved in the board meeting held on 12 December 2014. The board members regularly attended the board meetings.



Performance of the Supervisory Board

On 12 December 2014 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 good but subject to improvement in the area of supervision of enterprise risk. In the coming period the Supervisory Board will focus on management transition, development of a risk management policy and the development of a long term growth policy.

Dividend Policy and Interim Dividend

The policy of the Company is to pay a dividend in the order of 50% of the net profit from continuing operations. Subject to unforeseen developments the Supervisory Board has approved the payment of interim dividend for the year 2015 as follows:

- 1st quarter payable 15 May 2015; SRD 0.10 per share
- 2nd quarter payable 17 August 2015; SRD 0.10 per share
- 3rd quarter payable 16 November 2015; SRD 0.10 per share

Management performance and Executive Performance Pay

On 12 December 2014 the Supervisory Board evaluated the overall performance of the Managing Director and found the performance to be satisfactory.

Performance of the Managing Director is measured against a yearly minimum target of 20% of Return on Capital Employed and a two year (2014 - 2015) target of 77.40% for growth in gross profit for the period. Capital Employed at the beginning of the year amounted to SRD 11,551,004 and the Return on Capital Employed achieved in 2014 was 29.37% (2013: 16.50%). The Managing Director will receive a short term bonus amounting to SRD 33,921.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounts to SRD 50,000 per year and was approved

in the Annual General Meeting of Shareholders held on 22 March 2012.

Appreciation

The Supervisory Board is grateful for the contribution made by Management and by all the employees of the Company to the results of 2014.

Paramaribo, 27 February 2015

The Supervisory Board,

James J. Healy Jr., Chairman

Stephen Smit, Vice Chairman

Antoine Brahim

Arthur Tjin A Tsoi

Patrick Healy



Salient Figures

in SRD	2014	2013	2012	2011	2010
Revenue	20,860,790	19,031,173	18,558,659	18,090,307	14,815,682
Profit before tax	3,392,136	1,927,098	2,551,334	1,481,454	1,641,493
Net profit	2,178,135	1,236,994	1,636,872	951,674	1,053,168
Cash flow	2,847,146	1,830,092	2,225,647	1,530,747	1,652,617
Paid-in capital	130,471	130,471	130,471 ¹	13,047	13,047
Shareholders' equity	11,607,134	10,221,081	9,875,364	8,673,248	8,124,319
Liabilities	4,088,787	3,990,862	4,659,513	3,329,419	4,109,864
Total equity and liabilities	15,695,921	14,211,943	14,534,877	12,002,667	12,234,183

Per Share of nominal SRD 0.10					
Earnings	1.67	0.95	1.25	0.73	0.81
Cash dividend	0.70	0.60	0.60	0.40	0.40
Share Price	15.50	11.00	6.10	5.60	5.60
USD exchange rates per end of year	3.35	3.35	3.35	3.35	3.40

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





Managing Director's Report

Company profile

N.V. VSH FOODS was founded in 1960 in Suriname, South America and produces margarine, butter and shortening. In 1963, the Company started with the production of Gelebek (Yellowbird) margarine and today, Yellowbird, Golden Brand, Marigold, Golden Brand Slim, Baker's Choice and Bake 'n Fry are established brands in Suriname and in the Caribbean. The Company is a member of VSH United.

N.V. Verenigde Surinaamse Holdingmij.-/United Suriname Holding Company (VSH United), holds 56.01% of the shares of N.V. VSH FOODS.

Annual General Meeting of Shareholders

On 7 March 2014 the Annual General Meeting of Shareholders approved the financial statements 2013 and the proposed dividend 2013 of SRD 0.60 per share of nominal SRD 0.10 per share.

The members of the Supervisory Board James Healy Jr., Stephen Smit, Antoine Brahim, Arthur Tjin a Tsoi and Patrick Healy were re-elected.

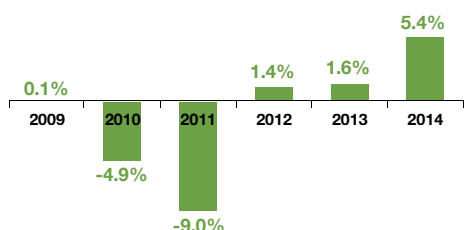
Dividend

Three quarterly dividends were paid for a total of SRD 0.24 per share of nominal SRD 0.10 per share. The Management recommends payment of a cash dividend for the year 2014 of SRD 0.70 per share of nominal SRD 0.10 each.

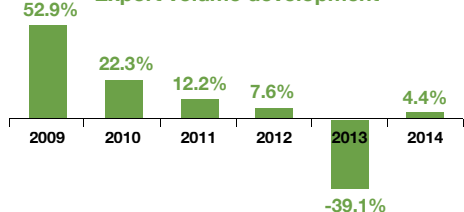
Our performance highlights

- Overall volume growth 5.4%
- Sales growth 9.6%
- Gross margin down 1.0%
reflecting the effect of higher bulk volume growth
- Profit before tax up 76.0%

Overall sales volume development



Export volume development



We are pleased with our overall performance in 2014, which has been driven by initiatives to reduce the cost base and improve efficiency in operations.

Our performance will continue to improve as we adapt to consumer insights in both our domestic and export markets.

Our domestic performance

Our strong market presence led to a volume growth of 5.5% versus 2013. This growth was driven by the food service category which continues to outperform projections. The retail segment is being explored by new entrants trying to get a footprint in the Suriname margarine and butter market.

We insourced the sales and distribution to remote districts which allowed a more controlled retail approach and direct customer contact in the Suriname market. In 2014 we implemented the first phase of our sales automation project.

In 2014 we focused on new opportunities for consumer use. A national consumer promotion for Golden Brand with the support of a local chef Jethro Wirth who won the Gold medal Chef of the year 2014 Taste of the Caribbean competition in Miami created excitement for the use of margarine in Suriname. This campaign introduced a promotional pack type for Golden Brand margarine which was new for the domestic portfolio.



Our participation in the Annual Production Fair focused on the brand Marigold. We engaged with consumers through our new FOODS CAFÉ concept. We want our consumers to explore new and exclusive opportunities with our products. We want Marigold to remain the preferred brand for butter.

Our export performance

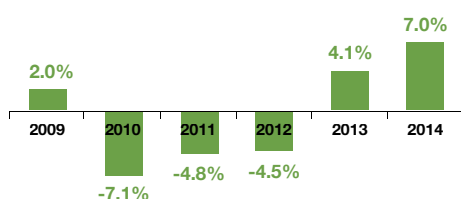
In 2014 our export volume increased with 4.4% versus 2013. It is our ambition to grow through export. In the first half of the year we reviewed our strategy and developed a new approach for all export markets. We had no presence in the Jamaican market as a result of the abrupt termination (January 2014) of the agreement with our distributor in Jamaica. This allowed us the opportunity to review and adjust our portfolio strategy and route to market.

We want our brands to be preferred in the Caribbean markets. For this a new tagline "Flavor of the Caribbean" was registered for the English speaking markets.

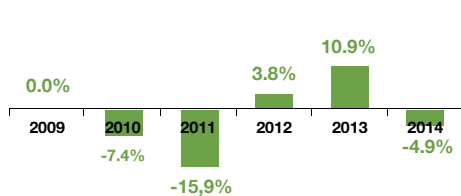
Our operations performance

Our production volume increased with 7.0% versus 2013. In the first half year we experienced several brake-downs of key machinery. In September we were exposed to electricity black-outs in Paramaribo caused by a lack of energy supply by the Suriname Energy Company (NV EBS) which made planning almost impossible. These events led to an overall productivity decline of 4.9% versus 2013.

Production volume development (%)



Productivity development (ton/h)



In 2014 the backlog in repair and maintenance of production equipment and buildings was reduced. Our budgeted capital expenditure (CAPEX) was realized for 65% and we developed a master plan for our production facilities. We successfully implemented a cost reduction program while efficiency improvements were implemented.

Biodiesel project

In the second quarter of 2014 the Biodiesel plant was fully operational and is producing high quality biodiesel. This resulted in a 50% cost reduction compared to standard diesel.

In August 2014 the N.V. VSH Energy was established. In October 2014 the biodiesel project ended and was evaluated by the project sponsor. The project scope was changed in agreement with the project sponsor to biodiesel for own consumption as a consequence of limited availability of waste oil and fat. This will affect the development of N.V. VSH Energy as planned. The activities of the biodiesel production are now integrated into N.V. VSH FOODS.



Our employees

Our employees are the backbone of our organization. We aim to develop our employees and offered training to key personnel in the areas of product knowledge, marketing and management.

In July 2014 the collective labor agreement 2013 - 2016 was amended in collaboration with the labor union. In 2014 a new bonus structure for personnel was implemented in line with the company performance objectives. At the end of 2014 we employed 54 persons (2013: 57 persons).

We celebrated two anniversaries in 2014:

- Arnold Troenodrono 10 years
- Erna Kertokalio – Karsoredjo 25 years

We honored Mr. Ramadhin who retired on 1 January 2015.

Results

2014 was a successful year. Our Revenue increased with 11.8% versus 2013. Our Administrative expenses were 14.1% above 2013 mainly as a result of higher repair and maintenance. Personnel expenses were 1.4% under 2013. Our net profit increased by 76.1% versus 2013.

Outlook 2015

Pressure on the availability of foreign currency at the official rate is expected to persist. Consequently, we will execute a prudent purchasing strategy that will enable us to meet our commitments to our suppliers and to avoid having to adjust our pricing strategy. Our cost savings initiatives will enable us to maintain our competitive edge.

We will continue to execute and invest in initiatives to sustain volume growth in the retail segment and our export markets. Our marketing investments will demonstrate our commitment to invest in our brands with emphasis on loyalty of our valued customers. We are reviewing our portfolio to meet a broader range of consumer taste preference. The outcome will be reflected in our business plan for the coming years.

Appreciation

We wish to thank our Shareholders and the Supervisory Board who have supported us throughout the year. We are grateful to our customers, clients and distributors for their supportive feedback on the quality of our products, which helped us to take market oriented action. We are proud to thank our competent team of employees and managers for their efforts, motivation and positive contribution throughout the year.

Paramaribo, 27 February 2015

Marlon Telting

Managing Director





Independent Auditor's Report

*To: The Shareholders, Supervisory Board and Management of
N.V. VSH FOODS, Paramaribo City, Suriname*

Report on the financial statements

We have audited the accompanying financial statements 2014 of N.V. VSH FOODS in Paramaribo, which comprise the balance sheet at 31 December 2014, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended and the notes, comprising a summary of the significant 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.

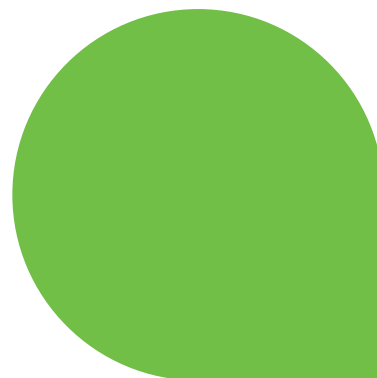
Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of N.V. VSH FOODS at 31 December 2014 and of its result and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Paramaribo, 27 February 2015

LUTCHMAN & CO

Represented and signed by Drs. M. R. A. Lutchman RA









Income Statement

for the year ended 31 December 2014

in SRD	Note	2014	2013
Revenue			
Sales		20,860,790	19,031,173
Cost of sales		10,390,238	9,297,930 ²
		10,470,552	9,733,243
Other income			
Investment		19,910	10,142
Real estate rental		107,705	136,230
Other	5	677,582	208,876
		11,275,749	10,088,491
Less: Expenses			
Personnel	6	2,770,521	2,808,907
Administrative	7	4,406,362	3,863,024 ²
Interest		27,619	-
Depreciation		669,011	593,098
Provisions		10,100	896,364
		7,883,613	8,161,393
Profit before tax		3,392,136	1,927,098
Income tax	8	1,214,001	690,104
Net profit		2,178,135	1,236,994
Earnings per share			
Number of shares outstanding		1,304,714	1,304,714
Earnings per share	9	1.67	0.95
Division of profit			
Interim dividend		313,131	313,131
Proposed final dividend		600,169	469,697
Addition to retained earnings		1,264,835	454,166
		2,178,135	1,236,994

²Figures adjusted for comparison purposes.

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

Paramaribo, 27 February 2015

Supervisory Board

James J. Healy Jr., Chairman
Stephen Smit, Vice Chairman
Antoine Brahim
Arthur Tjin A Tsoi
Patrick Healy

Managing Director

Marlon Telting

Balance sheet at 31 December 2014 before appropriation of profit

in SRD	Note	2014	2013
Assets			
Non-current assets			
Property, plant and equipment	11	5,224,269	4,942,888
Financial assets	12	600,880	615,340
		5,825,149	5,558,228
Current assets			
Inventories	14	4,666,225	4,612,449
Trade and other receivables	15	528,227	848,327
Income tax receivables	8	-	39,816
Cash and cash equivalents	16	4,676,320	3,153,123
		9,870,772	8,653,715
Total assets		15,695,921	14,211,943
Equity and liabilities			
Equity			
Share capital	17	130,471	130,471
Capital in excess of par value	3/17	431,634	431,634
Revaluation reserve	4/17	1,833,938	1,910,330
Retained earnings		7,032,956	6,511,652
Results for the year		2,178,135	1,236,994
		11,607,134	10,221,081
Non-current liabilities			
Deferred taxes	8	1,707,536	1,799,620
Current liabilities			
Provisions	18	157,752	148,432
Borrowings	19	363,833	50,540
Income tax payable	8	565,508	-
Trade and other payables	20	1,294,158	1,992,270
		2,381,251	2,191,242
Total equity and liabilities		15,695,921	14,211,943

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

Paramaribo, 27 February 2015

Supervisory Board

James J. Healy Jr., Chairman
Stephen Smit, Vice Chairman
Antoine Brahim
Arthur Tjin A Tsoi
Patrick Healy

Managing Director
Marlon Telting

Statement of changes in equity for the year ended 31 December 2014

in SRD	Share capital	Capital in excess of par value	Revaluation reserve	Retained earnings	Total
Equity at 1 January 2013	130,471	431,634	2,009,763	6,729,422	9,301,290
Net Profit	-	-	-	1,236,994	1,236,994
Interim dividend	-	-	-	(313,131)	(313,131)
Revaluation	-	-	(32,336)	-	(32,336)
Realized revaluation of PP&E	-	-	(67,097)	67,097	-
Unclaimed dividend	-	-	-	28,264	28,264
Equity at 31 December 2013 before appropriation of profit	130,471	431,634	1,910,330	7,748,646	10,221,081
Appropriation of profit					
Final dividend	-	-	-	(469,697)	(469,697)
Equity at 31 December 2013 after appropriation of profit	130,471	431,634	1,910,330	7,278,949	9,751,384
Net Profit	-	-	-	2,178,135	2,178,135
Interim dividend	-	-	-	(313,131)	(313,131)
Revaluation	-	-	(9,254)	-	(9,254)
Realized revaluation of PP&E	-	-	(67,138)	67,138	-
Equity at 31 December 2014 before appropriation of profit	130,471	431,634	1,833,938	9,211,091	11,607,134
Appropriation of profit					
Proposed final dividend	-	-	-	(600,169)	(600,169)
Equity at 31 December 2014 after appropriation of profit	130,471	431,634	1,833,938	8,610,922	11,006,965

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

Paramaribo, 27 February 2015

Supervisory Board

James J. Healy Jr., Chairman
Stephen Smit, Vice Chairman
Antoine Brahim
Arthur Tjin A Tsoi
Patrick Healy

Managing Director

Marlon Telting

Statement of cash flows for the year ended 31 December 2014

in SRD	2014	2013
Cash flows from operating activities		
Profit before tax	3,392,136	1,927,098
Adjusted for:		
• Depreciation	669,011	593,098
• Provisions	10,100	896,364
• Investment income	(19,910)	(10,142)
• Interest paid	27,619	-
Changes in working capital:		
• Change in inventories	(53,776)	422,119
• Change in trade and other receivables	320,100	677,885
• Change in trade and other payables	(698,112)	(134,526)
• Adjustments in trade receivables	-	(893,193)
• Adjustments in other payables	-	28,264
Cash generated from operations	3,647,168	3,506,967
Claims paid	(780)	(359)
Paid interest	(27,619)	-
Paid income tax	(695,555)	(1,299,208)
Net cash from operating activities	2,923,214	2,207,400
Cash flows from investing activities		
Purchase of property, plant and equipment	(950,392)	(646,893)
Dividends received	19,910	10,142
Net cash used in investing activities	(930,482)	(636,751)
Cash flows from financing activities		
Proceeds and repayments from loans	313,293	50,540
Dividend declared	(782,828)	(887,205)
Net cash used in financing activities	(469,535)	(836,665)
Net increase in cash for the year	1,523,197	733,984
Cash and cash equivalents at 1 January	3,153,123	2,419,139
Cash and cash equivalents at 31 December	4,676,320	3,153,123

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

Paramaribo, 27 February 2015

Supervisory Board

James J. Healy Jr., Chairman
Stephen Smit, Vice Chairman
Antoine Brahim
Arthur Tjin A Tsoi
Patrick Healy

Managing Director

Marlon Telting

Notes to the financial statements

1. Information on the reporting entity

N.V. VSH FOODS is a company registered and domiciled in Suriname. The Company's registered office is at Indira Gandhiweg 157, Paramaribo City, Suriname. The financial statements refer to the Company's financial statements as at and for the year ended 31 December 2014.

The Company is involved in the manufacturing of butter, margarine and shortening and sale and distribution of its products.

The Company has a manufacturing plant at above mentioned address and sells in Suriname and the Caribbean.

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 56.01% in the Company.

These financial statements have been prepared by the Management of the Company and were authorized for issue by the Supervisory Board on 27 February 2015 and will be submitted for approval to the Annual General Meeting of Shareholders on 13 March 2015.

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:

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. Other assets and liabilities are stated at face value using the historical cost method. The methods used to measure fair value are discussed further in note 2.6.

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 18.

2.5 Application of IFRS standards

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

- | | |
|--|---|
| - IAS 7 : Statement of Cash Flows | - IAS 19 : Employee Benefits |
| - IAS 16 : Property, Plant and Equipment | - IAS 24 : Related Party Disclosures |
| - IAS 17 : Leases | - IAS 29 : Reporting in Hyperinflationary Economies |
| - IAS 18 : Revenue | - IAS 33 : Earnings per Share |

2.6 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 31 December are:

in SRD	2014	2013
USD	3.35	3.35
EURO	4.07	4.61

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 PP&E is 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	20 - 40 years
- Land improvements	5 - 10 years
- Machinery and equipment	5 - 10 years
- Other assets	3 - 5 years

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 Company's balance sheet.

Non-current financial assets

Non-current financial assets consist of investments in shares of listed companies. The shares are measured at their fair value, which is the closing price of the last trading session of the stock exchange in December 2014, where the shares are listed.

Inventories

Inventories are stated at cost, less the write down of unmarketable inventories if applicable. Cost is calculated using the last in first out method. Costs comprise direct materials and all costs incurred to bring inventories to their present location and condition net of discounts, rebates and bonuses.

Finished product and work in progress

Finished products and work in progress are valued based on the raw and packaging materials used less a provision for the reduced marketability of inventories if applicable.

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.

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. The Company provides warranties on products sold. Provisions are made for the estimated costs based on past experience and industry averages for defective products.

Trade and other payables

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

Employee benefits

The Company participates in a defined benefit pension plan. Pensions of the employees who have chosen to participate are kept in a pension fund foundation which is a separate legal entity. The Company's contribution is booked towards personnel expense in the income statement. The Company has no obligations for long term employee benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term benefits, if the Company has a present legal or constructive obligation to pay this amount, as a result of past service provided by the employee and the obligation can be estimated reliably.

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 income statement 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. Dividends received during the year are recognized as dividend income.

Other income

Other income comprises of bank interest received, income related to previous years items, proceeds from sales of empty drums, proceeds from promo activities and a received grant. 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 income statement on a straight-line basis over the term of the lease.

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 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 at 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.

Earnings per share

Earnings per share are calculated by dividing the result attributable to Shareholders of the Company by the weighted average number of shares outstanding during the year.

Securities and guarantees

The Company has provided a Bank guarantee of SRD 6,000 to the Collector of Customs and Excise for import duties. The Bank has provided a contra guarantee. The Company provides securities for their bank overdraft facility.

3. Capital in Excess of par value

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

4. Revaluation reserve

The revaluation reserve relates to the revaluation of property less yearly transferred depreciation and less deferred taxes related hereto and revaluation of financial assets less deferred taxes. The realized part of the reserve due to annual depreciation is transferred to and presented as retained earnings.

5. Other income

Other

in SRD	2014	2013
Bank interest	17,798	7,647
Income related to previous years	88,028	-
Gain on revaluation of inventories	-	77,284
Grant regarding Biodiesel project	485,934	-
Proceeds from sales of empty drums	85,822	122,060
Promo activities	-	1,885
Total other	677,582	208,876

6. Personnel expense

in SRD	2014	2013
Salaries and wages	1,774,343	1,675,864
Vacation allowances	98,860	75,589
Bonuses	316,614	425,328
Remuneration of Supervisory Board	50,000	50,000
Medical insurance	165,682	173,735
Contribution to pension plan	158,880	149,606
Training	30,491	33,675
Other personnel expense	175,651	225,110
Total personnel expense	2,770,521	2,808,907

7. Administrative expenses

in SRD	2014	2013
Distribution	406,491	381,369
Marketing	1,146,127	1,054,085
Maintenance	671,476	456,321
Manufacturing	219,904	254,678
Office	334,273	319,523
Other administrative expenses	1,628,091	1,397,048
Total administrative expenses	4,406,362	3,863,024

8. Income tax payable and deferred tax**Income tax**

A tax rate of 36% is used to determine (current) income tax liability.

Iron Inventory

The application of the Iron Inventory valuation method is adjusted based on the actual situation during the year.

The fiscal application of the Iron Inventory valuation method used by the Company was being investigated by the Tax Authorities in 2010. The Tax Authorities accepted the applied Iron Inventory valuation method until 2009. On 14 June 2011 the Company formally requested the Tax Authorities for a method to be used to determine the Iron Inventory starting 2010. At the date of these financial statements no official response was received regarding this matter.

Dividend withholding exemption

For the calculation of the income tax 2014, dividend withholding exemption has been taken into consideration for dividend income to the amount of SRD 19,910 (2013: SRD 10,142).

The income tax payable/receivable is specified as follows:

in SRD	2014	2013
Balance at 1 January	(39,816)	572,603
Paid during the year	(695,555)	(1,299,208)
Due for the year	1,214,001	690,104
Inventory adjustments	27,423	(62,906)
Depreciation of PP&E	37,765	37,742
Accelerated depreciation	21,690	21,849
Balance at 31 December	565,508	(39,816)

Deferred tax

Deferred tax relate to tax liabilities arising from the differences between valuation for commercial and for tax purposes. In 2002, 2003, 2004 and 2005 requests for the application "accelerated depreciation" according to the Investment Code 2001 were submitted to the Ministry of Finance for part of the investments made in PP&E from 2002 to 2005. In the financial statements it is assumed that part of the requests will be granted. This assumption is based on the approvals and rejections received from the Ministry of Finance. A tax rate of 36% is used for the determination of this liability.

in SRD	2014	2013
Balance at 1 January	1,799,620	1,814,494
Revaluation of non-current financial assets	(5,206)	(18,189)
Inventory adjustments	(27,423)	62,906
Release depreciation of PP&E	(37,765)	(37,742)
Release accelerated depreciation	(21,690)	(21,849)
Balance at 31 December	1,707,536	1,799,620

9. 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 2014 was based on the profit attributable to ordinary Shareholders of the Company of SRD 2,178,135 (2013: SRD 1,236,994) and a weighted average number of ordinary shares outstanding during the year of 1,304,714 (2013: 1,304,714).

	2014	2013
Number of shares	1,304,714	1,304,714
Earnings per share in SRD	1.67	0.95

10. Dividends declared and proposed

The following dividends were declared by the Company

in SRD	2014	2013
Final dividend previous year SRD 0.36 per share (2012: SRD 0.44)	469,697	574,074
First quarter interim dividend SRD 0.08 per share (2013: SRD 0.08)	104,377	104,377
Second quarter interim dividend SRD 0.08 per share (2013: SRD 0.08)	104,377	104,377
Third quarter interim dividend SRD 0.08 per share (2013: SRD 0.08)	104,377	104,377
	782,828	887,205
Management proposes total dividend of SRD 0.70 per share (2013: SRD 0.60)	913,300	782,828

The proposed dividend 2013 was adopted by the Annual General Meeting of Shareholders on 7 March 2014.

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

Changes in PP&E in 2014 are as follows:

in SRD	Total	Property	Plant	Equipment	Investments in progress
Book value 1 January 2013	4,889,093	2,798,970	1,329,090	472,231	288,802
Investment	935,695	42,148	168,790	299,241	425,516
Depreciation	593,098	141,213	278,057	173,828	-
Disposal	288,802	-	-	-	288,802
Book value 31 December 2013	4,942,888	2,699,905	1,219,823	597,644	425,516
Investment	2,044,813	-	970,823	189,426	884,564
Depreciation	669,011	139,869	316,949	212,193	-
Disposal	1,094,421	-	-	-	1,094,421
Book value 31 December 2014	5,224,269	2,560,036	1,873,697	574,877	215,659
Consists of:					
Current Value	12,372,670	4,709,274	5,399,886	2,047,851	215,659
Accumulated Depreciation	7,148,401	2,149,238	3,526,189	1,472,974	-
Book value 31 December 2014	5,224,269	2,560,036	1,873,697	574,877	215,659

The property, plant and equipment are insured against fire up to USD 4,104,504 (SRD 13,750,088).

12. Financial assets

Non-current financial assets consists of shares in listed companies. The shares are measured at their fair value, which is the closing price of the last trading session in December 2014 of the Suriname stock exchange.

Funds	Numbers of Shares	Price	Currency	2014 Value in SRD	2013 Value in SRD
Assuria N.V	3,600	105.00	SRD	378,000	344,700
DSB Bank N.V	3,980	56.00	SRD	222,880	270,640
Total financial assets				600,880	615,340

13. Pensions

For the employees that have joined the pension foundation "Stichting VSH Pensioenfond", the Company contributes 12% and the employees 5% of the base salary to the pension fund foundation. The Company's pension contribution in 2014 amounted to SRD 158,880 (2013: SRD 149,606). This amount is recognized under personnel expense.

The plan maintained by the foundation is a defined benefit plan, with the following maximum base salaries per year:

- Personnel	SRD 50,000
- Staff	SRD 125,000
- Management	SRD 200,000

Pension liabilities of the foundation at 31 December 2014 amounted to SRD 18,522,743³ and the total equity amounted to SRD 37,241,594³.

³Unaudited

14. Inventories

in SRD	2014	2013
Raw materials and packaging	1,837,074	1,723,397
Trading goods	54,216	90,783
Finished goods	314,767	367,207
Supplies and spare parts	472,536	475,974
Prepaid goods in transit	1,987,632	1,955,088
Total inventories	4,666,225	4,612,449

A provision for unmarketable goods was not considered necessary.
The inventories are insured against fire up to USD 1,110,000 (SRD 3,718,500).

15. Trade and other receivables

in SRD	2014	2013
Trade receivables	413,631	687,583
Other receivables :		
Rental billboard	-	19,122
Deposits	2,074	2,074
Medical insurance	14,672	-
Fire insurance	31,477	31,477
Prepaid parts	48,388	48,388
Dividend tax	3,241	3,241
Biodiesel project	-	41,559
Other receivables	14,744	14,883
Total trade and other receivables	528,227	848,327

At 31 December 2014 trade receivables are shown net of an allowance for uncollectible amounts of SRD 893,193 (2013: SRD 893,193).

16. Cash and cash equivalents

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

in SRD	2014	2013
Denominated in SRD	4,373,456	2,365,029
Denominated in USD	175,193	650,826
Denominated in EURO	127,671	137,268
Total cash and cash equivalents	4,676,320	3,153,123

The cash and cash equivalents are freely available.

17. Share capital , capital in excess of par value and revaluation reserve**Share capital**

At 31 December 2014 the issued share capital comprised of 1,304,714 shares (2013: 1,304,714 shares) with a par value of SRD 0.10 each. All issued shares are fully paid up.

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 in 2001 and 2010 minus the amount paid up by disbursement of SRD 0.09 nominal value per share with regards to the conversion of SRG to SRD shares in 2012.

Revaluation reserve

This reserve has arisen from the revaluation of property less the deferred taxes and yearly realized depreciation and revaluation of financial assets less deferred taxes. The yearly realized transfer of the revaluation reserve of the property is based on the difference between the commercial depreciation and fiscal depreciation.

18. Provisions and commitments**Product warranty**

This warranty represents Management's best estimate of the Company's possible liability under warranties granted for its products, based on past experience and industry averages for defective products. For 2014 a provision of 0.75%, as was agreed with the Tax Authorities, of the gross sales of margarine, shortening and butter was recognized amounting to SRD 157,752.

The movement of the provision for product liability is as follows:

in SRD	2014	2013
Balance at 1 January	148,432	145,620
Used during the year	780	359
	147,652	145,261
Addition	10,100	3,171
Balance at 31 December	157,752	148,432

Commitments**Operational leases**

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

in SRD	2014	2013
Due within one year (USD 106,496) (2013: USD 131,207)	356,763	439,543
Between one and five years (USD 217,319) (2013: USD 282,714)	728,020	947,092
Total	1,084,783	1,386,635

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

Stock option

An Executive performance evaluation is in place within the Company. With this system an important part of the Managing Director's bonuses is based on the rate of return on capital employed (ROCE) in the short term and the growth of profit before tax in the long term. The Managing Director is given the opportunity to buy shares in the Company at the market price with the proceeds of his/her long term bonus.

The Supervisory Board has approved the issuance of 7,000 shares with a par value of SRD 0.10 for this purpose.

19. Borrowings

Borrowings are short term and comprise of one collateral bank overdraft facility. On 19 June 2008, the Company obtained an overdraft facility of a maximum of USD 250,000 to finance working capital requirements on an ongoing basis during the year.

The balance at year end amounted to USD 108,607 (SRD 363,833) (2013: USD 15,087).

The fixed rate is 9% per annum. The collateral given to the bank are:

- Pledge of fixed assets
- Fiduciary assignment of inventories
- Fiduciary assignment of machinery and equipment

20. Trade and other payables

in SRD	2014	2013
Trade payables	963,385	1,652,299
Marine Insurance	14,643	4,837
Other taxes payable	-	318
Employee benefits	175,031	211,485
Other payables	141,099	123,331
Total trade and other payables before profit distribution	1,294,158	1,992,270
Proposed dividend	600,169	469,697
Total trade and other payables after profit distribution	1,894,327	2,461,967

21. Related party disclosure**Supervisory Board**

The remuneration of the Supervisory Board is approved by the Annual General Meeting of Shareholders. In 2014 the total remuneration amounted to SRD 50,000 (2013: SRD 50,000).

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.

Based on the Executive Performance Scheme for 2014 a bonus of SRD 33,921 (2013: nil) has been approved by the Supervisory Board. This amount has not been recognized in the balance sheet at 31 December 2014.

Related parties transactions

The Managing Director of VSH United is a member of the Supervisory Board of the Company. The Company is charged by VSH United for IT related services and salary administration. The Company also purchases goods and services from other subsidiaries of VSH United. The Company contributes on a final monthly basis 1.5% of the profit before tax to the VSH Community Fund.

Conditions related party transactions

Services

The services and transactions are against priced on a arm's length basis. Outstanding balances are not secured, do not carry interest and are settled with cash and cash equivalents.

The yearly charges for services are:

in SRD	2014	2013
IT related services and salary administration	165,572	122,730

At 31 December 2014 the Company owed VSH United SRD 60,582. This amount is included in trade payables.

Contribution

In 2014 the total contribution to the VSH Community Fund amounted to SRD 53,757 (2013: SRD 37,443).



End of the year celebration party
N.V. VSH FOODS - 30 December 2014



Boto rund bitterballen
Boto beef bitter balls

BOTO RUND BITTERBALLEN

2 PACK
VITAMINS
A & D₃
NO
CHOLESTEROL
Trans Fat Free
GOLDEN BRAND
ALL VEG

het Teroevenstijn
bekend

het Fijnproeversfestijn
beter bekend als
het Boterbal
- 4 October 2014



het Fijnproeversfestijn beter bekend
als het Boterbal - 4 October 2014





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