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for the year ended 31 December 2019



choices are good investments.

Bethenny Frankel

Our Products



Golden Brand Margarine is our main brand in the retail segment. It is the second margarine that N.V. VSH FOODS developed. It has a creamy consistency, a full flavor and is suitable for cooking, spreading and baking. It is 100% vegetable-based, cholesterol free, trans fat free and enriched with vitamins A and D_3 . This product line was extended considerably in the course of the years and now contains both refrigerated and non-refrigerated products.

The refrigerated product line contains the following products:

Golden Brand margarine wrapper	227 g
Golden Brand margarine 2 sticks box	227 g
Golden Brand Spreadable margarine tubs	227 g 453 g
Golden Brand Slim margarine tubs	227 g 453 g
Golden Brand margarine, industrial edition	10 kg



The no refrigeration required product line contains the following products:

Golden Brand margarine 4 half sticks box	227 g
Golden Brand margarine tub	453 g
Golden Brand margarine pails	900 g 2.25 kg 4.5 kg 10 kg



Marigold Butter is widely known in Suriname for its refined flavor and is essential for any home, restaurant or catering service. Because of its rich flavor, it is perfect for roasting meat and sautéing vegetables. It is also great for baking cakes and cookies, and to make creamy garlic and herb butters.

Marigold butter spread is a flavorful spread with the same buttery taste of Marigold butter.

Marigold butter is available in:

Marigold butter wrapper	227 g	
Marigold butter, industrial edition	10 kg	
Marigold butter spread is available in:		



Gelebek Margarine is the very first product that N.V. VSH FOODS ever produced. It is the second brand in the retail margarine segment. Gelebek margarine is suitable for cooking and baking. It is 100% vegetable-based, cholesterol free, trans fat free and enriched with vitamins A and $D_{\rm a}$.

Gelebek Margarine is available in:

Gelebek margarine wrapper	227 g	
Gelebek margarine, industrial edition	20 kg	



Bake 'n Fry Shortening is 100% vegetable-based. It contains only oils and fats and is cholesterol free and trans fat free. This product is suitable for frying at a temperature of 180°C and baking bread and pastries. It is also suitable for greasing baking sheets and pans.

Bake 'n Fry Shortening bakes dry and crispy and can be reused for at least 7 frying cycles.

Bake 'n Fry Shortening is available in:

Bake 'n Fry shortening wrapper	225 g	
Bake 'n Fry shortening, industrial edition	20 kg	



Baker's Choice Industrial Margarine or "baker's margarine" is perfect for baking bread, cakes and pastries.

The Baker's Choice products are made of 100% vegetable oils and fats.

The Baker's Choice industrial Margarine line consists of:

Baker's Choice All Purpose Soft White Margarine	20 kg
Baker's Choice All Purpose Soft Yellow Margarine	20 kg
Baker's Choice Puff Pastry Margarine	20 kg
Baker's Choice Cream Margarine Perfect for decorating cakes and pastries	20 kg



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

Meet our Supervisory Board and Management

Our Supervisory Board











James J. Healy Jr.

Chairman of the Supervisory Board Stephen Smit

Vice Chairman of the Supervisory Board Antoine Brahim

Member of the Supervisory Board Patrick Healy

Member of the Supervisory Board Arthur Tjin A Tsoi

Member of the Supervisory Board

Our Management Team











Marlon Telting Managing

Director

Melisa Ensberg

Operations Manager Marif Sastrodiwirjo

Sales Manager Tamira Esajas

Finance Manager Stephanie Sjauw

Purchasing Manager

Report of the Supervisory Board

to the shareholders

We hereby present our report on the activities of the Supervisory Board in 2019.

The Supervisory Board performed its duties in accordance with Suriname law, the company's bylaws and Corporate Governance Code. We advised management on relevant issues and monitored management's performance in relation to set goals.

The Management regularly informed us, both verbally and in writing on material aspects of the business, major events, competitor activities, investments and transactions.

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

Financial Statements and division of profit

The Management has submitted the financial statements 2019 to the Supervisory Board on 17 April 2020.

These financial statements can be found on pages 20 to 35 of this annual report.

Lutchman & Co N.V. audited the financial statements. Their report can be found on page 36 to 37.

The net profit amounts to

SRD 2,946,425

(2018: SRD 2,098,939)

Three quarterly dividends were paid for the amount of SRD 0.30 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 0.30 (2018: SRD 0.45) per share of nominal SRD 0.10 per share which is equivalent to the interim dividend already paid. Thus no final dividend will be declared. If approved, total dividend will amount to SRD 391,414 and the balance of the net profit amounting to SRD 2,555,011 will be added to retained earnings.

Supervisory Board changes and appointments In accordance with 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. P. Healy and Mr. A. Tjin A Tsoi, were re-elected as members of the Supervisory Board in the Annual General Meeting of Shareholders held on 15 March 2019. Being eligible for re-election, Mr. S. Smit, Mr. A. Brahim and Mr. P. Healy offer themselves for re-election in the Annual General Meeting of Shareholders. Mr. J. J. Healy Jr. and Mr. A. Tjin A Tsoi will not offer themselves for re-election. Mr. J. J. Healy Jr., board member since 2000, has reached the retirement age for members of the Supervisory Board, as stipulated in article 7.12 of the bylaws. Mr. A. Tjin A Tsoi, board member since 2005, will not offer himself for re-election due to personal reasons.

We thank Mr. J. J. Healy Jr. and Mr. Tjin A Tsoi for their great contribution to the Company. To fill the vacancies left by Mr. J. J. Healy Jr. and Mr. A. Tjin A Tsoi the Supervisory Board recommends the appointment of Mr. P. Brahim and Mr. A. Venetiaan as members of the Supervisory Board.

Management

In 2019 the Management consisted of:

Mr. Marlon Telting, Managing Director

Ms. Melisa Ensberg, Operations Manager

Mr. Marif Sastrodiwirjo, Sales Manager

Ms. Tamira Esajas, Finance Manager

Ms. Stephanie Sjauw, Purchasing Manager

On 1 May 2019 Ms. Stephanie Sjauw was appointed Purchasing Manager. Her previous position was Warehouse Procurement and Administration Manager at N.V. VSH STEEL.

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, business plans, health, safety and environment, management development and succession.

In the Supervisory Board meeting held on 18 January 2019 the Internal Auditor reported on the activities of the Internal Audit Department in 2018 and presented the audit plan for 2019. In the board meeting held on 18 October 2019 Management presented the operational plan for 2020 and the Board approved capital expenditures for 2020. Management remuneration was evaluated and approved in the board meeting held on 13 December 2019. The Board members regularly attended the board meetings.

In the meeting of the Supervisory Board held on 17 January 2020 the results of the internal audits 2019 were presented to the Supervisory Board as well as the audit plan for 2020. In the same meeting the Management Letter regarding the interim audit 2019 was discussed with the External Auditor and the Managing Director.

The annual appraisal 2018 was presented by the Managing Director in the Supervisory Board meeting held on 8 February 2019.

The results of the annual appraisal 2019 were presented by the Managing Director in the Supervisory Board meeting held on 17 April 2020.

Performance of the Supervisory Board

On 13 December 2019 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. Areas requiring additional attention were identified and include completion of investment in production and warehouse facility, export growth, succession in key functions and long-term strategic planning.

Dividend Policy and Interim Dividend

The policy of the Company is to pay a dividend between 40% and 50% of the net profit. Subject to unforeseen developments the Supervisory Board endorses the recommendation of the Management to change from three quarterly interim dividend payments to one interim dividend payment for the year 2020, payable in the 4th quarter 2020.

Management performance and Executive Performance Pay

On 13 December 2019 the Supervisory Board evaluated the overall performance of the Managing Director and found the performance to be satisfactory. Specific areas of improvement were discussed with the Managing Director included further export development, competition challenges in the local market, improve purchasing planning and attention to long-term succession in key positions.

Performance of the Managing Director is measured against a yearly minimum target of 18% of Return on Capital Employed. Capital Employed at the beginning of the year amounted to SRD 24,773,288 and the Return on Capital Employed achieved in 2019 was 18.57% (2018: 16.21%).

Based on the 2019 Return on Capital Employed a short-term bonus of SRD 46,003 has been approved by the Supervisory Board.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounts to SRD 100,000 per year effective 1 April 2019 and was approved in the Annual General Meeting of Shareholders held on 15 March 2019.

Appreciation

The Supervisory Board is grateful for the contribution made by management and by all the employees of the Company to the results of 2019.

Paramaribo, 17 April 2020

The Supervisory Board,

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

Salient Figures

in SRD	2019	2018	2017	2016	2015
Sales	42,430,603	41,315,073	39,579,745	29,897,814	20,810,501
Profit before tax	4,600,346	3,268,839	3,269,609	2,120,425	3,490,176
Net profit	2,946,425	2,098,939	2,092,678	1,358,505	2,239,189
Cashflow	4,785,488	3,490,658	2,856,826	2,073,474	2,893,589
Paid-in capital	130,471	130,471	130,471	130,471	130,471
Shareholders' Equity	18,830,088	16,478,619	15,287,344	13,396,612	12,784,002
Liabilities	19,482,805	21,620,552	16,752,637	14,148,705	5,122,769
Total Equity and Liabilities	38,312,893	38,099,171	32,039,981	27,545,317	17,906,771
Per share of nominal SRD 0.10					
Earnings	2.26	1.61	1.60	1.04	1.72
Cash dividend	0.30	0.45	0.45	0.10	0.80
Market value	17.00	17.00	17.00	17.00	16.00
USD exchange rates per end of year	8.20	7.60	7.55	7.50	4.20



Meetings are the linchpin of everything.

If someone says you have an hour to investigate a company, I wouldn't look at the balance sheet. I'd watch their executive team in a meeting for an hour. If they are clear and focused and have the board on the edge of their seats, I'd say this is a good company worth investing in.

Patrick Lencioni

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Managing Director's Report

Marlon Telting Managing Director

The Company

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 (Yellow Bird) margarine and today, Yellow Bird, 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 the VSH Group of Companies. N.V. Verenigde Surwinaamse Holdingmij.-/United Suriname Holding Company (VSH United), holds 63.13% of the shares of N.V. VSH FOODS.

Business Environment

The economy of Suriname remains fragile and foreign currency for international payments has become a bigger challenge. The official exchange rate was SRD 7.52¹ for the US Dollar in December 2019 (December 2018: SRD 7.52). In 2019, Suriname recorded a twelvemonth inflation rate of 4.2%² (2018: 5.4%).

Annual General Meeting of Shareholders

On 15 March 2019 the Annual General Meeting of Shareholders approved the financial statements 2018 and the proposed dividend 2018 of SRD 0.45 per share.

The members of the Supervisory Board Mr. J.J. Healy Jr., Mr. S. Smit, Mr. A.Brahim, Mr. P. Healy and Mr. A. Tjin A Tsoi were re-elected. In line with our approved dividend policy a total amount of SRD 0.30 interim dividend was paid in 2019.

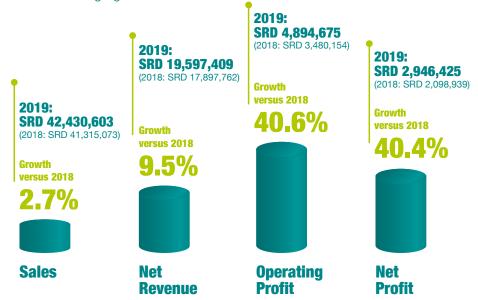
Performance Highlights

In 2019 we delivered another year of sales growth amounting to 2.7% which was driven by our export performance. In the domestic market we faced challenges to execute our pricing strategy. We have continued to invest in our brands and market approach with focus on efficiency and export growth.

1) Source: Central Bank of Suriname

2) Source: General Bureau of Statistics Suriname

2019 Financial Highlights

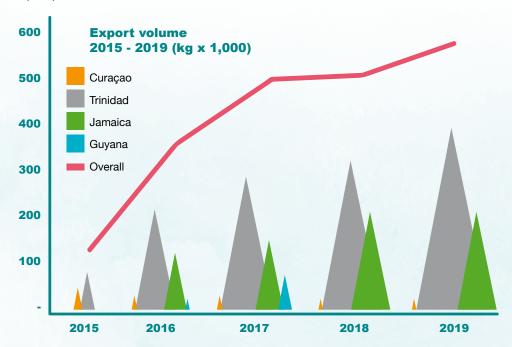


Domestic performance

In 2019 the Suriname butter market grew 32.6% compared with 2018 after three consecutive years of decline. Our Marigold butter volume grew by 8.4%

The domestic margarine market showed a decline of 7.4% versus 2018. In the first quarter of the year we successfully adjusted our retail pricing strategy to consolidate our market leader position. Our retail volume grew by 4.9% whilst our Food Service volume increased by 4.1% versus 2018.

Export performance



In 2019 export volume grew by 13.5% versus 2018 delivering 5.7% sales growth versus 2018. As a result, export gross sales contributed to 21.6% of total sales (2018: 18.6%).





Operations performance

In 2019 we continued our master plan investments in the production department. Production capacity was maintained while new equipment was being installed. Our productivity was 6.2% higher compared to 2018. Our aim was to minimize the impact on sales volume, while still achieving our investment goals in the production facility.

Our budgeted capital expenditures (CAPEX) for the upgrade of the production department was realized for 70% in 2019. The production upgrade project will be commissioned in the second quarter of 2020 within budget. The investment in progress is listed in the notes to the financial statements in note 4 Property, plant and equipment and intangible assets.

The monthly Good Manufacturing Practice (GMP) audits with topics on HACCP, ISO, Safety and 5S (SORT, SET IN ORDER, SHINE, STANDARDIZE AND SUSTAIN) workplace organizational and housekeeping methodology increased the involvement and awareness of our personnel regarding our Food Safety Management System, as well as safety on the work floor. The Good Manufacturing Practice target of 90% was surpassed with an overall score of 93% (2018: 91%).

Incidents, Accidents & Lost Working Days

	2019	2018		(%)
Incidents	24	27	-3	-11%
Accidents	1	2	-1	-50%
Lost working Days	6	29	-23	-79%

N.V. VSH Energy

As from 2015 N.V. VSH ENERGY is included in the statement of financial position as a subsidiary of N.V. VSH FOODS and is dormant.

Employees

At the end of 2019 we employed 61 persons. We agreed to two salary increases for our personnel amounting to a total increase of 10% for 2019.

Our employees are the backbone of the organization. We aim to further develop our employees and offer necessary and relevant training.

In 2019 we conducted the following training programs:

Training	Number of participants	Department
Defensive Driving LSR	2	Sales
Forklift Truck operation	6	Production, HSEQ and Warehouse
In-house emergency services (BHV)	11	Warehouse, Sales, Finance, Production and Technical Department
Refreshment In-house emergency services (BHV)	3	Production and HSEQ
Evacuation drill + refreshment awareness session for evacuation	49	Production, Warehouse, Finance, Secretary, Management, Lab, Marketing, Sales, HSEQ, Technical Department and Purchase
Refreshment 5S, ISO, HACCP and Basic Hygiene	41	Production, Warehouse, Finance, Secretary, HSEQ, Marketing, Technical Department and Purchase
Refreshment Code of conduct	7	HSEQ
Refreshment First Aid (EHBO)	2	Production and Lab
Workshop ISO 22000:2018 en FSSC 22000 v.5	1	HSEQ
Transition ISO 22000:2005 -> ISO 22000:2018	3	HSEQ + Management
Transition FSSC 22000 v4 -> FSSC 22000 v5	3	HSEQ + Management
Social Media workshop	2	Marketing
Business Intelligence	3	Marketing + Sales
Training program new employees/part-timers	11	Sales, Purchase, Lab, Production, Warehouse and Technical Department
Safety instructions FLT drivers	9	Production, HSEQ, Warehouse and Technical Department
IFRS training	1	Finance





Our employees' anniversaries 2019

Name	Entered service	Anniversary
· Leandro Hatomi	01 January 2009	10 years
 Derrel Sennebad 	01 March 2009	10 years
Gary Troenohardjo	01 January 2009	10 years
• Erna Karsoredjo	01 October 1989	30 years

Dividend

In 2019 three quarterly dividends were paid for a total of SRD 0.30 per share of nominal SRD 0.10 per share. Management recommends payment of a total cash dividend of SRD 0.30 per share (2018: SRD 0.45). This represents a payout-ratio of 13.3%.

2020 Outlook

It is difficult to assess the impact on our business of the recent Covid-19 pandemic on top of the existing weak macroeconomic conditions.

For 2020, we expect the following:

- Sales growth driven by export market expansion and domestic market price strategy
- · Increase of personnel cost to meet labor market conditions
- Commissioning of the investment program in the production department in the first quarter of the year enabling us to improve efficiency and consistency

Appreciation

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

Paramaribo, 17 April 2020

Marlon Telting Managing Director

Statement of Financial Position

at 31 December 2019

	Note	At 31 December 2019 SRD	At 31 December 2018 SRD
ASSETS			
Non-current assets			
Property, plant and equipment	4	20,390,340	12,055,148
Intangible Assets	4	187,007	-
Subsidiary interest		200,000	200,000
Financial assets	5	337,311	343,611
Hire purchase installments	18	-	671,741
Total non-current assets		21,114,658	13,270,500
Current Assets			
Inventories	6	11,765,291	15,582,474
Trade and other receivables	7	3,086,257	4,227,813
Income tax receivable	10	43,342	-
Cash and cash equivalents	8	2,303,345	5,018,384
Total current assets		17,198,235	24,828,671
Total assets		38,312,893	38,099,171
EQUITY AND LIABILITIES			
Equity			
Share capital	9	130,471	130,471
Capital in excess of par value	3/9	431,634	431,634
Revaluation reserve	3/9	1,343,633	1,411,645
Retained earnings		13,977,925	12,405,930
Result for the year		2,946,425	2,098,939
Total equity		18,830,088	16,478,619
Liabilities			
Non-current liabilities			
Deferred taxes	10	2,428,388	2,422,318
Long-term borrowings	11	3,991,760	3,993,287
Lease liability	12	1,378,351	2,074,771
Total non-current liabilities		7,798,499	8,490,376
Current liabilities			
Provisions	13	323,153	314,512
Short-term borrowings	11	2,371,003	3,257,921
Income tax payable	10	- 17 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	82,853
Trade and other payables	14	8,990,150	9,474,890
Total current liabilities		11,684,306	13,130,176
Total equity and liabilities		38,312,893	38,099,171

The accompanying notes on pages 24 to 35 are an integral part of these financial statements.

Paramaribo, 17 April 2020

Supervisory Board J.J. Healy Jr., Chairman S. Smit, Vice Chairman A. Brahim

P. Healy
A. Tjin A Tsoi

Managing Director

M. Telting

Statement of Profit and Loss

for the year ended 31 December 2019

	Note	2019 SRD	2018 SRD
Revenue			
Sales		42,430,603	41,315,073
Cost of sales		(22,833,194)	(23,417,311)
Net revenue		19,597,409	17,897,762
Personnel expenses	15	(6,040,620)	(5,672,610)
Distribution costs		(341,123)	(414,535)
Administrative expenses	16	(6,422,617)	(6,868,758)
Depreciation/amortization	4	(1,839,063)	(1,391,719)
Provision	17	(59,311)	(69,986)
Total expenses from operating activities		(14,702,734)	(14,417,608)
Finance costs	18	(719,431)	(454,180)
Investment income		6,120	19,116
Other income	19	418,982	223,749
Total non-operating income and expenses		(294,329)	(211,315)
Profit before tax		4,600,346	3,268,839
Income tax	10	1,653,921	1,169,900
Net Profit		2,946,425	2,098,939
EARNINGS PER SHARE			
Number of shares outstanding		1,304,714	1,304,714
Earnings per share	20	2.26	1.61
PROPOSED DIVISION OF PROFIT			
Interim dividend		391,414	391,414
Final dividend		(1) (() () () () () () () ()	195,707
Addition to retained earnings		2,555,011	1,511,818
5		2,946,425	2,098,939

The accompanying notes on pages 24 to 35 are an integral part of these financial statements.

Paramaribo, 17 April 2020

Supervisory Board J.J. Healy Jr., Chairman S. Smit, Vice Chairman A. Brahim P. Healy A. Tjin A Tsoi **Managing Director** M. Telting

Statement of Changes in Equity for the year ended 31 December 2019

		Capital in			
	Share capital SRD	excess of par value SRD	Revalution reserve SRD	Retained earnings SRD	Total SRD
	51.15	•2	0.1.2	51.15	5.1.5
Equity at 1 January 2018	130,471	431,634	1,600,461	12,733,364	14,895,930
Net profit	-	-	-	2,098,939	2,098,939
Interim dividend	-	-	-	(391,414)	(391,414)
Revaluation	-	-	(124,836)	-	(124,836)
Realized revaluation PP&E	-	-	(63,980)	63,980	-
Equity at 31 December 2018 before appropriation of profit	130,471	431,634	1,411,645	14,504,869	16,478,619
Appropriation of profit					
Final dividend	-	-	-	(195,707)	(195,707)
Equity at 31 December 2018 after appropriation of profit	130,471	431,634	1,411,645	14,309,162	16,282,912
Net profit	-	-	-	2,946,425	2,946,425
Interim dividend	-	-	-	(391,414)	(391,414)
Unclaimed dividend	-	-	-	18,774	18,774
Correction previous year	-	-	-	(22,577)	(22,577)
Revaluation	-	-	(4,032)	-	(4,032)
Realized revaluation PP&E	-	-	(63,980)	63,980	-
Equity at 31 December 2019 before appropriation of profit	130,471	431,634	1,343,633	16,924,350	18,830,088
Appropriation of profit					
Proposed Final dividend	-	-	-	-	-
Equity at 31 December 2019 after appropriation of profit	130,471	431,634	1,343,633	16,924,350	18,830,088

The accompanying notes on pages 24 to 35 are an integral part of these financial statements.

Paramaribo, 17 April 2020

Supervisory Board J.J. Healy Jr., Chairman S. Smit, Vice Chairman A. Brahim

P. Healy

A. Tjin A Tsoi

Managing Director

M. Telting

Statement of Cash Flows

for the year ended 31 December 2019

	2019 SRD	2018 SRD
Cash flows from operating activities		
Profit before tax	4,600,346	3,268,839
Adjusted for:		
- Depreciation/amortization	1,839,063	1,391,719
- Provisions	59,311	69,986
- Inventories and other receivables	(48,000)	(53,383)
- Investment income	(6,120)	(19,116)
- Finance costs	719,431	454,180
Changes in working capital:		
- Change in inventories	3,817,183	(2,871,198)
- Change in trade and other receivables	1,141,556	405,559
- Change in trade and other payables	(484,740)	159,745
- Unclaimed dividend	18,774	-
- Unpaid dividend	(56,890)	(2,283)
Cash generated from operations	11,599,914	2,804,048
Claims paid	(2,670)	(2,561)
Paid finance costs	(719,431)	(454,180)
Paid income tax	(1,794,356)	(536,657)
Net cash generated from operating activities	9,083,457	1,810,650
Cash flows from investing activities		
Investment in property, plant and equipment	(10,168,912)	(2,178,362)
Investment in intangible assets	(192,350)	n, 51 (ye , 20)
Dividends received	6,120	19,116
Net cash used in investing activities	(10,355,142)	(2,159,246)
Cash flows from financing activities		
Proceeds and repayments from loans	(888,445)	5,381,567
Proceeds and repayments from lease liabilities	(24,679)	(139,842)
Dividend paid	(530,231)	(780,545)
Net cash (used in) / generated from financing activities	(1,443,354)	4,461,180
Net (decrease) / increase in cash and cash equivalents for the year	(2,715,039)	4,112,584
Cash and cash equivalents at 1 January	5,018,384	905,800
Cash and cash equivalents at 31 December	2,303,345	5,018,384

The accompanying notes on pages 24 to 35 are an integral part of these financial statements.

Paramaribo, 17 April 2020

Supervisory Board J.J. Healy Jr., Chairman S. Smit, Vice Chairman A. Brahim P. Healy A. Tjin A Tsoi **Managing Director** M. 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 2019.

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.

N.V. VSH ENERGY is a 100% subsidiary of the Company and it is dormant.

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 63.13% (2018: 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 17 April 2020.

2. Basis of preparation

Statement of
compliance

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

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.

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.

Use of estimates and judgements

The preparation of financial statements requires Management to make judgements, 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 judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in note 13.

Application of IFRS standards

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

IAS 2 : Inventories

IAS 7 : Statement of Cash Flows IAS 19 : Employee Benefits IAS 24 : Related Party Disclosures

IAS 29 : Reporting in Hyperinflationary Economies

IAS 33 : Earnings per Share

IFRS 15: Revenue from Contracts with Customers

IFRS 16: Leases

3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the following:

Change in accounting policies

Inventory:

With effect from 1 November 2019, the Company changed its stock valuation method to weighted average costs. The change in accounting policy has been applied prospectively.

Leases:

IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January, 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosures of leases. The new standard supersedes the IAS 17 standard and related interpretations.

IFRS 16 requires lessees to recognize a lease liability and a corresponding right-of-use asset in the statement of financial position. The lease liability is measured at the present value of the remaining lease payments at that date. In the statement of profit and loss, the Company recognizes depreciation on the right-of-use asset and interest expense on the lease liability.

The Company adopted IFRS 16 'Leases' for the hire purchase contract (in 2017) as well as for an operational lease contract (in 2019). The hire purchase contract was entered in 2017 using the practical expedient of the standard. The Company decided to release the non-lease components from the assets and the lease liability and rename the liability to lease liability.

An operational lease contract, which in prior years, was recognized as a lease expense in the statement of profit and loss ended in 2019. Here after a new contract was signed and recognized under IFRS 16.

The adoption of IFRS 16 from 1 January 2019 resulted in changes in the accounting policies and adjustments to the amounts recognized in the financial statements. Corrections are made during this financial year. The total impact is elaborated and explained in note 4. Comparative figures have not been restated.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the internal rates derived from the free market exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at reporting date are translated to the functional currency at the exchange rate at that date.

Exchange differences arising are charged or credited to the statement of profit and loss.

The exchange rates used for the USD and the EURO at 31 December are:

	2019 Value in SRD	2018 Value in SRD
USD	8.20	7.60
EURO	9.20	8.70

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:

	Years	
Buildings	20 - 40	
Land improvements	5 - 10	
Machinery and equipment	5 - 10	
Motor vehicles	5	
Right-of-use assets	5	
Land is not depreciated		

When a major repair or maintenance is performed, its cost is recognized in the carrying amount of the PP&E as a replacement, if the recognition criteria are satisfied.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Investments in progress are carried at cost on the basis of expenditure up to 31 December 2019. Investments in progress is not depreciated. Upon completion the total costs are transferred to the relevant PP&E.

Intangible assets

Intangible assets with finite useful lives, are carried at cost less accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The amortization expense is recognized in the statement of profit and loss. The current estimated useful life is 3 years.

Subsidiary

The 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. In 2014 N.V. VSH ENERGY was established and is dormant.

Financial assets

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 2019, where the shares are listed.

Inventories

Inventories are stated at weighted average cost and net realizable value. Costs comprise direct materials and all costs incurred to bring inventories to their present location and condition net of discounts, rebates and bonuses.

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

Trade and other receivables

Trade and other receivables are measured at original invoice value less any expected credit loss. 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 cost.

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.

Share capital

Ordinary shares are classified as equity.

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.

Revalution 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.

Borrowings

Loans are recognized at fair value. Borrowings are subsequently carried at amortized cost using the effective interest method.

Provisions

Provisions are recognized for actual (legal or constructive) obligations, existing at reporting date and arising from past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation. 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

Pensions of the employees are kept in a pension fund foundation which is a separate legal entity. The Company's contribution is booked towards personnel expense in the statement of profit and loss. The Company has no obligations for long-term employee benefits.

Sales

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 profit and loss, when performance obligations are satisfied and the significant risk and rewards of ownership have been transferred to the buyer.

Cost of sales

The cost of sales relates to the costs directly and indirectly attributable to the sold and delivered goods. Cost of sales is recorded in the same period as revenue is recognized.

Finance costs

Finance costs comprises of borrowing costs, interest of the right-of-use asset, bank interest and bank charges and are recognized when incurred. All finance costs are recognized as an expense when incurred.

Leases

As per reporting date the lease of cars and trucks are recognized in the statement of financial position as a right-of-use asset and a lease liability. Lease contracts for computers and laptops are classified as lease of low-value assets and therefore exempted from IFRS 16. Payments are recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

Investment income

Dividends received from financial assets during the year are recognized as investment income.

Other income

Other income comprises of sales of empty drums and gains on exchange.

Income tax and deferred taxes

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

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

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 reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Property, plant and equipment and intangible assets

Changes in PP&E and intangible assets in 2019 are as follows:

in SRD	Property	Plant	Equipment	Motor vehicles	Right-of-use assets motor vehicles	Investments in progress	Total	Intangible assets: Software
Book value 1 January 2018	2,223,538	2,415,488	522,413	92,317	1,824,881	4,189,868	11,268,505	-
Investment	-	-	-	-	89,956	2,088,406	2,178,362	-
Depreciation/amortization	(134,586)	(551,391)	(383,187)	(21,413)	(301,142)	-	(1,391,719)	
Transfer	749,827	3,278,849	1,520,876	-	-	(5,549,552)	-	-
Book value 31 December 2018	2,838,779	5,142,946	1,660,102	70,904	1,613,695	728,722	12,055,148	-
Investment	-	-	-	-	427,946	9,740,966	10,168,912	192,350
Depreciation/amortization	(155,275)	(708,537)	(520,638)	(18,996)	(430,274)	-	(1,833,720)	(5,343)
Transfer	18,476	-	305,841	-	-	(324,917)	-	-
Book value 31 December 2019	2,701,980	4,434,409	1,445,305	51,908	1,611,367	10,145,371	20,390,340	187,007
Consists of:								
Current Value	5,509,822	10,134,910	4,277,161	100,408	2,389,170	10,145,371	32,556,842	192,350
Accumulated Depreciation/amortization	(2,807,842)	(5,700,501)	(2,831,856)	(48,500)	(777,803)	-	(12,166,502)	(5,343)
Book value 31 December 2019	2,701,980	4,434,409	1,445,305	51,908	1,611,367	10,145,371	20,390,340	187,007

The property, plant and equipment are insured against fire up to USD 5,473,604 (SRD 44,883,553).

The motor vehicle is insured for all risks up to USD 12,500 (SRD 102,500).

The motor vehicles classified under right-of-use assets are insured for all risks up to USD 342,500 (SRD 2,808,500).

Adjustments in the right-of-use assets (ROU) during the year:

The right-of-use asset at the beginning of the lease contract is measured at present value including the residual value at the end of the period. With the adoption of IFRS 16 an annual adjustment of the present value of this residual value is being recognized as interest in the statement of profit and loss.

During this reporting year the adjustment was made as follows:

66,509 334,133	427,946
66,509	53/4 1/2
,00.	
27.304	
	1,961,224
Righ	t-of-use assets motor vehicles
	Righ

5. Financial assets

Financial assets consist 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 2019 of the Suriname stock exchange.

Funds	Numbers of shares	Price	Currency	2019 Value in SRD	2018 Value in SRD
Assuria N.V.	3,600	83.25	SRD	299,700	306,000
De Surinaamsche Bank N.V.	4,179	9.00	SRD	37,611	37,611
Total financial assets				337,311	343,611

6. Inventories

in SRD	2019	2018
Raw materials and packaging	6,027,040	7,928,016
Finished goods	1,134,033	751,731
Supplies and spare parts	971,749	603,069
Trading goods	81,124	248,318
Prepaid goods in transit	3,551,345	6,051,340
Total inventories	11,765,291	15,582,474

The impairment loss recognized in the current year was SRD 86,000 (2018: SRD 15,383).

The prepaid goods in transit are insured against loss or damage up to USD 100,000 any one conveyance for machinery, equipment, packaging and other raw materials.

7. Trade and other receivables

in SRD	2019	2018
Trade receivables	2,882,849	3,790,457
Other receivables:		
Fire insurance	85,590	86,524
Medical insurance	42,473	35,884
Deposits	23,029	11,722
Marine insurance	8,847	5,910
Financing costs hire purchase	Miller 24 7 24	284,724
Other receivables	43,469	12,592
Total trade and other receivables	3,086,257	4,227,813

At 31 December 2019 trade receivables are shown net of an allowance for uncollectible amounts of SRD 893,193 (2018: SRD 931,193).

The impairment loss recognized in the current year was SRD 0 (2018: SRD 38,000).

8. Cash and cash equivalents

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

in SRD	2019	2018
Denominated in SRD	1,671,536	1,339,181
Denominated in USD	606,615	3,645,385
Denominated in EURO	25,194	33,818
Total cash and cash equivalents	2,303,345	5,018,384

The cash and cash equivalents are freely available.

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

Share capital At 31 December 2019 the issued share capital comprised of 1,304,714

shares (2018: 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.

10. Income tax and deferred taxes

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.

Participation exemption

For the calculation of the income tax 2019, participation exemption has been taken into consideration for dividend income to the amount of SRD 6,120 (2018: SRD 19,116).

The income tax (receivable) / payable is specified as follows:

in SRD	2019	2018
Balance at 1 January	82,853	(786,613)
Paid during the year	(1,794,356)	(536,657)
Due for the year	1,653,921	1,169,900
Iron inventory adjustments	(45,626)	198,934
Depreciation of PP&E	35,989	35,989
Accelerated depreciation	1,300	1,300
Correction previous years	22,577	. A. d 1979-1 a 1, 31 1 a 12-
Balance at 31 December	(43,342)	82,853

Deferred taxes

Deferred taxes 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. Part of the investment made in PP&E is fully depreciated.

A tax rate of 36% is used for the determination of this liability.

in SRD	2019	2018
Balance at 1 January	2,422,318	2,728,761
Revaluation of financial assets	(2,267)	(70,220)
Iron inventory adjustments	45,626	(198,934)
Release depreciation of PP&E	(35,989)	(35,989)
Release accelerated depreciation	(1,300)	(1,300)
Balance at 31 December	2,428,388	2,422,318

11. Borrowings

Borrowings consists of a long-term loan for investments in buildings and machinery from the Finabank N.V. and a short-term loan which comprise of one collateral bank overdraft facility from the De Surinaamsche Bank N.V. (DSB).

On 17 Augustus 2018 a five-year loan of SRD 5,000,000 was signed with Finabank N.V. to finance capital investments. The balance at year end amounted to SRD 3,991,760 (2018: SRD 4,809,179).

The collateral encompasses:

- a mortgage on land at the Indira Gandhiweg 157
- first beneficiary on the fire insurance

On 19 June 2008, the Company obtained an overdraft facility of a maximum of USD 250,000 from DSB to finance working capital requirements on an ongoing basis.

The balance at year end amounted to USD 239,819 (SRD 1,966,519) (2018: USD 247,040). The fixed rate is 7.0% per annum.

The collateral given to the bank are:

- pledge of fixed assets
- fiduciary assignment of inventories
- fiduciary assignment of machinery and equipment

12. Lease liability

As per 2019 the hire purchase transactions are recognized in the statement of financial position as a right-of-use asset and the corresponding liability. Ownership of the asset transfers to the Company at the end of the hire purchase contract.

The lease liability comprise of a (hire purchase) contract with, Fernandes Autohandel N.V., for distribution trucks (start date 2017) and a lease contract for a vehicle (start date 2019).

The Company agreed upon an installment plan which divides the financial obligation into monthly payments with a final payment of 15% for the trucks.

The movement of the lease liability is as follows:

in SRD	2019	2018
Balance at 1 January	2,639,299	3,077,690
Movements:		
Revaluation loss	149,250	16,811
Addition	334,133	109,440
Installments	(749,693)	(710,096)
Interest	142,634	145,454
Release of non-lease components	(732,787)	<u> </u>
Balance at 31 December	1,782,836	2,639,299
Short-term portion (< 12 months) (USD 49,327)	404,485	564,528
Between one and five years (USD 168,092)	1,378,351	2,074,771

13. Provisions

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.

A provision of 0.75%, of the gross sales of margarine, shortening and butter (agreed with the Tax Authorities) was recognized amounting to SRD 323,153.

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

in SRD	2019	2018
Balance at 1 January	314,512	300,470
Used during the year	(2,670)	(2,561)
	311,842	297,909
Addition	11,311	16,603
Balance at 31 December	323,153	314,512

14. Trade and other payables

in SRD	2019	2018
Trade payables	6,983,280	8,085,413
Other payables:		
Employee benefits	588,227	428,762
Other payables	1,418,643	960,715
Total trade and other payables before profit distribution	8,990,150	9,474,890
Proposed final dividend	-	195,707
Total trade and other payables	9,000,450	0.670.507
after profit distribution	8,990,150	9,670,597

15. Personnel expenses

in SRD	2019	2018
Salaries and wages	3,759,617	3,499,628
Bonuses	805,479	811,438
Medical insurance	402,704	347,788
Contribution to pension plan	370,776	327,947
Vacation allowances	294,096	245,103
Training	72,118	45,734
Other personel expenses	335,830	394,972
Total personnel expenses	6,040,620	5,672,610

All employees joined the pension fund "Stichting VSH Pensioenfonds".

The Company contributes 12% and the employees 5% of the base salary to the pension fund. The Company's pension contribution in 2019 amounted to SRD 370,776 (2018: SRD 327,947). This amount is recognized under personnel expense.

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

- Personnel SRD 78,000
- Staff SRD 162,500
- Management SRD 260,000

Pension liabilities of the pension fund at 31 December 2019 amounted to SRD 56,229,798³ and the total equity amounted to SRD 80,642,932³.

16. Administrative expenses

in SRD	2019	2018
Marketing	1,098,875	960,053
Maintenance	889,362	821,376
Office costs	656,790	685,808
ICT costs	576,420	605,767
Manufacturing	479,403	461,646
Utility expenses	463,604	465,240
External services	328,608	379,527
Insurance costs	185,670	182,504
Remuneration of Supervisory Board	96,314	77,688
Other administrative expenses	1,647,571	2,229,149
Total administrative expenses	6,422,617	6,868,758

17. Provisions

in SRD	2019	2018
Uncollectible amounts	(38,000)	38,000
Product warranty	11,311	16,603
Impairment loss on inventory	86,000	15,383
Total provisions	59,311	69,986

18. Finance costs

in SRD	2019	2018
Interest received	(1,010)	(1,100)
Interest paid on short-term loans	197,476	174,501
Interest paid on long-term loans	446,844	135,324
Interest regarding lease liability:		
Interest regarding yearly adjustment	(66,508)	
Interest lease expense	142, 629	145,455
Total finance costs	719,431	454,180

19. Other income

in SRD	2019	2018
Proceeds from sales of empty drums	198,928	223,749
Gains on exchange	220,054	
Total other income	418,982	223,749

20. 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 2019 was based on the profit attributable to ordinary Shareholders of the Company and a weighted average number of ordinary shares outstanding.

in SRD	2019	2018
Profit attributable to ordinary Shareholders of the Company	2,946,425	2,098,939
Number of ordinary shares outstanding	1,304,714	1,304,714
Earnings per share	2.26	1.61

21. Dividend declared and proposed

in SRD	2019	2018
Final dividend previous year SRD 0.15 per share (2017: SRD 0.30 per share)	195,707	195,707
First quarter interim dividend SRD 0.10 per share (2018: SRD 0.10 per share)	130,471	130,471
Second quarter interim dividend SRD 0.10 per share (2018: SRD 0.10 per share)	130,471	130,471
Third quarter interim dividend SRD 0.10 per share (2018: SRD 0.10 per share)	130,472	130,472
Total dividend declared	587,121	782,828
Management proposes total dividend for 2019 of SRD 0.30 per share (2018: SRD 0.45 per share)	391,414	587,121

The proposed dividend 2018 was adopted by the Annual General Meeting of Shareholders on 15 March 2019.

22. Off balance commitments

Low value assets

The total commitment for future minimum lease payments for low value assets under non-cancelable operational leases at reporting date amount to:

in SRD	2019	2018
Due within one year (USD 356) (2018: USD 15,196)	2,919	115,490

Non-cancelable operating lease payments represent rentals payable by the Company for the use of computer hardware. At reporting date the Company had no payables between one and five years.

Stock option

An Executive performance plan is in place within the Company. In this plan an important part of 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.

23. Related party disclosure

Supervisory Board

The remuneration of the Supervisory Board is approved by the Annual General Meeting of Shareholders. In 2019 the total remuneration amounted to SRD 96,314 (2018: SRD 77,688).

VSH United holds a majority share of 63.13% and has appointed 2 members in the Supervisory Board of the Company. The individual members hold a total of 0.22% of the outstanding shares.

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. Performance of the Managing Director is measured against a yearly minimum target of 18% of Return on Capital Employed (short-term) and a three-year target of 74.0% for growth in gross profit (long-term).

Capital Employed at the beginning of the year amounted to SRD 24,773,288 and the Return on Capital Employed achieved in 2019 was 18.57% (2018: 16.21%). Based on the 2019 Return on Capital Employed a short-term bonus of SRD 46,003 has been approved by the Supervisory Board and is not recognized in the financial statements.

The Managing Director does not hold any shares of the outstanding shares in the Company.

Related parties' transactions

The Chief Executive Officer 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

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 charges for services are:

in SRD	2019	2018
IT related services and salary administration	488,180	605,766

At 31 December 2019 the intercompany balance with the VSH group is as follows:

The Company owed:

N.V. VSH Transport SRD 350,335. N.V. VSH Shipping SRD 5,094.

N.V. Verenigde Surinaamse Holdingmij SRD 79,196. These amounts are included in trade payables.

Contribution

In 2019 the total contribution to the VSH Community Fund amounted to SRD 85,970 (2018: SRD 41,155).

24. Subsequent events

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) a global pandemic. On top of the already existing financial crisis in Suriname, this pandemic increases the uncertainty of the Company's financial performance for 2020.

Independent Auditor's Report

To: the Shareholders of N.V. VSH FOODS, Paramaribo

Opinion

We have audited the accompanying 2019 financial statements of N.V. VSH FOODS, the "Company", in Paramaribo, which comprise the statement of financial position as at 31 December 2019, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of N.V. VSH FOODS in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a matter

As discussed in Note 24 to the financial statements, in March 2020, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other information

Management is responsible for the other information. The other information comprise the information included in the Annual Report 2019, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 2019 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

Paramaribo, 17 April 2020

Lutchman & Co N.V.

Represented and signed by D. de Keyzer CA, AA chartered accountant





