



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

23 BEECHWOOD AVENUE, KINGSTON 5, JAMAICA  
TELEPHONE: (876) 926-5688 • FAX (876) 968-8200  
www.sos.com.jm

## **UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30<sup>TH</sup>, 2017**

The Board of Directors is pleased to present the unaudited results for the company for the 9 months & 3<sup>RD</sup> quarter results ended September 30, 2017.

During the first 9 months of 2017, SOS has had a sharp rise in revenues which has been consistent throughout the year. To date sales for every month in 2017 has been higher than that of the corresponding month in 2016. Some of the other highlights for the 9 months ended September 30<sup>th</sup> 2017 are:

1. Revenues have increased 27% (\$523M - \$665M)
2. Gross profits have increased 24% (\$257M - \$318.50M)
3. Expenses for the year have increased 20% (\$209m - \$249M)
4. Pre-tax profit has risen by 46% (\$47.6M - \$69.2M)

For the 3<sup>rd</sup> quarter, SOS continues to see an increase in overall business compared to the corresponding period in 2016. The highlights of this quarter are as follows:

1. Revenues increased by just over 37% (\$170M - \$233M)
2. Gross profit for the quarter increased 31% (\$84M - \$110M).
3. Expenses increased by 23% (\$74.5M - \$91.7M) during this period as sales incentives grew along with an increase in marketing directly related to the IPO launch in August.
4. Pre-tax profit increased by 91% for the quarter (\$9.8M - \$18.8M).

A handwritten signature in black ink, appearing to read 'D. McDaniel', written over a horizontal line.

David McDaniel  
Chairman of the Board & Managing Director

A handwritten signature in blue ink, appearing to read 'Marjorie E. McDaniel', written over a horizontal line.

Marjorie McDaniel  
Chief Administrative officer & Company Secretary

# Stationery & Office Supplies Limited

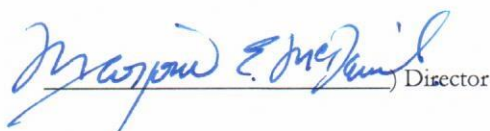
## Statement of financial position

September 30, 2017

	September 2017	September 2016	2016
	Unaudited	Unaudited	Audited
<b>Assets</b>	\$	\$	\$
<b>Non-current assets</b>			
Property, plant and equipment	263,900,613	116,898,330	246,563,974
Intangible asset	5,661,552		5,661,552
	<u>269,562,165</u>	<u>116,898,330</u>	<u>252,225,526</u>
<b>Current assets</b>			
Inventories	144,347,830	128,402,465	118,831,095
Trade and other receivables	105,144,920	74,781,723	87,500,057
Prepayments	50,562,773	8,883,252	20,999,958
Bank and cash	43,941,132	4,919,215	5,184,375
	<u>343,996,655</u>	<u>216,986,655</u>	<u>232,515,485</u>
<b>Total assets</b>	<u>613,558,820</u>	<u>333,884,985</u>	<u>484,741,011</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	88,151,214	4,000	4,000
Capital reserve	112,423,398	5,049,313	112,423,398
Retained profits	189,326,286	120,200,662	130,213,625
<b>Total equity</b>	<u>389,900,898</u>	<u>125,253,975</u>	<u>242,641,023</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	15,397,060	22,874,432	15,425,529
Other loans	59,047,194	58,300,464	58,378,114
Finance lease	9,607,296	9,280,280	16,863,356
Deferred tax liability	24,805,419	9,687,313	24,805,419
	<u>108,856,969</u>	<u>100,142,489</u>	<u>115,472,418</u>
<b>Current liabilities</b>			
Bank overdraft		1,865,903	638,290
Trade and other payables	75,100,099	61,120,462	79,168,850
Owing to Directors	563,193	1,928,414	1,472,320
Current portion of borrowings	23,339,414	18,898,974	23,010,424
Current portion of other loans		6,637,388	4,080,931
Current portion of finance lease	12,500,000	10,000,000	12,157,215
Taxation payable	3,298,247	8,037,380	6,099,540
	<u>114,800,953</u>	<u>108,488,521</u>	<u>126,627,570</u>
<b>Total liabilities</b>	<u>223,657,922</u>	<u>208,631,010</u>	<u>242,099,988</u>
<b>Total equity and liabilities</b>	<u>613,558,820</u>	<u>333,884,985</u>	<u>484,741,011</u>



) Director



) Director

# Stationery & Office Supplies Limited

## Statement of profit or loss and other comprehensive income

Period ended September 30, 2017

	Quarter to		Quarter to		2,016
	Sep-17 Unaudited	YTD -17 Unaudited	Sep-16 Unaudited	YTD 16 Unaudited	Audited
	\$	\$	\$	\$	\$
Revenue	233,085,396	664,871,151	170,239,060	523,717,048	702,070,851
Cost of sales	(122,750,916)	(346,352,302)	(86,283,954)	(266,938,625)	(363,402,612)
Gross Profit	110,334,480	318,518,849	83,955,106	256,778,423	338,668,239
Finance income					226,560
Other income	153,884	237,309	355,420	239,255	163,078
	110,488,364	318,756,158	84,310,526	257,017,678	339,057,877
Administrative and general expenses	(63,354,460)	(170,593,849)	(51,801,495)	(141,525,084)	(193,399,312)
Selling and promotional costs	(19,955,870)	(54,682,009)	(13,937,215)	(42,327,942)	(59,296,198)
Other operating expenses		(715,833)			(1,254,919)
Depreciation	(5,051,509)	(15,093,760)	(3,722,152)	(11,161,759)	(15,938,561)
Finance costs	(2,430,884)	(7,299,650)	(4,019,223)	(9,791,936)	(11,144,462)
Loss on foreign exchange	(895,879)	(1,165,395)	(986,741)	(4,587,727)	(4,871,347)
	(91,688,602)	(249,550,496)	(74,466,826)	(209,394,448)	(285,904,799)
Profit before tax	18,799,762	69,205,662	9,843,700	47,623,230	53,153,078
Income tax expense	(1,338,000)	(10,093,000)	(2,500,000)	(11,050,000)	(6,566,885)
Profit for the period	17,461,762	59,112,662	7,343,700	36,573,230	46,586,193
<b>Other comprehensive income</b>					
Revaluation of land and buildings	0	0	0	0	125,802,419
Deferred tax relating to revaluation of land and buildings	0	0	0	0	(18,428,334)
Other comprehensive income for the period	0	0	0	0	107,374,085
<b>Total comprehensive income for the period</b>	17,461,762	59,112,662	7,343,700	36,573,230	153,960,278

Stationery & Office Supplies Limited  
Statement of changes in equity  
Period ended September 30, 2017

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
<b>Balance at January 1, 2016</b>	<b>4,000</b>	<b>5,049,313</b>	<b>83,627,432</b>	<b>88,680,744</b>
Profit for the period			46,586,193	46,586,193
Other comprehensive income	-	107,374,085		107,374,085
<b>Balance at December 31, 2016</b>	<b>4,000</b>	<b>112,423,398</b>	<b>130,213,625</b>	<b>242,641,022</b>
Funds Raised through IPO - July 2017	96,786,600			
Expenses of IPO written off against Funds Raised	(8,639,386)			
Net amount raised from IPO	<u>88,147,214</u>			88,147,214
Profit for the period, total comprehensive income for the period.			59,112,662	59,112,662
<b>Balance at September 30, 2017.</b>	<b>88,151,214</b>	<b>112,423,398</b>	<b>189,326,287</b>	<b>389,900,898</b>
<b>Balance at January 1, 2016</b>	<b>4,000</b>	<b>5,049,313</b>	<b>83,627,432</b>	<b>88,680,745</b>
Profit for the period			36,573,230	36,573,230
<b>Balance at September 30, 2016.</b>	<b>4,000</b>	<b>5,049,313</b>	<b>120,200,662</b>	<b>125,253,975</b>

Stationery & Office Supplies Limited  
Statement of cash flows  
Period ended September 30, 2017

	September 2017	September 2016	December 2016
	Unaudited	Unaudited	Audited
	\$		\$
<b>Cash flows from operating activities:</b>			
Profit before tax	69,205,662	47,623,230	53,153,078
Adjustments for:			
Depreciation	15,093,760	11,161,759	15,938,561
Loss on foreign exchange on foreign currency loans	705,092	4,702,532	5,449,307
Loss on disposal of property, plant and equipment	121,547		-
Interest income	-273,279	-226,560	-226,560
Interest expense	6,772,959	4,655,065	11,144,462
	<b>91,625,741</b>	<b>67,916,026</b>	<b>85,458,848</b>
Increase in inventories	-25,516,735	-21,536,289	-11,964,919
Increase in trade and other receivables	-17,644,863	-1,002,161	-13,720,495
Decrease/( Increase) in prepayments	-29,562,815	3,335,303	-8,781,403
Increase/(decrease)in trade and other payables	-4,068,715	-4,284,273	13,764,115
Decrease in owing to Directors	-909,127	-1,250,678	-1,706,772
<b>Cash generated from operations</b>	<b>13,923,486</b>	<b>43,177,928</b>	<b>63,049,374</b>
Interest paid	-6,772,959	-4,655,065	-11,144,462
Income taxes paid	-12,894,330	-3,867,267	-4,394,050
<b>Net cash provided by operating activities</b>	<b>-5,743,803</b>	<b>34,655,596</b>	<b>47,510,862</b>
<b>Cash flows from investing activities:</b>			
Interest received net of withholding tax	273,279	226,560	226,064
Purchase of property, plant and equipment	-33,039,246	-20,273,204	-28,893,346
Purchase of intangible asset	0		-5,661,552
<b>Net cash used in investing activities</b>	<b>-32,765,967</b>	<b>-20,046,644</b>	<b>-34,328,834</b>
<b>Cash flows from financing activities</b>			
Proceeds from Borrowings	18,540,001		-
Proceeds from finance lease	3,640,000	8,661,914	20,693,079
Net Proceeds - IPO	88,147,214	-	-
Repayment of borrowings	-18,239,480	-10,861,560	-13,863,832
Repayment of other loans	-4,117,043	-2,372,895	-6,191,218
Repayment of finance lease	-10,065,875	-8,080,544	-10,371,417
<b>Net cash provided by financing activities</b>	<b>77,904,817</b>	<b>-12,653,085</b>	<b>-9,733,388</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>39,395,047</b>	<b>1,955,867</b>	<b>3,448,640</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,546,085</b>	<b>1,097,445</b>	<b>1,097,445</b>
<b>Cash and cash equivalents at end of period</b>	<b>43,941,132</b>	<b>3,053,312</b>	<b>4,546,085</b>

**Stationery & Office Supplies Limited**  
**Notes to the Unaudited Financial Statements**  
**September 30, 2017**

1. **Identification and activities**

Stationery and Office Supplies Limited is a limited liability company incorporated under the Laws of Jamaica on July 23, 1965. The company became a subsidiary of Outlook Limited ( see note 3) and is domiciled in Jamaica with registered offices located at 23 Beechwood Avenue, Kingston 5, Jamaica, West Indies.

The main activity of the company is the sale of office furniture, fixtures, stationery and other office supplies.

These financial statements are presented in Jamaica Dollars.

2. **Articles Of Incorporation**

At an Extraordinary General Meeting held on March 29, 2017 the company approved the adoption of new Articles of Incorporation to replace the existing Articles and Memorandum of Association; as is necessary for the transition to a public company. The Articles of Incorporation were amended in order to make them complaint with the requirements of a public company pursuant to the Companies Act of Jamaica, and to also make the Articles compliant with the requirements of a public listed company pursuant to the rules of the Junior Market of the Jamaica Stock Exchange.

3. **Share Capital**

Following a Directors Meeting and an Extraordinary General Meeting held on March 29, 2017 approval was given to restructure the share capital of the company. The authorised ordinary share capital moved from 2,000 shares without par value to 10,000,000 ordinary shares without par value. The Company's ordinary share capital was then sub divided with each ordinary share being divided into 50 ordinary shares.

Under a scheme of reorganisation Outlook Limited were allotted 199,996,400 shares; the shares held by David & Marjorie McDaniel (100,000) were also transferred to Outlook Limited.

4. **Statement of compliance**

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

5. **These unaudited financial statements are consistent with the accounting policies of the most recent audited financial statements.**

**Stationery & Office Supplies Limited**  
**Notes to the Unaudited Financial Statements ( cont )**  
**September 30, 2017**

**TOP 10 SHAREHOLDERS**

SHAREHOLDER	SHAREHOLDING	% OF ISSUED SHARES
OUTLOOK LIMITED	200,096,400.	80
ANJANETTE MARIANNA MCDANIEL	6,250,040.	2.49881
KENDALL MARIE TODD	2,809,464.	1.12324
JASON CARL CARBY	1,918,660.	0.76709
JNBS PENSION TRUSTEES NOMINEE LTD.	1,588,857.	0.63524
MIRAH JESSICA LIM TODD	1,500,000.	0.59971
MF & G ASSET MANAGEMENT LTD. - NCB CM UNIT TRUST SCHEME (JMD CARIBBEAN EQUITY PORTFOLIO)	1,192,373.	0.47672
DAVID ANTHONY STEPHENS	602,896.	0.24104
RABY DANVERS WILLIAMS	598,389.	0.23924
THE SHIPPING ASSOC OF JA. PROPERTY LTD.	598,389.	0.23924

**DIRECTORS  
SHAREHOLDINGS**

DIRECTORS NAMES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
DAVID McDANIEL	NIL	OUTLOOK LIMITED	200,096,400.
MARJORIE McDANIEL	NIL	OUTLOOK LIMITED	200,096,400.
ALLAN McDANIEL	NIL	-	-
KELLI MUSCHETT	NIL	OUTLOOK LIMITED	200,096,400.
STEPHEN TODD	NIL	OUTLOOK LIMITED	200,096,400.
KERRI TODD	NIL	OUTLOOK LIMITED	200,096,400.
ANTHONY BELL	NIL	-	-
GARY HENDRICKSON	NIL	-	-
R. EVAN D. THWAITES	28,165	-	-

**Stationery & Office Supplies Limited**  
**Notes to the Unaudited Financial Statements (cont)**  
**September 30, 2017**

**SENIOR MANAGERS SHAREHOLDINGS**

SENIOR MANAGER	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
DENISE McINTOSH	389,650	-	-
DAVID PLANT	281,000	-	-