STATIONERY & OFFICE SUPPLIES LTD.

PROSPECTUS

FOR LISTING ON THE JUNIOR MARKET OF THE JAMAICA STOCK EXCHANGE

PROSPECTUS

Dated: June 27th, 2017

A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to Section 40(2) of the Companies Act 2004 and was so registered on June 27th, 2017. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

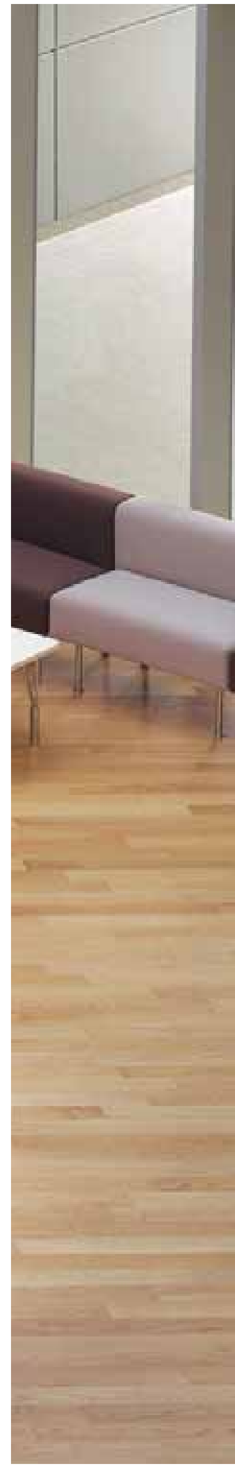
A copy of this Prospectus was also delivered to the Financial Services Commission for registration pursuant to section 26 of the Securities Act and was so registered on June 30th, 2017. The Financial Services Commission has not approved the Shares for which subscription is invited nor has the Commission passed upon the accuracy or adequacy of this Prospectus.

STATIONERY & OFFICE SUPPLIES LTD.

INVITATION FOR SUBSCRIPTION

Up to 50,024,100 Ordinary Shares at the Subscription Price of $2.00 per Share, subject to any discounts offered to Reserved Share Applicants Payable in Full on Application

Please note that the Jamaica Central Securities Depository charges an application fee of approximately $140 plus General Consumption Tax in respect of each application for Shares



Stationery and Office Supplies Limited

Registered and Head Office: 23 Beechwood Avenue, Kingston 5, Jamaica

Telephone: (876) 926-5688 ◊ Facsimile: (876) 968-8200

Website: www.sosjm.com

The Company has made 27,524,100 Shares available for subscription by the general public at the Subscription Price, and additionally, up to another 22,500,000 Shares in the Invitation ("the Reserved Shares") are initially reserved for priority application from, and subscription by, the following persons:

(a) 12,500,000 Shares ("the Employee and Family Shares") for all of the employees of the Company, excluding any of the executive directors of the Company ("the Employees") and immediate family members of the executive directors, who are not deemed to be "Connected Persons", as defined in Appendix 1 of the Junior Market Rules (the "Family"). All Employees will be given an opportunity to purchase Shares at a discounted price of $1.60 per Share and

(b) 10,000,000 Shares ("the JN Fund Managers' Client Reserved Shares"). That is, 10,000,000 Shares shall be made available for subscription by clients of JN Fund Managers Limited ("JN Fund Managers' Clients") at the Subscription Price.

If any of the Reserved Shares are not subscribed for by the persons entitled to them they will become available for subscription by the general public at the Subscription Price. This policy will be applied absolutely across all categories of Reserved Shares as set out in paragraphs (a) to (b) above. See Section 6.5 of this Prospectus for the terms and conditions of the Invitation.

An Application Form for use by both applicants for Reserved Shares and the general public in respect of the Shares is provided at the end of this Prospectus (Appendix 1), together with notes on how to complete it. The subscription list for the Shares will open at 9:00 a.m. on July 19th, 2017. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date. The subscription list for the Shares will close at 4:30 p.m. on the Closing Date, July 26th, 2017, subject to the right of the Company to (a) close the subscription list at any time after it opens on 9:00 a.m. on the Opening Date once the issue is fully subscribed and (b) extend the Closing Date for any reason, subject to the provisions of section 48 of the Companies Act.

In the event of an early closing of the subscription list, or an extension of the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com). It is the intention of the Company to apply to the JSE for admission of the Shares to the Junior Market. The application to the JSE is dependent upon the Company's ability to: (i) raise at least $50,000,000 (as per Rule 501(2)(b) of the Junior Market rules) as a result of the Invitation; and (ii) meet the criteria for admission. Please note that this statement of the Company's intention is not a guarantee that the Shares will in fact be admitted to trading on the Junior Market. If, however, the Invitation is not fully subscribed and the Company does not raise at least $50,000,000 (as per Rule 501(2)(b) of the Junior Market rules) as a result of it, the Company will not make an application for the Shares to be admitted to the Junior Market and all applications will be returned to the persons making them, along with any payments made pursuant thereto.

SHARE CAPITAL

Authorised Share Capital 500,000,000	
Maximum to be issued fully paid assuming:	50,024,100
i. all 27,524,100 Shares are subscribed by the general public at the Subscription Price	$55,048,200
ii. all Reserved Shares are subscribed by all parties stated and set out below:	
(a) 12,500,000 of the Employee and Family Shares, at a discounted price of $1.60 per Share	$20,000,000
(b) 10,000,000 of the JN Fund Managers' Client Reserved Shares at the Subscription Price	$20,000,000
TOTAL CONSIDERATION	$95,048,200

Details of the issued share capital of the Company prior to and after the Invitation, assuming that it is fully subscribed, are set out in Section 7.5 of this Prospectus.

Contents

Section 1

Important Disclaimers

Responsibility for the Contents of this Prospectus

This Prospectus has been reviewed and approved by the Board of Directors of the Company. The Directors of the Company whose names appear in Section 8 of this Prospectus are the persons responsible (both individually and collectively) for the information contained in it. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted which is likely to materially affect the import of information contained herein.

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in the Prospectus.

Contents of the Prospectus

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read the Prospectus carefully in its entirety before submitting an Application Form.

This Prospectus also contains summaries of certain documents which the Board of Directors of the Company believe are accurate. Prospective investors may wish to inspect the actual documents that are summarized, copies of which will be available for inspection as described in Section 15. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

The Invitation is made to Jamaican Residents in Jamaica Only.

This Prospectus (the "Prospectus") is intended for use in Jamaica only and is not to be construed as making an invitation to persons outside of Jamaica to subscribe for any Shares. The distribution or publication of this Prospectus and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law.

Application to Subscribe for Shares

This Prospectus is not a recommendation by the Company that prospective investors should submit Application Forms to subscribe for Shares in the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Shares, including but not limited to any tax implications.

Each Applicant who submits an Application Form acknowledges and agrees that:

(i) He/she has been afforded a meaningful opportunity to review the Prospectus (including the terms and conditions in section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;

(ii) He/she has not relied on the Company or any other persons in connection with his/her investigation of the accuracy of such information or his/her investment decision; and

(iii) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application Form.

Section 2

Summary of Key Information on the Invitation

Issuer:	Stationery and Office Supplies Limited.
Securities:	Up to 50,024,100 Shares, inclusive of 22,500,000 Reserved Shares*
Subscription Price:	$2.00 per Share payable in full on application, subject to discounts offered on Reserved Shares, where applicable
Application Form:	See Appendix 1 of the Prospectus
Terms and Conditions:	See Section 6.5 of the Prospectus
Acceptable Payment Method:	Either: (1) Manager's Cheque payable to "JN Fund Managers Limited"; (2) cleared funds held in a JN Fund Managers account; or (3) Transfer or direct deposit to JN Fund Managers (details set out in the Application Form attached herein). Absolutely no cash payments will be accepted.
Timetable of Key Dates:	**Registration of Prospectus at the Companies Office:** June 27th, 2017 **Registration of Prospectus at the FSC:** June 30th, 2017 **Publication of Prospectus:** July 4th, 2017 **Opening Date:** 9:00 A.M. July 19th, 2017 **Closing Date:** 4:30 P.M. July 26th, 2017 See ** below
Early Applications:	All Application Forms must be submitted to JN Fund Managers, along with the requisite payment, in immediately available funds, at the locations set out in Section 6.5. Early applications may be submitted to JN Fund Managers. Any such applications will be received, but not processed until the Opening Date. All early applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date, and shall be allotted pro rata. All other applications (that is, not early applications) will be received and processed on a first come, first served basis.**
Confirmation of Share Allotments:	All Applicants may refer to the confirmation instructions that will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com) after the Closing Date (or the extended Closing Date, as the case may be)
Returned Applications / Refunds:	Available for collection where originally submitted (JN Fund Managers) within ten (10) days of the Closing Date (or the extended Closing Date, as the case may be)
Final Allotment and Admission of Shares to Junior Market	Within three (3) to four (4) weeks of the Closing Date. ***

Summary of Key Information on the Invitation (continued)

** Up to 22,500,000 Reserved Shares in the Invitation are reserved for priority application from, and subscription by, the Reserved Share Applicants at the prices set out on page IV herein. If any of the Reserved Shares are not absolutely subscribed by the Employees, Family and/or JN Fund Managers' Clients they will become available for subscription by the general public at the Subscription Price.*

*** The subscription list will close at 4:30 p.m. on the Closing Date July 26th, 2017 subject to the right of the Company to (a) close it at any time after 9:00 a.m. on the Opening Date July 19th, 2017 once the issue is fully sold and subscribed and (b) extend the Closing Date for any reason, subject to the provisions of section 48 of the Companies Act. In either case, notice will be posted on the website of the JSE (www.jamstockex.com).*

**** It is the intention of the Company to apply to the Board of the JSE for admission of the Shares to trading on the Junior Market. The application for admission is dependent on the Company's ability to (i) raise a minimum of $50,000,000 (as per Rule 501(2)(b) of the Junior Market rules) as a result of the Invitation made in the Prospectus and (ii) meet the criteria for admission set out in the Junior Market Rules. Please note that this statement of the Company's intention is not a guarantee that the Shares will in fact be admitted to trading on the Junior Market. If, however, the Invitation is not fully subscribed and the Company does not raise at least $50,000,000 (as per Rule 501(2)(b) of the Junior Market rules) as a result of it, the Company will not make an application for the Shares to be admitted to the Junior Market and all applications will be returned to the persons who made them, along with any payments made in relation thereto.*

JN Fund Managers Ltd.

STATIONERY & OFFICE SUPPLIES LTD.

Registered and Head Office:
23 Beechwood Avenue, Kingston 5, JAMAICA
Telephone: (876) 926-5688 ◊ Facsimile: (876) 968-8200
Website: www.sosjm.com

Dear Prospective Investors,

The Directors of the Company are pleased to invite you to subscribe and purchase 50,024,100 Shares in the capital of the Company on the terms and conditions set out in this Prospectus.

The Company

The Company opened its doors on July 23rd, 1965; beginning its fifty (50) year journey under the guidance of Mr. Richard Hing, Mr. George Hew and Mr. David McDaniel. In 1970, the Company became wholly owned by the McDaniel family when all of the issued ordinary shares of the Company were acquired by Mr. David McDaniel and Mrs. Marjorie McDaniel. The Company now operates out of a 35,000 square feet warehouse, office and showroom on 21-25 Beechwood Avenue in Kingston. The Head Office currently employs eighty-three (83) team members and also serves as the home base for eleven (11) delivery vehicles, including trucks, which support quick and efficient service delivery to its customers which is one of the Company's many hallmarks.

As the Company' customer base grew, the Company saw it prudent to expand its physical presence within the island and in 2010 opened its Montego Bay location in the new Fairview Office Complex. The 3,000 square feet location houses 1,200 square feet of office and showroom space and a 1,800 square foot warehousing facility supported by a staff complement of sixteen (16). The Montego Bay team serves customers on the western side of the island, making deliveries from Trelawny to Westmoreland.

The Company has expanded from its core business of office supplies and stationery items to include modular office furniture, partitions, metal products, chairs, cabinets and shelving. The Company carries leading international brands in office furniture - Fursys and Boss - for which they are the sole local distributors. In 2011, the Company capitalized on the demand for lower priced items of comparable quality, by introducing the first of two (2) proprietary brands, the first being the "Image" brand and shortly thereafter in 2012, the Company introduced its second brand "Torch".

The Company prides itself in offering excellent after sales service to its customers. In line with the customer-centric approach the Company has always employed, the Company's team often works after the normal business hours of its customers and on the weekends to ensure minimal disruption to their customers' operations and/or in order to accommodate any specific or peculiar security concerns of its customers.

The Company boasts a credit customer base of over 3,180, in addition to thousands of cash customers, highlighting SOS' significant market presence within the stationery, office supplies and modular furniture industry in the island.

Commercial Shredding

During the last six (6) years, the Company added commercial shredding to its suite of services offered to the general public. The service has become popular among entities which have large volumes of waste paper and other sensitive material that stores data, but are concerned about improper disposal methods. The Company's shredding facility meets international best practice standards and has the capacity to shred up to 5,000 pounds of paper per day as well as the destruction of tapes, hard drives and compact discs (CDs).

The Company's shredding facility offers the customer the ability to view an on-line real-time video stream of the shredding process being undertaken on-site on their behalf, or if preferred the customer may also be present when the shredding process is being undertaken. This is particularly appealing to businesses with respect to which confidentiality is a priority and/or a necessity. Any waste paper is then exported to various paper mills for recycling.

See Information About the Company in Section 7 for more details about the Company's capabilities, services and customers.

You are invited to review the Management Discussion and Analysis in Section 9, the Financial Highlights in Section 10, and the Auditor's Report and Historical Financial Data in Section 11 for more information on the Company and its performance to date.

The Invitation

In order to provide working capital support to its operations and in order to allow the Company to increase its stock levels and thereby increase its turnover, to liquidate some of its debt obligations and acquire an adjoining property to its location in Kingston at 34 Collins Green Avenue for additional warehousing space, the Company is seeking to raise approximately $95,048,200 by inviting subscriptions for up to 50,024,100 Shares from the general public and the Reserved Share Applicants. The Company estimates that the expenses in the Invitation will not exceed $12,000,000 inclusive of General Consumption Tax, broken down as follows:

a.	Arranger, financial advisory and brokerage fees:	$3,495,000;
b.	Legal fees:	$4,660,000;
c.	Auditor's and Accounting fees:	$200,000;
d.	Statutory fees including initial listing fees:	$752,000;
e.	Marketing expenses:	$2,000,000; and
f.	Registrar and Transfer Agent fees:	$250,000

The subscription list opens at 9:00 a.m. on the Opening Date: July 19th, 2017and closes at 4:30 p.m. on the Closing Date: July 26th, 2017, subject to the right of the Company to shorten or extend the time for closing of the subscription list in the circumstances specified in this Prospectus. If the Invitation is fully subscribed and is successful in raising at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules, the Company will make an application to the JSE for the Shares to be admitted to the Junior Market within three (3) to four (4) weeks of the Closing Date (or the extended Closing Date, as the case may be). Please note that this statement of the Company's intention is not a guarantee that the Shares will in fact be admitted to trading on the Junior Market.

The Invitation represents an opportunity for prospective investors to partake in the success of the Company. The Company is also pleased to announce the recent appointments of Mr. Gary "Butch" Hendrickson, Mr. Anthony Bell and Mr. R. Evan Thwaites to the Board of Directors, as independent non-executive Directors. Pursuant to Rule 503(1)(a) of the Junior Market Rules the Company has appointed Mr. Michael Fraser as its mentor.

If, however, the Invitation is not fully subscribed and the Company does not raise at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules, as a result, the Company will not make an application for the Shares to be admitted to the Junior Market and all Applications will be returned to the persons who made them, along with any payments made in relation thereto. Similarly, if after application for listing the Shares are not admitted to trading all Applications will be returned in accordance with the terms and conditions set out in Section 6.5.

Benefits of Listing on the Junior Market of the Jamaica Stock Exchange

The Company believes that listing on the Junior Market will raise its profile while allowing it to raise funds for working capital support to its operations and in order to allow the Company to increase its stock levels and thereby increase its turnover, to liquidate some of its debt obligations and acquire an adjoining property to its location in Kingston at 34 Collins Green Avenue for additional warehousing space. This will allow the Company to augment its revenue stream and thereby its profitability and its ability to pay dividends on a consistent basis.

In addition, the Company believes that the funds raised from the Invitation, if successful, will enable it to improve both its balance sheet and its capacity to take on debt in future, if required.

The Company further believes that listing will enable it to take advantage of a special concessionary tax regime for Junior Market companies provided that the Company remains listed for fifteen (15) years. In its first five (5) years on the Junior Market, the Company will not be liable to pay any corporate income tax and in the sixth to tenth year on the Junior Market the Company will only be liable to pay corporate income tax at one-half of the applicable rate. Furthermore, Shareholders who sell their Shares via the JSE will not be liable to pay transfer tax in respect of such sales. See Section 14.2 of this Prospectus for further details of the concessionary tax regime for Junior Market Companies.

Use of Proceeds

It is the Company's intention to use the proceeds of the public offering for working capital support to its operations and in order to allow the Company to increase its stock levels and thereby increase its turnover, to liquidate some of its debt obligations and acquire an adjoining property to its location in Kingston at 34 Collins Green Avenue for additional warehousing space. The IPO will facilitate capital injection into the Company which will afford it the opportunity to create sufficient working capital to facilitate it increasing the stock levels of its fast moving items which will allow it to increase the turnover of its stock and thereby its revenues. With increased stock levels comes the attendant need for larger warehousing facilities and the Company is already in the process of purchasing a lot that adjoins its Beechwood Avenue location in Kingston which is located at 34 Collins Green Avenue. The Company also sees the opportunity to widen its pre-existing footprint within the Caribbean region. The Company intends to apply the net IPO proceeds (net of IPO expenses) to the above-discussed items as follows:

a.	Stock and Working Capital	$16,000,000
b.	Liquidate Debt	$31,000,000
c.	Property Acquisition	$36,000,000
	TOTAL	$83,000,000

The Company also intends to pay the expenses associated with the Invitation out of the fundraising proceeds. The Company estimates that the expenses in the Invitation will not exceed $12,000,000 inclusive of General Consumption Tax, broken down as follows:

g.	Arranger, financial advisory and brokerage fees:	$3,495,000;
h.	Legal fees:	$4,660,000;
i.	Auditor's and Accounting fees:	$200,000;
j.	Statutory fees including initial listing fees:	$752,000;
k.	Marketing expenses:	$2,000,000; and
l.	Registrar and Transfer Agent fees:	$250,000

Future Prospects

The Directors believe that this capital injection into the Company will afford it the opportunity to create sufficient working capital to facilitate it increasing the stock levels of its fast moving items which will allow it to increase the turnover of its stock and thereby its revenues. With increased stock levels, comes the attendant need for larger warehousing facilities and the Company is already in the process of purchasing a lot that adjoins its Beechwood Avenue location in Kingston which is located at 34 Collins Green Avenue. The Company also sees the opportunity to widen its pre-existing footprint within the Caribbean region.

Dividend Policy

If the Company is admitted to the Junior Market, the Directors intend to pursue a liberal dividend policy that projects an annual dividend of up to twenty-five per cent (25%) net profits available for distribution, subject to the need for reinvestment in the Company from time to time.

How to Subscribe for Shares

Those investors who are interested in subscribing for Shares should read the Prospectus in its entirety and the terms and conditions of the Invitation set out in Section 6.5, and then complete the Application Form set out in Appendix 1 hereof.

The Directors hope that prospective investors will join the Company (and thereby our family) in this exciting new phase of its development as it readies itself to be the oldest company to list on the Junior Market of the Jamaica Stock Exchange and the first of its kind to list on the Junior Market.

Yours sincerely,
For and on behalf of the Company,

David McDaniel

Managing Director

STATIONERY & OFFICE SUPPLIES LTD. Fund Managers Ltd.

Section 4

Definitions Used in This Prospectus

Act	means the Companies Act, 2004
Allotment	means the allotment of the Shares to successful Applicants by Jamaica Central Securities Depository Limited, in its capacity as registrar and transfer agent of the Company, on its behalff
Applicant	means a person (being an individual or a body corporate resident in Jamaica, whether a Reserved Share Applicant, or a member of the general public) who submits an Application in accordance with the terms and conditions of this Prospectus
Application Form	means the Application Form to be completed by Applicants who wish to make an offer to subscribe for Shares in the Invitation which is set out in Appendix 1 hereof
Articles of Incorporation	means the Articles of Incorporation of the Company adopted on March 29th, 2017 (as they may be amended by the shareholders of the Company from time to time)
Audit Committee	means the audit committee required to be constituted by both rules 503 and 504, and which is required to have a majority of independent non-executive Directors as members
Auditor's Report	means the report of Mair Russell Grant Thornton, Chartered Accountants set out in Section 11 that precedes the Historical Financial Data
Board of Directors	means the Board of Directors of the Company, details of which are set out in Section 8 of the Prospectus
Company/SOS	means Stationery and Office Supplies Limited, a company duly incorporated under the Laws of Jamaica, bearing company number: 4,735, and whose registered office is located at 23 Beechwood Avenue, Kingston 5, Jamaica
Closing Date	means the date on which the subscription list in respect of the Invitation closes, being 4:30 p.m. on July 26th, 2017 subject to the right of the Company to either shorten or extend the subscription period in the circumstances set out in the Prospectus
Corporate Governance Committee	means the corporate governance committee constituted at a meeting of the Board of Directors convened on March 29th, 2017 and which has a majority of independent non-executive Directors as members
Director	means a director of the Company
Forward Looking Statements	means the forward looking statements referred to in Section 5 of the Prospectus, which are disclaimed by the Company on the terms and for the reasons set out therein
FSC	means the Financial Services Commission in Jamaica
Historical Financial Data	means the figures set out in Section 11, including those extracted from the audited financial statements of the Company for each of the financial reporting periods ended December 31st in the years 2012 to 2016, the Unaudited Financial Statements of the Company in respect of the period of January 1st, 2017 to March 31st, 2017
Invitation	means the invitation to subscribe for 50,024,100 Shares on the terms and conditions set out in Section 6.5 of the Prospectus
IPO	means "initial public offering" as defined in Appendix 1 of the Junior Market

Definitions Used in This Prospectus

JSE	means the Jamaica Stock Exchange
Junior Market	means the Junior Market of the JSE
Opening Date	means the date on which the subscription list in respect of the Invitation opens, being 9:00 a.m. on July 19th, 2017
JN Fund Managers	Means JN Fund Managers Limited, a company duly incorporated under the Laws of Jamaica, bearing company number: 62,008 and whose registered office is located at 2-4 Constant Spring Road, Kingston 10, Jamaica and being the lead broker to the Company for the purposes of the Invitation
Prospectus	means this document, which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act
RTGS	means the Real Time Gross Settlement System implemented by the Bank of Jamaica
Registrar	means Jamaica Central Securities Depository Limited
Remuneration Committee	means the remuneration committee required to be constituted by both rules 503 and 504, and which is required to have a majority of independent non-executive Directors as members
Reserved Shares	means up to 22,500,000 Shares in the Invitation which are specifically reserved for application from, and subscription by, the Reserved Share Applicants at the designated applicable discounted price(s).
Reserved Share Applicants	means the persons (as referred to herein) who are entitled to subscribe for Reserved Shares in their respective categories, namely: the Employees, Family and JN Fund Managers' Clients.
Shares	means the ordinary shares of no par value in the capital of the Company, inclusive of the 50,024,100 Shares that are offered for subscription in the Invitation on the terms and conditions set out in this Prospectus, and the expression "Shares" shall include the Reserved Shares where the context permits.
Shareholders	means the holders of Shares
Subscription Price	means $2.00 per Share or such price as it relates to each respective Reserved Share, as applicable
Terms and Conditions of the Invitation	means the terms and conditions for Applicants set out in Sections 6.5 of the Prospectus
Unaudited Financial Statements	means the unaudited financial statements of the Company for the three (3) month period ended March 31st, 2017 that are set out in Section 10 of the Prospectus
$	means Jamaican Dollars, unless otherwise indicated

Section 5

Disclaimer - Forward Looking Statements

Save for the Historical Financial Data concerning the Company contained in this Prospectus, certain matters discussed in this Prospectus, including without limitation, statements of expectations, the discussions of future plans and financial projections, contain forward-looking statements. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the Directors believe that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words "anticipates", "believes", "expects", "intends" and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Company to the Junior Market, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company's financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company's control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and regional economies, instability, high domestic interest rates or exchange rate volatility
- adverse climatic events and natural disasters
- unfavourable market receptiveness to any of the Company's new products
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company
- any other factor negatively impacting on the realisation of the assumptions on which the Company's financial projections are based
- other factors identified in this Prospectus
- other factors not yet known to the Company

Neither the FSC, nor any Government agency or regulatory authority in Jamaica, has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.

Section 6

The Invitation

6.1 General Information

The Company is seeking to raise $95,048,200 from subscriptions for the 50,024,100 Shares in the Invitation at the Subscription Price of $2.00 per Share (subject to discounts in respect of the Reserved Shares, where applicable). Up to 22,500,000 of the aforementioned Shares are Reserved Shares that are specifically reserved for application from, and subscription by, the Reserved Share Applicants. Any Reserved Shares not taken up by the Reserved Share Applicants shall be made available for application from, and subscription by, the general public.

Assuming that all of the 50,024,100 Shares are subscribed for and taken up by both the Reserved Share Applicants and the general public in the Invitation, the Company will make an application to the JSE for the Shares to be admitted to the Junior Market. If the application is successful, it is anticipated that the Shares will be admitted to trading within three (3) to four (4) weeks of the Closing Date (or the extended Closing Date, as the case may be). In the event that the Company does not raise at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules, and/or the Shares are not admitted to trade on the Junior Market, all Applications will be returned to Applicants, along with any payments made in relation thereto.

Prospective investors should read all of the sections referred to carefully together with the remainder of this document. Those prospective investors who wish to subscribe for Shares should also refer to the full terms and conditions set out in Section 6.5 before completing the Application Form set out in Appendix 1.

6.2 Minimum Fundraising

For the purposes of section 48 of the Companies Act the minimum amount which, in the opinion of the Directors, must be raised as a result of the Invitation and received by the Company as a result of the subscription of its Shares in the Invitation in order to provide for the matters set out in paragraph two of the Third Schedule to the Act is $50,000,000.

6.3 Use of Proceeds

It is the Company's intention to use the proceeds of the public offering for working capital support to its operations and in order to allow the Company to increase its stock levels and thereby increase its turnover, to liquidate some of its debt obligations and acquire an adjoining property to its location in Kingston at 34 Collins Green Avenue for additional warehousing space. The IPO will facilitate capital injection into the Company which will afford it the opportunity to create sufficient working capital to facilitate it increasing the stock levels of its fast moving items which will allow it to increase the turnover of its stock and thereby its revenues. With increased stock levels comes the attendant need for larger warehousing facilities and the Company is already in the process of purchasing a lot that adjoins its Beechwood Avenue location in Kingston which is located at 34 Collins Green Avenue. The Company also sees the opportunity to widen its pre-existing footprint within the Caribbean region.

The Company intends to apply the net IPO proceeds (net of IPO expenses) to the above-discussed items as follows:

a.	Stock and Working Capital	$16,000,000
b.	Liquidate Debt	$31,000,000
c.	Property Acquisition	$36,000,000
	TOTAL	$83,000,000

The Company also intends to pay the expenses associated with the Invitation out of the fundraising proceeds. The Company estimates that the expenses in the Invitation will not exceed $12,000,000 inclusive of General Consumption Tax, broken down as follows:

a.	Arranger, financial advisory and brokerage fees:	$3,495,000;
b.	Legal fees:	$4,660,000;
c.	Auditor's and Accounting fees:	$200,000;
d.	Statutory fees including initial listing fees:	$752,000;
e.	Marketing expenses:	$2,000,000; and
f.	Registrar and Transfer Agent fees:	$250,000

6.4 Key Dates

An Application Form for use by all Applicants is provided at Appendix 1 at the end of this Prospectus, together with notes on how to complete it. The subscription list for the Shares will open at 9:00 a.m. on the Opening Date: July 19th, 2017 and will close at 4:30 p.m. on the Closing Date July 26th, 2017, subject to the right of the Company to (a) close the subscription list at any time after 9:00 a.m. on the Opening Date: July 19th, 2017 once the issue is fully subscribed and (b) extend the Closing Date for any reason. In either case, the Company will arrange for an informational notice to be posted on the website of the JSE (www.jamstockex.com). It is the intention of the Company to apply to the JSE for admission of the Shares to the Junior Market. The application is dependent on the Company's ability to (i) raise at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules as a result of the Invitation and (ii) meet the criteria for admission. If such application is made and it is successful the Company expects the Shares to be admitted to trading on the Junior Market within three (3) to four (4) weeks of the Closing Date (or the extended Closing Date, as the case may be) and for dealings to commence on that date. In the event that the Shares are not admitted to trading on the Junior Market all Applications received by the Company will be returned to Applicants as set out in Section 6.5.

6.5 Terms and Conditions for Applicants

1. All Applicants (whether Reserved Share Applicants or members of the general public) must submit an Application Form as provided at Appendix 1 to this Prospectus. Reserved Share Applicants must specify their status on the Application Form and verifiable proof of such status must be presented.

2. All Applicants will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus, including any terms and conditions set out in this Section 6 and Appendix 1.

3. Each Applicant acknowledges and agrees that:

   (a) he/she has been afforded a meaningful opportunity to review the Prospectus (including the terms and conditions set out in this section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;

   (b) he/she has not relied on the Company or any other connected persons in connection with his/her investigation of the accuracy of such information or his/her investment decision; and

   (c) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application Form.

4. Application Forms from the general public must request a minimum of 5,000 Shares and shall be made in multiples of 1,000. Application Forms from the general public in other denominations will not be processed or accepted.

5. All Application Forms must be submitted together with payment for the Shares in the form of either:

   (a) a manager's cheque made payable to "JN Fund Managers Limited"; or

   (b) authorization from the Applicant on the Application Form, instructing JN Fund Managers to make payment from cleared funds held with JN Fund Managers in an investment account in the Applicant's name; or

   (c) transfer or direct deposit to JN Fund Managers (details set out in the Application form attached herein).

All completed Application Forms must be delivered to JN Fund Managers at the following locations Islandwide:

Kingston	Montego Bay	Mandeville	Ocho Rios	Portmore
JN Financial Centre 2 Belmont Road (876) 929-7102	JN Financial Centre Mega Mart Complex Catherine Hall (876) 926-1344-9	Mandeville Plaza Mandeville Manchester (876) 926-1344-9	Corner of Graham Street & DaCosta Drive, St. Ann (876) 926-1344-9	Shop #29 Portmore Pines Plaza St Catherine (876) 926-1344-9

6. All Shares in the Invitation are priced at the Subscription Price of $2.00 per Share (subject to discounts in respect of Reserved Shares, where applicable).

7. **Application Forms submitted to JN Fund Managers in advance of the Opening Date (early applications) will be received but not processed until the Opening Date. All advance applications will be treated as having been received at 9:00 a.m. on the Opening Date, July 19th, 2017, and shall be allotted pro rata. All Application Forms received from 9:00 a.m. onwards on the Opening Date will be time stamped for processing in the order in which they were received. That is, the Application Forms will be processed on a first come, first served basis. Application Forms that meet the requirements set out in this Section 6.5 will be processed.**

8. For the purposes of paragraph 7 above the Directors of the Company, in their sole discretion, may:

   (a) accept or reject any Application Form in whole or part without giving reasons, and neither the Company nor the Directors shall be liable to any Applicant or any other person for doing so; and

   (b) allot Shares to Applicants on a basis to be determined by it in its sole discretion. Multiple applications by any person (whether in individual or joint names) may be treated as a single application.

9. Neither the submission of an Application Form by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Shares by the Registrar on behalf of the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application Form) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted Shares at the Subscription Price, subject to the Articles of Incorporation and these terms and conditions set out in Section 6.5.

10. If the Invitation is successful in raising at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules, and the Shares are admitted to trade on the Junior Market, successful Applicants will be allotted Shares for credit to their account at the Registrar specified in their Application Forms. Applicants may refer to the informational notice that will be posted on the website of the JSE (www.jamstockex.com) after the Closing Date. Applicants who wish to receive share certificates must make a specific request to the Registrar.

11. With respect to refunds that are less than the RTGS threshold of $1 Million, the Company will endeavour to return cheques for the amounts refundable to Applicants whose applications are not accepted, or whose application are only accepted in part, to JN Fund Managers within ten (10) days after the Closing Date (or the extended Closing Date, as the case may be) or as soon as practicable thereafter. Each refund cheque will be sent to JN Fund Managers for collection by the Applicant (or the first-named joint Applicant) stated in the Application Form. Any other persons purporting to collect a cheque on behalf of the Applicant must be authorised in writing by the Applicant(s) to do so. All refunds of a quantum greater than the RTGS threshold of $1 Million, will be refunded via RTGS to the account of origin.

12. Applicants must be at least eighteen (18) years old. However, Applicants who have not yet attained the age of eighteen (18) years, may apply jointly with Applicants who are at least eighteen (18) years of age.

Section 7

Information about the Company

7.1 The Company and its History

Date of Incorporation and that Era

1965 was a common year commencing on a Friday of the Gregorian Calendar. Stationery and Office Supplies Limited, now commonly referred to as "SOS", was incorporated over fifty (50) years ago on Friday, July 23rd, 1965 and commenced business under the guidance of shareholders and directors Mr. Richard Hing, Mr. George Hew and Mr. David McDaniel with a handful of employees occupying 600 square feet of space at 18 Melmac Avenue.

To give some perspective of the time and era when the Company was established:

In Jamaica:

- The Daily Gleaner's headline on Friday, July 23rd, 1965 read: "House approves new JPSCo franchise"
- The West Indian Federation had already collapsed and Jamaica was in its third year of independence from Britain as a sovereign nation
- Jamaica's first Prime Minister, Sir Alexander Bustamante, was still serving his first term in office and Sir Clifford Campbell was the Governor General
- Miss Jamaica was Miss Marie Elizabeth "Mitsy" Constantine (later Seaga)
- Ska (as a predecessor to Rocksteady and Reggae) was the most popular locally-produced music, with Prince Buster reigning supreme
- These were "Pound Days" as the local currency was the English Pound and the Penny and Ha'Penny. Jamaica did not change to a decimal system of currency (using Jamaican Dollars and Cents) until September 8th, 1969
- The Jamaica Stock Exchange did not exist and was not incorporated until three (3) years later in 1968 and started operations a year later in 1969 at the Bank of Jamaica Building.
- Jamaica became a member of the United Nations Human Rights Commission for the first time
- Dr. Martin Luther King had delivered the valedictory sermon for the students of the University of the West Indies one (1) month prior on June 20th, 1965 and was presented with the keys to the City of Kingston at the National Stadium

Regionally

- Dr. Eric Williams was serving his first term as the first Prime Minister of Trinidad & Tobago
- Mr. Errol Barrow was the Premier of Barbados as it did not gain its independence from Britain until 1966.

Globally

- The World's "super powers" were still in the throes of the "Cold War" with mutual annihilation being a palpable global concern.
- World leaders included: Mr. Lyndon B. Johnson – President of the United States of America; Mr. Harold Wilson – Prime Minister of Britain (former Prime Minister, Sir Winston Churchill, had died earlier in January 1965); Mr. Lester B. Pearson – Prime Minister of Canada and Mr. Charles de Gaulle – President of France
- The Canadian Flag, as we now know it, was inaugurated as the flag of Canada earlier in February 1965
- Malcolm X was assassinated in February 1965
- The movie "My Fair Lady" won eight (8) Academy Awards in April 1965
- The "Four Tops", "The Supremes", "The Beatles" and "The Rolling Stones" commanded the music charts
- Mohammed Ali was the reigning boxing heavy-weight champion of the World having delivered the "Phantom Punch" to Sonny Liston in their rematch on May 25th, 1965

Metamorphosis of the Company & Systems, Operational Structure and Services

Since its incorporation, the Company has metamorphosed into a modern and efficient business occupying approximately 35,000 square

Showroom in Kingston.

feet with ninety-nine (99) employees between its locations in Kingston and Montego Bay.

In 1969 the Company relocated to 7 Haining Road in order to facilitate expansion. In 1970, Richard Hing and George Hew resigned as directors of the Company and sold all of their shares in the Company to David and Marjorie McDaniel, who then collectively became the sole shareholders of the Company.

After nineteen (19) years at the Haining Road location, the Company relocated to 4 Orchard Road to facilitate the construction of a 2,500 square foot warehouse. That building was sold in 1997, and the Company expanded its operations and relocated to 21 – 25 Beechwood Avenue where it operates out of 35,000 square foot warehouse, office and showroom on 58,000 square feet of land. The extra space has allowed the Company to expand with ample parking for its trucks, employees and customers.

As the Company grew over the years, it branched out from its core business of stationery items to include modular office furniture, partitions, metal products, chairs and many more items, which sees the Company working after normal business hours and on weekends in order to accommodate the needs of customers for both installations and servicing, as the Company services all items that it sells and always tries to accommodate any reasonable request that is made by its customers.

With the use of AutoCAD® software technology, the Company is able to design office spaces and placing of partitions and furniture in order to optimize the use of space thus allowing its customers to maximize the output of their human resources. The Company is also able to afford its customers the facility of customizing their furniture requirements from both an aesthetic and also from a cost and need perspective. The modular nature of its systems furniture allows its customers to scale their furniture requirements to meet their physical needs and cash flow limitations allowing the Company to grow with its customers.

Apart from its ability to service what it sells, another hallmark of the Company's service is its ability to supply most customer orders out of existing stock due to its optimally-managed stock and warehousing systems which is integrated into a customer relationship management software system that was specially designed for the Company.

The Company has also recently negotiated the purchase of 34 Collins Avenue, which is a property (with a usable building located thereon) that abuts and is contiguous to its offices at Beechwood Avenue. The Company estimates that the acquisition of this property will allow it to initially increase its warehousing space by approximately 10,000 square feet and then scale up to approximately 20,000 square feet of warehousing space effectively increasing its occupiable space in Kingston by approximately fifty-seven per cent

Montego Bay branch

(57%). This increased warehousing space will allow the Company to increase its stock levels and the turnover of its stock with a resultant increase in revenue.

Succession Planning

In 1992 the first of the second generation of McDaniel's, Mrs. Kerri McDaniel-Todd, joined the Company as a sales representative and now currently holds the position of Director - Special Projects. Mr. Stephen Todd, joined in 1997, as Director - Sales and Marketing.

In 1998, Mr. Allan McDaniel joined the Company to assist in the management of the warehouse and is currently the Deputy Managing-Director and Director with responsibility for Logistics and Warehousing. The last family member to join the Company in 2000 was Mrs. Kelli McDaniel- Muschett who is the Director - Purchasing and Administration. By 2006 the management team was complete with the addition of Mr. David Charles Plant as the Company's Financial Controller.

With the addition of each new member of the management team over the years, the Company has seen a surge of enthusiasm which has seen the Company adapting to the latest technology, more modern sales and marketing tactics and increased customer service techniques, which has resulted in higher customer satisfaction and increased sales. The Company has also seen an expansion in the lines that it carried as well as new products and services that are being offered including: shredding, shredding machine repairs, furniture valuations, mobile high density storage solutions, space planning, movable wall systems and accordion doors.

The Kingston Head Office of the Company employs eighty-three (83) staff members with a fleet of eleven (11) delivery vans that cover deliveries islandwide.

After years of successful operations in Kingston, and with the increase in demand for better service and faster turnover of deliveries in areas outside of Kingston, in 2010 the Company opened its doors in Montego Bay at the new Fairview Office Complex with 1,200 square feet of office and showroom space and 1,800 square feet of storage space (which is supported by the stock held at the Kingston location). The Montego Bay branch has a staff complement of sixteen (16) and is managed by Ms. Denise McIntosh as Branch Manager. This dynamic team quickly and efficiently started to pave new paths into the western regions of Jamaica which had previously been inaccessible. Two (2) delivery vehicles make the journey from Trelawny through to Westmoreland which gives our western customers access to goods that they never had before. This office was greeted with enthusiasm by the Company's customers and has surpassed the expectations of the Company.

The Company currently has over 3,180 credit customers with whom it does business with on a consistent and ongoing basis, in addition to thousands of cash customers.

Exclusive Distribution Rights

The Company is the sole distributor in Jamaica for Fursys Systems Office Furniture (one of its leading lines of systems (modular) office furniture lines), Boss Chairs, Smart Office Furniture, Hi-Top Case Goods, Torch Furniture, Image Furniture, Gardex Fire Resistant Cabinets and Safes and is the only authorized service agent for Fellows Shredders. The Company's Approved Economic Operator status with the Jamaica Customs Agency allows it to have its documents processed at customs immediately and to have its cargo released without inspection which facilitates the Company's efficient management of its stock levels.

International Customers

Throughout the years the Company has done business with every sector of the Jamaican economy, including: government agencies (as it enjoys Approved Supplier status by the National Contracts Commission), schools, architects, interior designers, hospitals and a myriad of private sector organizations, including the BPO sector, which is testament to the very wide appeal that its products and services have across the various sectors of the economy. In addition, the Company has also supplied and installed systems furniture overseas to many multinational organisations in territories such as: The Turks and Caicos Islands, Haiti, Anguilla, Saint Kitts, Barbados, Saint Vincent, Guyana and Miami, and sees the potential to expand its footprint within the Caribbean region as the Company continues its expansion drive.

Marketing and Social Media Presence

The Company has always seen the value in having and maintaining a robust advertising and marketing campaign on an ongoing basis and has traditionally used print media as its main advertising medium. However, over the past few years the Company has augmented its advertising and marketing campaign by embarking upon a social media campaign and had consistently modified its website in order to integrate same with the key social media platforms including Facebook® and Instagram®. The Company's robust advertising and marketing mix allows it to ensure that its customers remain up-to-date on the latest products and specials offered by the Company.

Information about the Company

Sustainability and Green Solutions

In 2011, the Company decided to play its part in protecting our environment by introducing shredding services to the general public. This endeavour has grown rapidly over the last six (6) years as companies have become more aware of the hazards of improper waste disposal methods of old office documents and sensitive data storage material. Housed in its own secure storage facility on the compound, this addition to the Company's service offerings meets all international best practice standards, including banking best practice standards, as they apply to shredding and the destruction of material that contain confidential information.

All of the shredded paper products are exported and sent to various mills overseas where the shredded paper is recycled. Customers are able to relax in the comfort of their offices and view the shredding process being undertaken at the Company's premises with SOS' on- line real-time viewing capabilities. Alternatively, customers may also be present at the Company's premises to observe the process. The Company is currently able to process up to 5,000 pounds of paper of a daily basis and also has the ability to shred tapes, hard drives, CDs and other media storage devices in compliance with international best practice standards. Pickup and delivery services options are also offered to those clients who require door to door service.

In December 2014, the Company installed a 75kw solar (photovoltaic) system at its head office at Beechwood Avenue. This includes 292, 255 watt solar panels mounted on the roof and 9, 7000 watt inverters installed in a secure location. This has resulted in a 70% reduction of the Company's reliance on electricity supply from Jamaica Power Service (JPS), and a significant decrease in operating costs. This is quite a juxtaposition from the era of absolute reliability on JPS for electricity supply that obtained on the day that the Company was incorporated when the Daily Gleaner's headline read: "House approves new JPSCo franchise" and is a testament to the Company's evolution over the years.

The Company is very proud of its contribution to the preservation of the environment and will continue to exercise this policy in the foreseeable future.

Charitable Works

For many years the Company has supported various charitable events and donated stationery items and furniture supplies to various schools and organizations. In December 2014, the Company adopted the Jackson Basic School located in Jones Town and the Company has undertaken numerous projects at the school including: painting a portion of the school building and the surrounding walls, fixing and painting the playground equipment, laying grass and gravel in the play area for the children and painting the exterior of the building.

The staff at the Company, along with additional family members, also participate in events such as the Sagicor Sigma Corporate Run in order to assist with raising funds and giving significant contributions for its charities, including the Cornwall Regional Neo-Natal Ward and the Jamaican Kidney Kids Foundation.

The Future

Stationery and Office Supplies Ltd. is a family-oriented company which has committed itself to excellence in its field. Over time, the Company has grown and adapted to the changing Jamaican business and economic environment while gaining valuable experience along the way, having weathered each successive local and global economic crisis by creating and refining a business model that is economically stable and with sound management practices. As the Company embarks upon this IPO and the next fifty (50) years of its future, it looks back at its humble beginnings and looks forward to the next fifty (50) years of success. The Company will have the distinction of being the oldest company to list on the Junior Market and also the first of its kind to list on the Junior Market.

Customers

The Company provides its products and services to many blue-chip companies and businesses in Jamaica. Some of the Company's customers are set out at the side of pages.

Employees

The Company strongly believes in the capabilities of its employees and has established a structure to incentivize its employees and also to assist with their well-being.

The Company currently employs ninety-nine (99) team members and strives to maintain a highly-motivated and structured work-force. The Company enjoys a high-level of employee retention, which has been achieved by the following initiatives:

a. Management: The Company has an effective, progressive-thinking and decisive management team.

b. Commission System: All members of the sales team are paid commissions on the basis of their actual collections on sales.

c. Additional Monthly Incentive Programme: Each month an incentive sales target is set and communicated to both the sales and customer service teams. If each monthly target is achieved, these employees receive an additional percentage of the total sales for that month.

d. Employee and Family Share Ownership: An opportunity for employees to own Shares by means the availability of the Reserved Shares for subscription.

e. Group Health and Life Insurance Scheme: The Company pays 50% of the premium for its employees' participation in the Company's health scheme.

f. Policies and Procedures: The Company has well-established disciplinary guidelines, rules and regulations, which has been codified in the form of an employee handbook.

Management

The Company has a very experienced team of Directors and managers who lead and manage the business towards achieving the Company's vision, executing the business strategies, and continuing the growth in shareholder value. These persons include:

- Mr. David McDaniel – Managing Director
- Mrs. Marjorie McDaniel – Director, Company Secretary & Chief Administrative Officer
- Mr. Allan McDaniel – Deputy Managing Director & Director of Warehousing and Logistics
- Kerri McDaniel-Todd – Director - Special Projects
- Kelli McDaniel Muschett – Director - Purchasing & Administration
- Stephen Todd – Director - Sales & Marketing
- Mr. David Charles Plant - Financial Controller
- Ms. Denise McIntosh – Manager, Montego Bay Branch

The Executive Directors of the Company from left: Mrs. Kelli (McDaniel) Muschett, Mrs. Marjorie McDaniel, Mrs. Kerri (McDaniel) Todd, Mr. David McDaniel (seated), Mr. Stephen Todd and Mr. Allan McDaniel

STATIONERY & OFFICE SUPPLIES LTD.

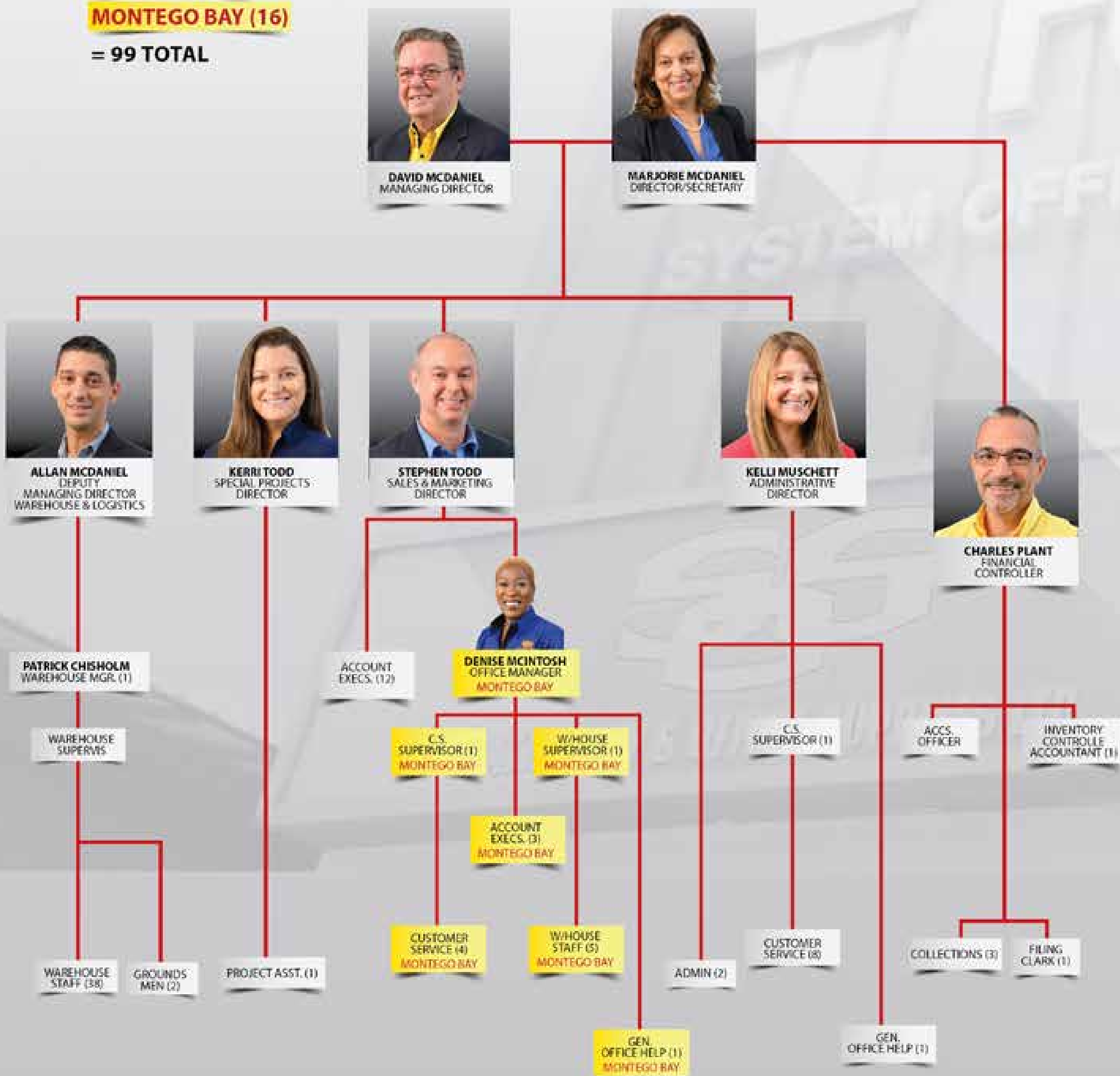
CORPORATE STRUCTURE

SOS STAFF:

KINGSTON (83)

MONTEGO BAY (16)

= 99 TOTAL



7.3 The Company's Strategic Goals

The Company, through the vision, capabilities and experience of its management team, as well as the experience gained since inception, has defined the following strategic objectives:

- To continue the expansion of its market share in Jamaica with the capital raised in the IPO, which includes the purchase of new warehousing space and revising its working capital structure.
- To continue to expand its footprint within the Caribbean region.

7.4 Incorporation and Structure

The Company was incorporated on Friday, July 23rd, 1965. The Company has no subsidiaries. Its holding company is Outlook Limited, a company duly incorporated under the laws of Saint Lucia.

The shareholders of the Company have approved and adopted new Articles of Incorporation with effect from March 29th, 2017 and the re-registration of the Company as a public company.

7.5 Details of Authorised and Issued Share Capital and the Shares in the Invitation

Capital Structure of the Company

As at the date of this Prospectus, the authorised and issued share capital of the Company was as follows:

Authorised:	500,000,000
Issued:	200,096,400

The Shares in the Invitation will be newly issued Shares of the Company.

Recent Capital Reorganisation

Following a Directors' meeting held on March 29th, 2017 and an extraordinary general meeting of the Company held on March 29th, 2017, the following steps were approved in respect of the capital structure of the Company:

- The Company's authorized share capital was restructured by increasing the authorized ordinary share capital of the Company from 2,000 ordinary shares without par value to 10,000,000 ordinary shares without par value as per Article 49 of the Company's Articles of Incorporation.
- Thereafter the Companies ordinary share capital was sub-divided with each ordinary share being divided into 50 ordinary shares pursuant to section 65(1)(b) of the Companies Act, 2004 and Article 50 of the Companies Articles of Incorporation (see illustrative Share Restructuring Table below).
- Thereafter, Outlook Limited was allotted an additional 199,996,400 Shares and subsequently the 2,000 Shares collectively held by Mr. David McDaniel and Mrs. Marjorie McDaniel were transferred to Outlook Limited, as per the illustrative Share Restructuring Table.
- The remaining 50,024,100 Shares are all being offered to the general public and/or the Reserved Share Applicants in the Invitation.
- The re-registration of the Company as a public company under the provisions of the Companies Act, 2004.
- The adoption of new Articles of Incorporation, which are available for inspection as set out in Section 15 herein.

ILLUSTRATIVE SHARE RESTRUCTURING TABLE

Name	Shares Before Increase in Authorised Share Capital	Shares After the Authorised Share Capital was Increased	Shares After the Sub-Division of the Authorised Share Capital	Shares After Further Allotments Made	Shares After Transfer of the McDaniels' Shares to Outlook
David McDaniel	1,400	1,400	70,000	70,000	0
Marjorie McDaniel	600	600	30,000	30,000	0
Outlook Limited	0	0	0	199,996,400	200,096,400
Total Shares:	2,000	2,000	100,000	200,096,400	200,096,400

7.6 Shareholdings

As at the date of this Prospectus, the complete holdings of Shares in the capital of the Company were as follows:

Name of Shareholder:	Number of Shares before Opening Date:
Outlook Limited	200,096,400

After the subscription lists for the Invitation are closed, and assuming that the Invitation for the public and the Reserved Share Applicants subscribe for up to 50,024,100 Shares is taken up in full, the percentage shareholdings in the Company will be as follows:

Name of Shareholder	Number of Shares after Opening Date	Percentage of Issued Share Capital after Opening Date
Outlook Limited	200,096,400	80%
Reserved Share Applicants	22,500,000	9%
General Public	27,524,100	11%
TOTALS	250,120,500	100.00

7.7 Applicable Regulatory Regime

The current business of the Company does not require it to be regulated as a bank, financial institution, insurer or otherwise as a regulated entity. The regulatory information referred to in this section will be available for inspection as described in Section 15.

7.8 Intellectual and Real Property

As at the date of this Prospectus, the Company has the following interests in intellectual and real property:

Intellectual Property

The Company has made applications on April 26th, 2017 to register the following logos (see below) as its trademarks, as per the provisions of the Trademarks Act, at the Jamaica Intellectual Property Office, in the classes below. The registration process is expected to be completed by the end of July 2018 and an Acknowledgment of Reception letter dated May 3rd, 2017 was received by the Company.

STATIONERY & OFFICE SUPPLIES LTD.

Classes To Be Registered:

GOODS (5)

Class 2 – Ink

Class 9 – Calculators, CDs, DVDs, DVD-Rs, Computer hardware and accessories

Class 16 – Stationery (various)

Class 20 – Office Furniture

Class 35 – Wholesale and Retail Services

SERVICES (1)

Class 37 – Installation, Maintenance and Repair of Office and Business Furniture and machinery, upholstery repair

TORCH

Classes To Be Registered:

GOODS (1)

Class 20 – Office Furniture

SERVICES (1)

Class 37 – Installation, Maintenance and Repair of Office and Business Furniture and machinery, upholstery repair

IMAGE

Classes To Be Registered:

GOODS (1)

Class 20 – Office Furniture

SERVICES (1)

Class 37 – Installation, Maintenance and Repair of Office and Business Furniture and machinery, upholstery repair

A copy of the abovementioned Acknowledgement of Reception letter dated May 3rd, 2017 will be available for inspection as described in Section 15.

Real Property

The Company is the registered proprietor of the three (3) properties that SOS occupies at 21, 23 and 25 Beechwood Avenue. A copy of the Original Certificates of Titles in respect of the aforementioned properties will be available for inspection as described in Section 15.

The Company also leases warehousing, office and showroom space at Unit #8 at the Fairview II Commercial Centre, Montego Bay from Raman Holdings Limited. A copy of the aforementioned Lease Agreement and letter will be available for inspection as described in Section 15.

7.9 Material Contracts

Given the nature of its business, most of the Company's contractual arrangements relate to its employees and service agreements with its customers, most of which are therefore deemed to be on-going dealings in the ordinary course of business.

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company with the following persons ("Counterparties"):

Date	Counterparty	Brief Description
January 1st, 2011	Stocks & Securities Limited (subsequently sold to Raman Holdings Limited)	Lease for the Company's branch located at Unit #8 at the Fairview II Commercial Centre, Montego Bay. Lease term is five (5) years, renewable for a further term of five (5) years each
October 28th, 2016	Thwaites Finson Sharp Insurance Brokers Limited	Comprehensive Insurance Policies for the Motor Vehicles
May 7th, 2018	Thwaites Finson Sharp Insurance Brokers Limited	Commercial All-Risks Insurance Policy, All-Risk Solar System Policy and Employer's Liability Insurance Policy
Ongoing	FirstCaribbean International Bank Limited	Credit Card Facilities and Guarantee Facilities secured by a debenture on inventory
Ongoing	National Commercial Bank	Credit Card Facilities
August 28th, 2014	Ex-Im Bank	Loan facility to finance the solar project secured by a mortgage on 23 Beechwood Avenue
Various Dates	Trustees of Seramco Limted Superannuation Fund	Motor Vehicle Leases
Various Dates	MF&G Trust & Finance Limited	Motor Vehicle Leases
December 22nd, 2016	MF&G Trust & Finance Limited	Equipment Lease
June 15th, 2016	MF&G Trust & Finance Limited	Revolving Term Loan secured by a mortgage on 21 Beechwood Avenue
November 30th, 2015	Outlook Limited	Loan facility to assist with the construction of 25 Beechwood Avenue
June 6th, 2017	Mr. Michael Fraser	Mentor Agreement, as per Rule 403 of the Junior Market Rules

The material contracts set out above will be available for inspection as described in Section 15.

Information about the Company

7.10 Litigation

As at the date of this Prospectus, the Company is not involved in any litigation, arbitration or similar proceedings pending and/or threatened against the Company.

7.11 Dividend Policy

The Directors expect the Company's investments and strategic plans which are to be implemented in the short to medium term, will result in growth of its profits, subject to any adverse changes in the local and regional economic climate. Accordingly, the Directors anticipate a payment of an annual dividend of up to 25% of the annual profits after any applicable income tax, where such profits are available for distribution, and subject to the Company's need for reinvestment of some or all of its profits from time to time in order to finance its further growth and development.

7.12 Insurance Arrangements

The Company has procured sufficient insurance cover for all major risks that relate to its business. This includes:

Type of Insurance Policy	Expiration Date
Commercial All-Risks	May 7th, 2018
Solar System All-Risks	May 7th, 2018
Motor Vehicle	October 27th, 2017
Employer's Liability	May 7th, 2018

Confirmation of the insurance arrangements referred to in this section will be available for inspection as described in Section 15.

7.13 Charges Registered Against the Assets of the Company

As at the date of this Prospectus, the following charges are registered against the assets of the Company:

Date and Description of Instrument Creating/ Evidencing the Charge	Amount Secured by Charge	Short Particulars of the Property Charged	Name, Addresses and Description of the Person Entitled to the Charge
Mortgage dated October 7th, 2009	J$22,000,000	Property registered at Volume 1224 Folio 264 of the Register Book of Titles	MF&G TRUST & FINANCE LIMITED, a Company duly incorporated under the laws of Jamaica and having its registered office at 21 East Street in the City and Parish of Kingston
Mortgage dated March 24th, 2011	J$20,000,000	All that parcel of land registered at Volume 1422 Folio 830 of the Register Book of Titles; AND All that parcel of land registered at Volume 1224 Folio 264 of the Register Book of Titles	MF&G TRUST & FINANCE LIMITED of 21 East Street Kingston
Mortgage dated April 3rd, 2013	J$29,000,000	Premises known as Collins Green Lot No. 38 in the Parish of Saint Andrew entered at Volume 1224 Folio 264 of the Register Book of Titles; AND Premises known as Beechwood in the Parish of Saint Andrew entered at Volume 1422 Folio 830 of the Register Book of Titles	Trustee Seramco Limited Superannuation Fund, a Company duly incorporated under the laws of Jamaica and having its registered office at 21 East Street in the parish of Kingston
Mortgage dated August 28th, 2014	J$14,380,000	Property comprised in Certificate of Title registered at Volume 1286 Folio 652 of the Register Book of Titles	National Export-Import Bank of Jamaica Limited, a company duly incorporated under the laws of Jamaica with registered office at 11 Oxford Road, New Kingston, Kingston 5, Saint Andrew

JN Fund Managers Ltd.

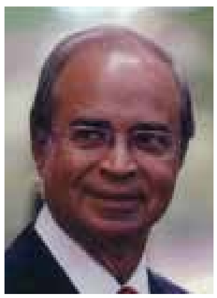
Section 8

Mentor, Directors and Senior Officers and their Interests

8.1 Biographical Details of the Mentor, Directors and Senior Managers of the Company

Brief biographical details of the Mentor, Directors and Senior Managers of the Company are set out below. The Directors' residential addresses are set out in Section 14 hereto, and all of them may be contacted for business purposes c/o the registered office of the Company, Stationery and Office Supplies Limited, 23 Beechwood Avenue, Kingston 5, Jamaica, Telephone: (876)- 926-5688 ◊ Facsimile: (876)-968-8200 Website: www.sosjm.com

MENTOR'S BIOGRAPHY



Michael A. Fraser, OD, JP, CLU

Company Mentor

Mr. Michael Fraser is a Senior Insurance Professional who has wide experience in sales, marketing and management. He is a Chartered Life Underwriter (CLU) and graduated in 1987 from the Western Executive Business Programme from the University of Western Ontario, Canada.

He was appointed President and Chief Executive Officer of Island Life Insurance Company Limited in 2000. Up until December 2007 Mr. Fraser was Deputy CEO and Chief Marketing Officer at Sagicor Life Jamaica Limited. Mr. Fraser is Past President & CEO of Sagicor Life of the Cayman Islands Limited, a subsidiary of Sagicor Life Jamaica Limited.

Mr. Fraser is a former Board Member of Sagicor Life Jamaica Limited, a Past President of the Life Underwriters Association of Jamaica and was voted 'Insurance Man of the Year' in 1999. He was inducted into the Caribbean Insurance Hall of Fame in 2005.

Mr. Fraser is a Director of Sagicor Insurance Brokers Limited and Sagicor Life of the Cayman Islands Limited. He is also a Director of AMG Limited and Key Insurance Company Limited

He is currently Vice Chairman of the Jamaica Cancer Society and Chairman of the Jamaica Medical Foundation. His hobbies include Golf and Bird Hunting.

DIRECTORS' BIOGRAPHIES: INDEPENDENT NON-EXECUTIVE DIRECTORS

Anthony J.A. Bell, J.P.

Non-Executive Director & Chairman of the Audit Committee

Mr. Bell brings to the Board of Directors his experience in management gained at a senior level in many prominent local companies.

Mr. Bell is a graduate of Jamaica College and South West London College, and he has worked as an accountant and financial controller over his career. He served as Managing Director of J. Wray and Nephew Ltd. and Chief Financial Officer of the Lascelles de Mercado group of companies for over thirty (30) years, retiring in 2011. Mr. Bell is a current director of Jamaica College Foundation, First Caribbean International Bank (Jamaica) Limited and First Caribbean International Securities Limited and IronRock Insurance Company Limited.

Mr. Bell is also a member of the Company's Remuneration Committee.

DIRECTORS' BIOGRAPHIES: INDEPENDENT NON-EXECUTIVE DIRECTORS

Gary "Butch" Hendrickson, C.D., J.P.

Non-Executive Director & Chairman of the Remuneration Committee

Mr. Hendrickson is the Chairman and CEO of Continental Baking Company Limited and Coconut Bay Beach Resort & Spa in Saint Lucia. Mr. Hendrickson was educated at Jamaica College, Miami Military Academy and Fordham University.

Mr. Hendrickson currently sits on the Boards of Rainforest Seafoods, The King's House Foundation, The Private Sector Organisation of Jamaica, The Bank of Jamaica and the EXIM Bank.

Mr Hendrickson has received the following awards:

- The American Friends of Jamaica - International Humanitarian Award - Philanthropy – October 2016
- Inducted in to the Private Sector Organisation's Hall of Fame - October 2016
- The Jamaica Observer Business Leader Award – Corporate Philanthropy - October 2016
- The Gleaner Honours Award for Voluntary Service in 2015 and for Business in 2002
- The Carlton Alexander Award for Excellence in 2014
- The AMCHAM Award for Civic Leadership -Individual - 2013

Mr. Hendrickson is also a member of the Company's Corporate Governance Committee.

R. Evan D. Thwaites

Non-Executive Director & Chairman of the Corporate Governance Committee

Evan Thwaites is a Chartered Insurer and an Associate of the Chartered Insurance Institute. He is the Managing Director of IronRock Insurance Company Limited.

Mr. Thwaites was educated at Wolmer's Boys' School and completed management training courses in the U.S.A., the United Kingdom and Germany for the purposes of his professional development in the insurance and reinsurance industry. He spent over thirty (30) years with Globe Insurance Company of Jamaica Ltd. (and its predecessor entity, Globe Insurance Company of the West Indies Ltd.), prior to its acquisition by Guardian Group, where he was Managing Director. He subsequently was a consultant and director, of Grace Kennedy Financial Services Ltd. and Jamaica International Insurance Company Ltd., respectively, prior to forming the Company.

Mr. Thwaites is also a member of the Company's Audit Committee.

Mentor, Directors and Senior Officers and their Interests

EXECUTIVE DIRECTORS

David McDaniel

Chairman of the Board & Managing Director

Mr. David McDaniel is the Managing Director and one of the founders of the Company, having worked there from its incorporation and for his entire adult working life. Mr. McDaniel has been the shepherd of the Company over its fifty (50) plus years of trading.

It is through his stewardship that the Company has attained and sustained its success over the years. His vision is to import the skills and expertise of the second generation of his family into the business.

Mr. McDaniel was educated at Saint Paul's Elementary School – Manchester, Jamaica and is trained and equipped to technically and administratively supply and install Fursys Systems Furniture.

Marjorie McDaniel

Director, Chief Administrative Officer & Company Secretary

Mrs. Marjorie McDaniel has been employed from 1968 to present and has been instrumental in the Company's operations and its administration ensuring that the Company operates as optimally as possible.

Mrs. McDaniel was educated at Saint Andrew High School for Girls, Alpha Commercial Academy and is also trained and equipped technically and administratively to supply and install Fursys Systems Furniture.

Allan McDaniel

Deputy Managing Director & Director of Warehousing & Logistics

Mr. Allan McDaniel has been employed to the Company from 1996 to present having worked in the Sales, Design, Installation, Warehouse and Accounts Departments of the Company over the years as he has been identified as the person to eventually succeed his father, Mr. David McDaniel, to lead the Company into the future and as it moves to enter into the next phase of its existence as a listed company.

Mr. Allan McDaniel was educated at Campion College, University of Western Ontario, London, Canada, is certified in AutoCAD 12 (Graphic Design Program), trained and certified By Fellowes Inc. in Shredder maintenance and repairs, trained and equipped technically and administratively to Supply and install Fursys Systems Furniture.

Mr. Allan McDaniel is also a member of both the Company's Audit Committee and its Corporate Governance Committee.

Stephen Todd

Director – Sales & Marketing

Mr. Stephen Todd is the Director - Sales & Marketing of the Company and has been employed to the Company since 1995.

Mr. Todd was educated at Munroe College and Florida International University, Florida, U.S.A. He is certified in Autocad 12 (Graphic Design Program), trained and equipped to technically and administratively supply and install Fursys Systems Furniture.

Stephen is also a member of the Company's Remuneration Committee.

SENIOR MANAGEMENT

Kerri (McDaniel) Todd

Director Special Projects

Mrs. Kerri Todd has been employed to the Company since 1992 to present and was the first of the member of the second generation of McDaniels to join the Company.

Mrs. Todd was educated at Hillel Academy, Ryerson University (Bachelor of Business Management) Toronto, Canada. She is certified in Autocad 12 (Graphic Design Program) and trained and equipped to technically and administratively supply and install Fursys Systems Furniture.

Kelli (McDaniel) Muschett

Director – Purchasing & Administration, BBM, MBA

Mrs. Kelli Muschett has been employed to the Company from 2000 to present.

She was educated at Hillel Academy and Ryerson University, Toronto, Ontario (Bachelor of Business Management) and the European University, Spain, Madrid - MBA (International Business).

Mrs. Muschett is also trained and equipped technically and administratively to supply and install Fursys Systems Furniture.

David Charles Plant

Financial Controller

Mr. David Plant has been employed to the Company as its Financial Controller from 2006 to present.

Before working with the Company Mr. Plant had a long and distinguished career at KPMG from 1979 to 1999, and which included a posting in London as Senior Accountant and was employed at Chas E. Ramson Limited as its Financial Controller from 2000 to 2006.

Mr. Plant was educated at Wolmers Boys School and London School of Accountancy & Accountancy Tutors Ltd. He is a Fellow of the Institute of Chartered Accountants of Jamaica and a Fellow of the Association of Chartered & Certified Accountants.

Denise Hope McIntosh

Montego Bay Branch Manager

Ms. Denise McIntosh has been employed to the Company since 2011 to present as the Manager of its Montego Bay Branch.

Before working with the Company, she held posts as Brand Manager, Indies Pharma Jamaica Ltd. in Montego Bay, Station Manager, Delta Airlines (Kingston & Montego Bay) and General Manager Caribbean, Northwest Airlines.

Ms. McIntosh was educated at Montego Bay High School, Montego Bay Community College, University of New Orleans (B.Sc in Business Administration) and University of Liverpool (MBA, Marketing).

8.2 Directors' and Senior Managers' Interests in Ordinary Shares

No senior managers hold any Shares, save for the Directors' interests in the Shares (including legal and beneficial holdings) as at the date of this Prospectus which are set out below:

Name of Directors	Number of Shares Before Opening Date
Mr. David McDaniel, Mrs. Marjorie McDaniel, Mrs. Kelli (McDaniel) Muschett, Mrs. Kerri (McDaniel) Todd, and Mr. Stephen Todd	Interests in the shares of Outlook Limited the holding company of the Company

No Director or senior manager receives Shares, or options in respect of Shares in consideration of the services rendered by him or her to the Company.

8.3. Corporate Governance and Accountability

The Board has constituted two (2) committees, namely the Audit Committee and the Remuneration Committee, as required pursuant to the provisions of the Junior Market Rules and has additionally constituted a Corporate Governance Committee, although not strictly required by the Junior Market Rules. The members of each committee include a majority of independent non-executive Directors, as required by Rule 504(2)(b) of the Junior Market Rules. The Corporate Governance Committee has also adopted the requirements of the aforementioned Rule in its charter. The members of the respective committees are as follows:

Audit Committee	Remuneration Committee	Corporate Governance Committee
Mr. Anthony Bell – Chairman	Mr. Gary Hendrickson – Chairman	Mr. Evan Thwaites – Chairman
Mr. Evan Thwaites	Mr. Anthony Bell	Mr. Gary Hendrickson
Mr. Allan McDaniel	Mr. Stephen Todd	Mr. Allan McDaniel

In addition, the Company has appointed Mair Russell Grant Thornton to provide it with external audit services.

8.4 Directors' Fees and Executive Emoluments

Currently, the Company does not pay any fees or other emoluments to its Directors for their services rendered to the Company in the capacity of Directors. However, post-IPO the Company's fee structure for its independent non-executive Directors shall be as set out below, subject to any decision made otherwise by the Board of Directors:

Position	Fee
Member of the Board of Directors	$25,000 per meeting
Chairman of the Board of Directors	$30,000 per meeting (additional fee)
Chairman of a Committee of the Board of Directors	$30,000 per meeting (additional fee)
Member of a Committee of the Board of Directors	$25,000 per meeting (additional fee)

Section 9

Management Discussion and Analysis

About the Company

The Company was incorporated in Jamaica on Friday, July 23rd, 1965, and has been trading ever since for more than fifty (50) years. The Company's primary business is the sale of stationery, office supplies and systems (modular) furniture being well-known for servicing all items that it sells and being extremely service-oriented.

The Company is one of Jamaica's leading stationery, office and systems (modular) furniture suppliers boasting over 3,180 credit customers that it does business with on a consistent and ongoing basis in addition to thousands of cash customers.

With the increased awareness of the Company's services, and the fresh equity raised, as a result of the IPO, it is expected that the Company will only grow from strength to strength by augmenting its local stock of faster moving items, liquidating some of its debt and thereby improving its cash flow and expanding its footprint within the Caribbean region.

Current Operating Environment

In recent times businesses have felt the negative impact of a tightening Jamaican economy, especially with the implementation of the fiscal regime as mandated by the International Monetary Fund, increased macro-economic uncertainty and overall reduction in aggregate demand. This is coupled with the volatility in global markets. Despite the uncertain operating environment experienced during this time, and the numerous local and global economic crises that have presented themselves over the past fifty (50) years, the Company has managed to sustain itself and grow its revenue and its profitability on a consistent basis.

The Company has experienced significant growth in 2016 and this growth has continued throughout the first quarter of 2017.

Future Prospects for the Company

The Company sees the ability to garner a larger share of its market by more efficient management of the turnover of its stock and an increased capacity for larger volumes of stock, which the capital injection from the IPO will facilitate. It also sees opportunities to deepen its relationships within the Caribbean region in order to increase its international sales.

Annual Financial Performance

The Company has continuously strengthened its financial performance. Its revenue, net profit and net book value have all increased over the period under review thanks to strong business growth and cost management. The in-house financial statements show that this trend has continued, with the three (3) months to March 2017 showing strong growth in sales.

Interim Financial Performance

As previously stated, the Company's in-house financial statements for the three (3) months to March 2017 show that it continues to experience significant improvements in its performance. Sales for the three-month period have improved by 20%. Additionally, its balance sheet has continued to strengthen with growth in both net assets and net working capital.

Management Discussion and Analysis

INCOME STATEMENT

J$ '000	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Q1 - 2016	Q1 - 2017
Revenue	471,251	522,690	549,606	626,580	702,071	182,433	220,182
Other Income	2,974	1,513	83	126	390	(3)	124
Operating Expenses	194,648	202,405	228,468	245,650	274,760	61,975	76,279
Operating Profit	(1,815)	17,646	16,382	22,954	63,908	31,512	32,364
Finance Costs	8,579	9,245	8,479	9,073	11,144	2,045	2,377
Pre Tax Profit	(7,419)	9,914	7,985	14,007	53,153	29,464	30,111
Income Tax Expense	1,058	(2,661)	(2,137)	(6,900)	(6,567)	(1,350)	(5,606)
Net Profit For The Year	(6,362)	7,253	5,849	7,107	46,586	30,814	24,505

BALANCE SHEET

J$ '000	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Q1 - 2016	Q1 - 2017
Non-Current Assets	82,341	80,357	89,988	107,807	252,226	118,747	254,613
Current Assets	148,568	156,085	178,990	190,841	232,515	215,072	243,297
Total Assets	230,909	236,442	268,978	298,648	484,741	333,819	497,910
Current Liabilities	86,541	77,744	101,854	97,835	126,628	78,347	117,992
Non-Current Liabilities	75,895	82,972	85,550	112,133	115,472	137,633	112,772
Total Liabilities	162,436	160,717	187,404	209,967	242,100	215,980	230,764
Net Assets	68,473	75,726	81,574	88,681	242,641	117,840	267,147

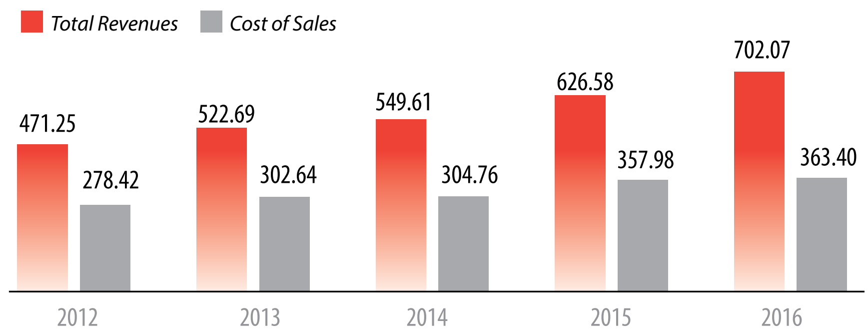
Section 10

Financial Highlights

FINANCIAL ANALYSIS (Financial Years ended 31 December 2012 to 2016)

The Company's financial year is from January to December.

Total Revenues vs Cost of Sales (J$M)



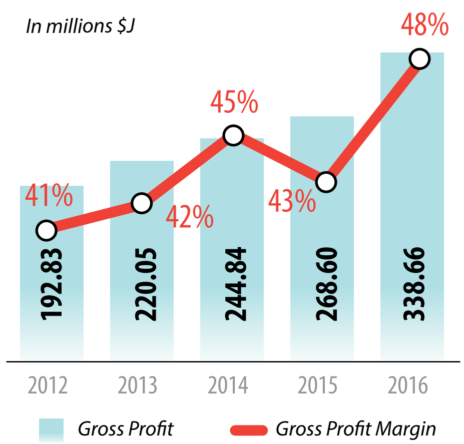
Revenue Analysis

The Company has consistently increased its revenues over the five year period FY 2012-2016. During this timeframe, the Company's revenue from core operations grew by a compound average annual growth rate (CAGR) of 10.48%, culminating with the Company generating all-time high revenues of J$702.07M in FY 2016. Revenue earned in FY 2016 was 12.05% higher than J$626.58M for FY 2015, and 48.98% higher than the J$471.25M earned in FY 2012. The steady improvement in the Company's revenues has been attributable to organic expansion driven by the achievement of deeper penetration in the market for the Company's products and services. The Company has expanded its product offerings, adding to the list of brands it distributes and venturing into manufacturing its own brands of furniture - Image and Torch.

Cost of sales as a proportion of revenue remained relatively consistent for the period 2012 to 2015, representing on average 57.39%. For FY 2016 the Company reduced its cost of sales to 51.76%, the direct result of management's concerted efforts to achieve the perfect mix of affordability and superior quality in the products it sells through the careful selection of suppliers.

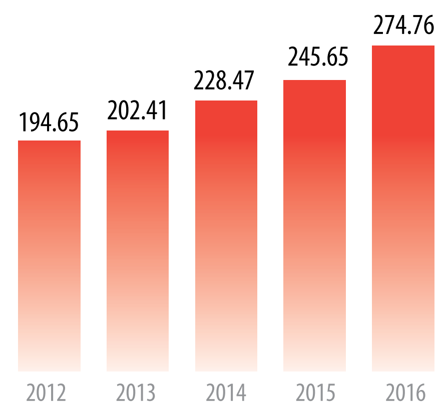
Gross Profit Performance

In millions $J



Operating Expenses

In millions $J



Profitability

Since 2012, gross profit has trended upwards growing by a CAGR of 15.12%. Lower cost of sales led to an improved gross profit position of J$338.67M in 2016, which was a 26.09% increase over that earned in 2015, and 75.63% more than the J$192.83M earned in 2012. Additionally, gross profit margins have exceeded 40% between FY 2012 and 2016, improving year over year to 48.24% relative to 42.87% in 2015, and 40.92% in 2012.

Operating Expenses

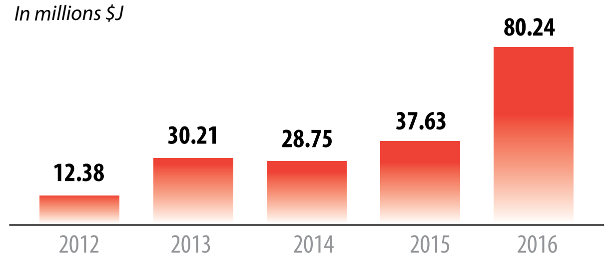
The Company's cost of operations has grown at a CAGR of 9.00% since 2012. The main operating expenses of the Company have been its administrative and selling costs, of which the major expense items are staff remuneration and commission for its all island sales team. This is in line with the operational nature of the business which requires in general administrative support, customer service representatives, and warehouse and delivery staff.

Earnings before Interest Taxation Depreciation and Amortization

Increased revenue and gross profit led to an increase in EBITDA of 113.23% to J$80.24M compared to J$37.63M in 2015 and more than 6x more than the J$12.38M reported in 2012, continuing its positive upward trend. The reduction in operating expenses was also a contributor to the growth.

Earnings before Interest Taxation Depreciation and Amortization (EBITDA)

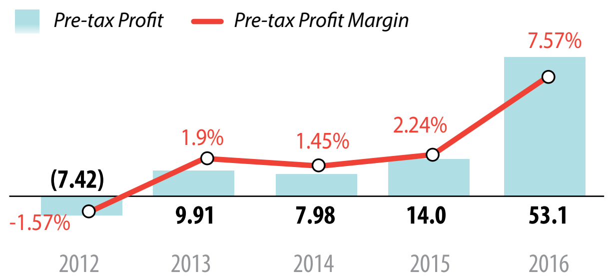
In millions $J



Pre-tax Profitability

For FY 2016, pre-tax profits reflected an increase of J$39.15M or 279.50% to end the year at J$53.15M compared to J$14.01M in 2015, and loss of J$7.42M in 2012. Pre-tax profit margin has also shown as improving trend over the last three years ending FY 2016 at 7.57% up from 2.24% in 2015, and a low of -1.57% in 2012. .

Pre-tax Profit Performance *In millions $J*

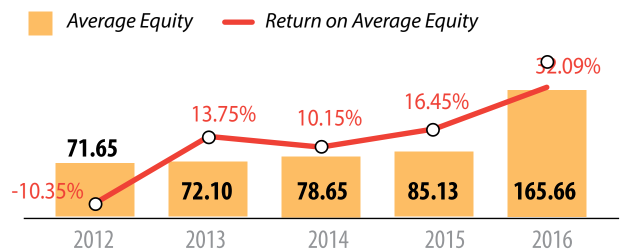


Return on Equity

The upward trend in profitability has augured well for SOS' return on equity (ROE) with the ratio reaching a five year high of 32.09% in 2016 from 16.45% in 2015, and -10.35% in 2012.

Total average equity increased to J$165.66M in FY 2016 from J$85.13M FY 2015, mainly attributable to an increase in the capital reserves to J$112.42M from J$5.05M in 2015. The increase in reserves was a direct result of the revaluation of the company's holdings of real estate assets during the year.

Return on Average Equity *In millions $J*

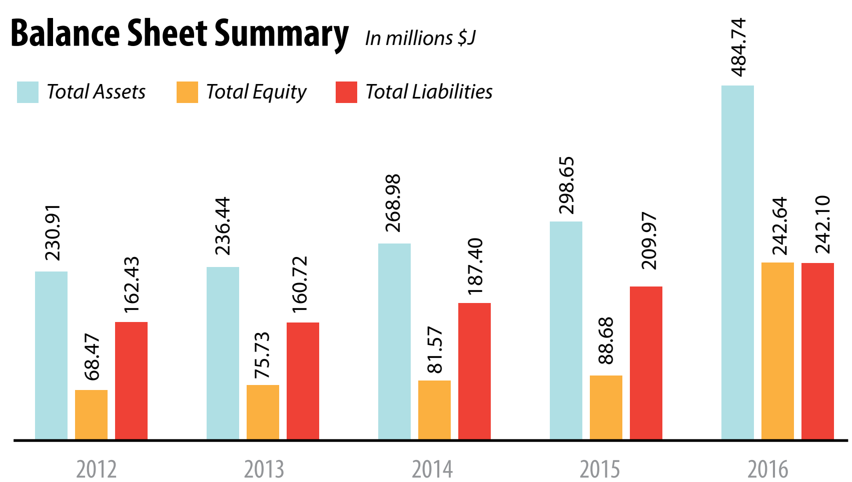


Balance Sheet Analysis

The Company has experienced consistent expansion of its Balance Sheet over the period FY 2012 to FY 2016.

The Company's total assets have grown by a compound average annual growth rate of 20.37% from J$230.91M in FY 2012 to J$484.74M in FY 2016. The Company's balance sheet has grown both through a combination of retained earnings and increased debt as the Company expanded its operations to meet the growing demands of the business. Total equity increased to J$242.64M in FY 2016 from J$88.68M FY 2015 due to the aforementioned revaluation of real estate holdings.

Balance Sheet Summary *In millions $J*



Management Discussion and Analysis

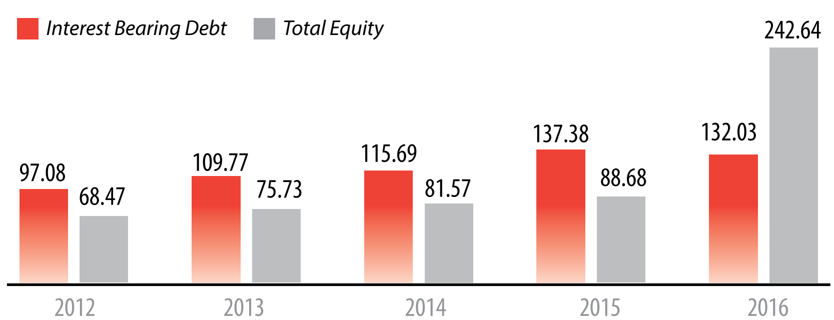
This revaluation exercise led to a year over year increase in total assets of 62.31% or J$186.09M.

Liquidity

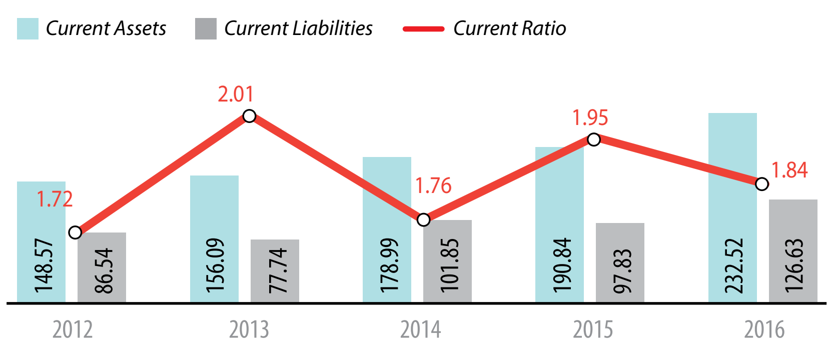
Inventories and receivables have historically represented the majority of the Company's current assets combining to account for an average of over 93% since 2012. The Company's current ratio has remained above the benchmark of 1.5x for the review period ending FY 2016 at 1.84x compared to 1.95x for FY 2015.

Between FYs 2012-2015, on average 60% of the Company's balance sheet was funded by debt. However in FY 2016 the funding make-up of the Company's balance sheet was repositioned due to the revaluation of its real estate assets which added J$107.34M to equity through its capital reserve.

Interest Bearing Debt vs Total Equity *In millions $J*



Current Ratio



Receivables Management

The Company's receivables management has been relatively consistent over the last five (5) financial years. Receivables have gradually trended higher between FY 2012 and FY 2016 rising by a compound annual average rate of 10.97% during the period to end FY 2016 at J$87.50M. The average five (5) year growth rate in receivables has been relatively in line with the average growth rate in revenues over the same period of 10.48%, implying that the growth is simply a function of the business' expansion.

Over the last five financial year's both receivables turnover and the number of days receivables remain outstanding (Days Sales Outstanding) have exhibited limited variability. The stability in both these measures is evidence of the success of the Company's receivables management program as the Company has managed to keep its collection experience relative constant even in the context of consistent sales growth.

Inventory Management

The Company's inventory rose consistently between FY 2012 and FY 2016 by a compound average growth rate of 11.31% to close FY 2016 at J$ 118.83M. The compound average growth rate of inventory over the period was relatively in line with the average growth rate of Sales over the same period of 10.48%.

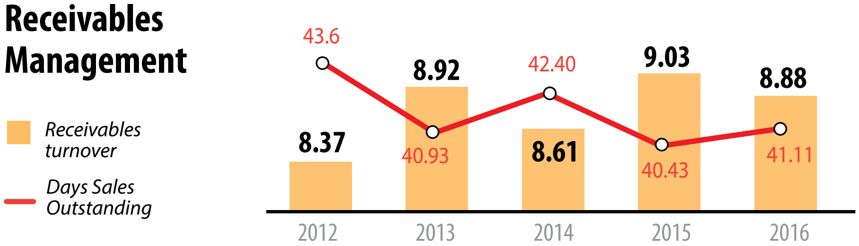
In FY 2016 inventory was turned over 3.22X which is less than FY 2015's figure of 3.51X. Inventory remained in stock for an average of 113 days in FY 2016 which represents an 8.76% increase over FY 2015 average of 104 days.

Unaudited Financial Information (for the three months period ended 31 March 2017)

As at the 31 March 2017, SOS reported first quarter revenues of J$220.18M or 20.69% more than J$182.43M reported in the corresponding period for 2016.

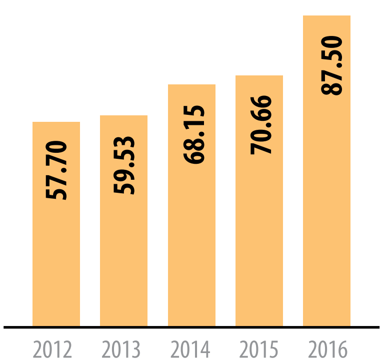
Cost of sales as a proportion of revenue remained in line with the FY 2016 representing 50.66% of total revenue; this percentage was however slightly higher than the 48.75% for the

Receivables Management



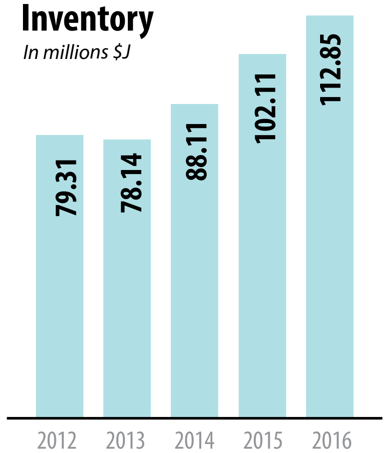
Receivables

In millions $J



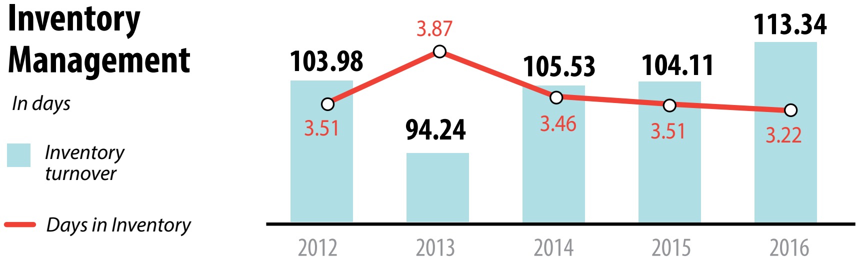
Inventory

In millions $J



Inventory Management

In days



comparable period in Q1 2016. Gross profit for the three month period ended 31 March 2017 was J$108.64M or 16.21% more than the J$93.49M reported in 2016. Operating expenses exhibited an increase of 23.08% due to an increase in depreciation by 51.93% to J$4.87M (J$3.20M – 2016). This increased depreciation expense resulted from the revaluation of fixed assets which took place in FY 2016. SOS also reported an increase in administrative costs to J$53.39M or by 20.89%, and selling expenses - J$17.88M or 37.51%. Finance costs ended the period at J$2.377M or 16.23% higher than Q1 2016. Increased finance lease charges for new service trucks which were added to the company's fleet as well as quarterly loan interest payments led to this increase.

Based on the foregoing, SOS reported pretax profits of J$30.11M compared to J$29.47M in Q1 2016.

As at the 31 March 2017 total assets were valued at J$497.91M. Of this amount, current assets represented 48.86% or J$243.30M. Current assets comprised of inventories, J$117.04M; receivables $93.19M, Prepayments of $21.20M, and cash of J$11.87M.

Total liabilities amounted to J$230.76M, or 6.84% more than J$215.98M in Q1 2016. Current liabilities comprised mainly of trade and other payables for a total of J$77.99M (J$66.52M – Q1 2016).

The composition of the current assets and liabilities as at the end of the three month period under consideration resulted in a current ratio of 2.06x, an improvement over the Q1 2016 ratio of 1.55x.

The quick ratio of SOS moved downward to 1.07x from 1.49x in Q1 2016. The working capital position of SOS was also positive as at the end of Q1 2017 at J$125.31M, which was less than Q1 2016, J$136.73M.

Fixed assets totaled J$254.61M or 114.42% more than Q1 2016. This was the result of the revaluation of fixed assets as at the FYE 2016.

While the non-current liabilities of SOS were reduced to J$112.77M from J$137.63M in 2016, due to reduced loan balances.

The capital position of the company improved by 126.70% to end the quarter at J$267.15M Contributing to this was the improvement in the capital reserve, due to the revaluation of its fixed assets. The revaluation increased that item to J$112.42M from J$5.05M in Q1 2016. Also contributing to the improved equity position was retained earnings increasing to J$154.72M in Q1 2017 from J$112.79M in Q1 2016.

Section 11

Auditor's Report and Historical Financial Data

THE FOLLOWING IS ANNEXED HERETO:

(a) UNAUDITED MANAGEMENT ACCOUNTS IN RESPECT OF THE COMPANY FOR THE PERIOD JANUARY 1ST, 2017 TO MARCH 31ST, 2017;

(b) AUDITED FINANCIALS IN RESPECT OF THE COMPANY FOR FISCAL YEAR ENDED DECEMBER 31ST, 2016 (WITH THE RESPECTIVE AUDITOR'S REPORTS CONTAINED THEREIN); AND

(c) THE FOLLOWING FROM MAIR RUSSELL GRANT THORNTON, CHARTERED ACCOUNTANTS, ALL DATED MAY 5TH, 2017:

a. ACCOUNTANT'S REPORT WITH RESPECT TO THE UNAUDITED FINANCIALS OF THE COMPANY FOR THE PERIOD JANUARY 1ST, 2017 TO MARCH 31ST, 2017;

b. CONSENT ADDRESSED TO THE COMPANY; AND

c. AUDITOR'S COVER LETTER TO THE COMPANY WITH RESPECT TO THE FIVE (5) FISCAL YEARS ENDED DECEMBER 31ST, 2016.

Mair Russell

Grant Thornton

Stationery and Office Supplies Limited

Unaudited Financial Statements

Three Months Ended March 31, 2017

Contents

Mair Russell

Grant Thornton

An instinct for growth™

Compilation report

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To the Members of
Stationery and Office Supplies Limited

Report on the Financial Statements

We have compiled the accompanying financial statements of Stationery and Office Supplies Limited based on information you have provided. These financial statements comprise the statement of financial position of Stationery and Office Supplies Limited as at March 31, 2017 and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with International Financial Reporting Standards.

Kingston Jamaica
April 25, 2017

Mair Russell Grant Thornton
Chartered Accountants

Statement of financial position
March 31, 2017

	Note	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Assets			
Non-current assets			
Property, plant and equipment	(5)	248,951,723	246,563,974
Intangible asset	(6)	5,661,552	5,661,552
		254,613,275	252,225,526
Current assets			
Inventories	(7)	117,036,798	118,831,095
Trade and other receivables	(8)	93,185,498	87,500,057
Prepayments		21,202,340	20,999,958
Bank and cash	(9)	11,872,267	5,184,375
		243,296,903	232,515,485
Total assets		497,910,178	484,741,011
Equity and liabilities			
Equity			
Share capital	(10)	4,000	4,000
Capital reserve	(11)	112,423,398	112,423,398
Retained profits		154,719,105	130,213,625
Total equity		267,146,503	242,641,023
Liabilities			
Non-current liabilities			
Borrowings	(12)	12,055,615	15,425,529
Other loans	(13)	58,480,997	58,378,114
Finance lease	(14)	16,351,548	16,863,356
Deferred tax liability	(15)	25,883,628	24,805,419
		112,771,788	115,472,418
Current liabilities			
Bank overdraft	(9 & 16)	-	638,290
Trade and other payables	(17)	77,993,132	79,168,850
Owing to Directors	(13)	842,733	1,472,320
Current portion of borrowings	(12)	23,010,424	23,010,424
Current portion of other loans	(13)	2,746,969	4,080,931
Current portion of finance lease	(14)	12,747,815	12,157,215
Taxation payable		650,814	6,099,540
		117,991,887	126,627,570
Total liabilities		230,763,675	242,099,988
Total equity and liabilities		497,910,178	484,741,011

The notes on the accompanying pages 5 to 28 form an integral part of these financial statements.

Approved for issue by the Board of Directors on April 27, 2017 and signed on its behalf by:

) Director) Director

David McDaniel Majorie McDaniel

Statement of profit or loss and other comprehensive income
Three months ended March 31, 2017

	Note	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Revenue	(4c)	220,182,391	702,070,851
Cost of sales		(111,538,816)	(363,402,612)
Gross profit		108,643,575	338,668,239
Finance income	(18)	124,231	226,560
Other income	(19)	-	163,078
		108,767,806	339,057,877
Administrative and general expenses		(53,394,069)	(193,399,312)
Selling and promotional costs		(17,795,246)	(59,296,198)
Other operating expenses		-	(1,254,919)
Depreciation		(4,865,787)	(15,938,561)
Finance costs	(18)	(2,377,191)	(11,144,462)
Loss on foreign exchange		(224,017)	(4,871,347)
		(78,656,310)	(285,904,799)
Profit before tax	(20)	30,111,496	53,153,078
Income tax expense	(21)	(5,606,016)	(6,566,885)
Profit for the period/year		24,505,480	46,586,193
Other comprehensive income			
Revaluation of land and buildings		-	125,802,419
Deferred tax relating to revaluation of land and buildings		-	(18,428,334)
Other comprehensive income for the period/year		-	107,374,085
Total comprehensive income for the period/year		24,505,480	153,960,278

The notes on the accompanying pages 5 to 28 form an integral part of these financial statements.

Statement of changes in equity
Three months ended March 31, 2017

	Share Capital $	Capital Reserve $	Retained Profits $	Total $
Balance at January 1, 2016	**4,000**	**5,049,313**	**83,627,432**	**88,680,745**
Profit for the year being total comprehensive income	-	-	46,586,193	46,586,193
Other comprehensive income	-	107,374,085	-	107,374,085
Total comprehensive income for the year	-	107,374,085	46,586,193	153,960,278
Balance at December 31, 2016	4,000	112,423,398	130,213,625	242,641,023
Profit for the period being total comprehensive income	-	-	24,505,480	24,505,480
Balance at March 31, 2017	**4,000**	**112,423,398**	**154,719,105**	**267,146,503**

The notes on the accompanying pages 5 to 28 form an integral part of these financial statements.

Statement of cash flows
Three months ended March 31, 2017

	Note	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Cash flows from operating activities:			
Profit before tax		30,111,496	53,153,078
Adjustments for:			
Depreciation	(5)	4,865,787	15,938,561
Loss on foreign exchange on foreign currency loans		106,512	5,449,307
Interest income		(124,231)	(226,560)
Interest expense	(18)	2,377,191	11,144,462
		37,336,755	85,458,848
Decrease/(increase) in inventories		1,794,297	(11,964,919)
Increase in trade and other receivables		(5,685,441)	(13,720,495)
Increase in prepayments		(202,382)	(8,781,403)
(Decrease)/increase in trade and other payables		(1,175,718)	13,764,115
Decrease in owing to Directors		(629,587)	(1,706,772)
Cash generated from operations		31,437,924	63,049,374
Interest paid		(2,377,191)	(11,144,462)
Income taxes paid		(9,976,533)	(4,394,050)
Net cash provided by operating activities		19,084,200	47,510,862
Cash flows from investing activities:			
Interest received net of withholding tax		124,231	226,064
Purchase of property, plant and equipment		(7,253,536)	(28,893,346)
Purchase of intangible asset	(6)	-	(5,661,552)
Net cash used in investing activities		(7,129,305)	(34,328,834)
Cash flows from financing activities			
Proceeds from finance lease		3,640,000	20,693,079
Repayment of borrowings		(3,369,914)	(13,863,832)
Repayment of other loans		(1,337,591)	(6,191,218)
Repayment of finance lease		(3,561,208)	(10,371,417)
Net cash used in financing activities		(4,628,713)	(9,733,388)
Net increase in cash and cash equivalents		7,326,182	3,448,640
Cash and cash equivalents at beginning of period/year		4,546,085	1,097,445
Cash and cash equivalents at end of period/year	(9)	11,872,267	4,546,085

The notes on the accompanying pages 5 to 28 form an integral part of these financial statements.

Notes to the financial statements
March 31, 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 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.

2. 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).

3. Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after January 1, 2017

Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and determined that none will have a material impact on the company.

Standards, amendments and interpretations issued but not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the company. Information on those expected to be relevant to the company's financial statements are provided below.

Management anticipates that all relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that may be relevant to the company's financial statements are provided below:

IFRS 9 'Financial Instruments' (2016)

The IASB recently released IFRS 9 'Financial Instruments' (2016), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The company's management have yet to assess the impact of IFRS 9 on these financial statements. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. The company's management have not yet assessed the impact of IFRS 15 on these financial statements.

IFRS 16 'Leases'

IFRS 16 Leases', (effective for annual periods beginning on or after January 1, 2019). In January 2017, the IASB published IFRS 16 which replaces the current guidance in IAS 17. Under IAS 17, lessees were require to make a distinction between a finance lease and an operating lease. IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption or lessees or certain short-term leases and leases of low-value assets. The company is assessing the impact of future adoption of the measurements on its financial statements.

4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below:

a Property, plant and equipment

(i) Land and buildings are carried at revalued amounts being the market value and are performed once every three to five (3 – 5) years, unless market factors indicate a material change in fair value. Any revaluation surplus is recognized in other comprehensive income and credited to capital reserve in equity, unless the carrying amount of that asset has previously suffered a revaluation decrease or impairment loss. To the extent that any decrease has previously been recognized in other comprehensive income a revaluation increase in credit to profit or loss with the remaining part of the increase recognized in other comprehensive income.

Downward revaluations of buildings are recognized upon revaluation or impairment testing, with the decrease being charged to other comprehensive income to the extent of any surplus in equity relating to this asset and any remaining decrease recognized in profit or loss.

(ii) Property, plant and equipment are carried at revalued amounts/cost less accumulated depreciation and impairment. (Note 4j).

(iii) Depreciation is charged on assets from the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to fifty (50) years for building, ten (10) years for machinery, equipment and storage container, furniture and fixtures, five (5) years for motor vehicles and eight (8) years for solar system equipment.

Leasehold improvements are being amortised over five (5) years.

Land is not depreciated.

(iii) Repairs and renewals

The cost of repairs and renewals which do not enhance the value of the existing assets are written off to the profit or loss as they are incurred.

b Inventories

Inventories are stated at the lower of cost, determined on a first in first out (FIFO) basis, and net realisable value. Cost of inventory invoiced is the value plus applicable landing charges. Net realisable value is based upon estimated selling price.

c Revenue recognition

Revenue comprises sales to customers and other income. Sales represent the invoiced value of goods to customers net of General Consumption Tax.

Revenue is recognised when goods are delivered to customers or on the transfer of risk to third parties.

d Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in Jamaican Dollars, which is the functional currency of the company. Except where otherwise stated, these financial statements are expressed in Jamaican Dollars.

Foreign currency translations and balances

(i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.

(ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.

(iii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

e Cash and cash equivalents

Cash and cash equivalents consist of current accounts, held with licensed financial institutions and cash on hand maintained by the company.

f Income tax

Income tax on profit or loss for the year comprises current and deferred tax.

When applicable, current tax is calculated on taxable profits at current tax rates.

Current tax is the expected tax payable on the taxable income for the year, using tax values enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous year.

Deferred tax is accounted for using liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged to profit or loss, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

g Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held–to– maturity investments; and
- available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance income', 'finance costs' or 'other financial items', except for impairment of trade receivables which is presented within 'other operating expenses'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. A provision for doubtful debt is recognised when there is an indication that the debt is impaired. Impairment of trade receivables are presented within 'other operating expenses'.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. None of the company's financial assets fall into this category.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the company has the intention and ability to hold them until maturity. None of the company's financial assets fall into this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. None of the company's financial assets fall into this category.

Financial liabilities

The company's financial liabilities include interest bearing borrowings and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

h Owing to Directors

Amounts owing to Directors are carried at amortised cost.

i Borrowings

Borrowings comprise loans and capital lease obligations and are classified as financial liabilities measured at amortised cost and are recognised initially at fair value, being their issued proceeds net of transaction costs incurred. Subsequently, borrowings are measured at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method. Interest charges are recognised in profit or loss in the period in which they occur.

j Impairment

The company's property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

k Leases

Finance leases

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance lease liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

Subsequent accounting for assets held under finance lease agreements, that is, depreciation methods and useful lives, correspond to those applied to comparable acquired assets. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are charged to the statement of comprehensive income as finance costs. Finance charges represent a constant periodic rate of interest on the outstanding balance of the finance lease liability.

Operating leases

All other leases are treated as operating leases. Where the company is a lessee, payments on operating lease arrangements are recognised as an expense on a straight line basis over the lease term. Associated costs such as maintenance are expensed as incurred.

l Equity

Share capital is determined using the proceeds received for the shares that have been issued.

Capital reserve represents realised surplus on disposal of property and equipment plus accumulated surplus arising on the revaluation of land and buildings.

Retained profits include all current and prior period results as disclosed in profit or loss.

m Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

n Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Depreciation of property, plant and equipment

Depreciation is provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 4(a).

(ii) Taxation

The company is required to estimate income tax payable to the Commissioner General of Tax Administration Jamaica on any profit derived from operations. (Note 21). This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included in the statement of financial position. Deferred tax assets and liabilities are measured using the enacted tax rate at the end of the reporting period.

If the tax eventually payable or recoverable differs from the amounts originally estimated then the difference will be accounted for in the accounts in the year such determination is made.

o Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

All provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the statement of financial position.

Probable inflows of economic benefits to the company that do not yet meet the recognition criteria of an asset are considered contingent assets.

p Comparative information

Certain previous year figures have been restated to conform to current year's presentation.

5. Property, plant and equipment comprise:

The carrying amounts for property, plant and equipment for the years included in these financial statements as at March 31, 2017 can be analyzed as follows:

	Freehold Land $	Buildings $	Leasehold improvements $	Motor Vehicles $	Computer Equipment $	Other Equipment $	Solar Equipment $	Total $
Gross carrying amount								
Balance at January 1, 2017	75,000,000	117,000,000	7,234,615	73,304,335	9,997,915	18,630,198	14,600,678	315,767,741
Additions	-	3,487,523	-	3,717,024	-	48,989	-	7,253,536
Balance at March 31, 2017	75,000,000	120,487,523	7,234,615	77,021,359	9,997,915	18,679,187	14,600,678	323,021,277
Depreciation								
Balance at January 1, 2017	-	-	(7,234,614)	(40,862,736)	(7,209,123)	(10,247,124)	(3,650,170)	(69,203,767)
Depreciation	-	(587,495)	-	(2,964,721)	(390,730)	(466,570)	(456,271)	(4,865,787)
Balance at March 31, 2017	-	(587,495)	(7,234,614)	(43,827,457)	(7,599,853)	(10,713,694)	(4,106,441)	(74,069,554)
Carrying amount at March 31, 2017	75,000,000	119,900,028	1	33,193,962	2,398,062	7,965,493	10,494,237	248,951,723

(i) Included in the above are motor vehicles with gross carrying amounts totaling $43,138,489(2016 -$39,421,465), which were acquired under finance lease arrangements (Note 14).

(ii) Land and buildings located at 21, 23 and 25 Beechwood Avenue, Kinston 5, were revalued by independent valuators D.C. Tavares & Finson Realty Ltd. in December 2016. The resulting increase in valuation has been credited to capital reserve in equity.

(iii) Under the cost model, the carrying amount of revalued land and buildings at 21, 23 and 25 Beechwood Avenue, Kingston 5, at reporting date would be $123,582,395 (2016 - $120,942,079).

(iv) Land and buildings have been pledged as security for the company's borrowings (Note 12 (a) and (b)).

5. **Property, plant and equipment comprise (Cont'd):**

	Freehold Land $	Buildings $	Leasehold improvements $	Motor Vehicles $	Computer Equipment $	Other Equipment $	Solar Equipment $	Freehold Land $	Total $
Gross carrying amount									
Balance at January 1, 2016	12,646,108	22,910,195	31,544,591	7,234,615	60,159,958	9,411,007	15,990,116	14,600,678	174,497,268
Additions	-	-	8,898,702	-	16,767,654	586,908	2,640,082	-	28,893,346
Transfer	(12,646,108)	-	12,646,108	-	-				
Revaluations	-	52,089,805	63,910,599	-	-	-	-	-	116,000,404
Disposals	-	-	-	-	(3,623,277)	-	-	-	(3,623,277)
Balance at December 31, 2016	-	75,000,000	117,000,000	7,234,615	73,304,335	9,997,915	18,630,198	14,600,678	315,767,741
Depreciation									
Balance at January 1, 2016	-	-	(8,812,619)	(7,234,614)	(34,036,983)	(6,253,583)	(8,527,614)	(1,825,085)	(66,690,498)
Depreciation	-	-	(989,396)	-	(10,449,030)	(955,540)	(1,719,510)	(1,825,085)	(15,938,561)
Depreciation eliminated on revaluations	-	-	9,802,015	-	-	-	-	-	9,802,015
Depreciation eliminated on disposals	-	-	-	-	3,623,277	-	-	-	3,623,277
Balance at December 31, 2016	-	-	-	(7,234,614)	(40,862,736)	(7,209,123)	(10,247,124)	(3,650,170)	(69,203,767)
Carrying amount at December 31, 2016	-	75,000,000	117,000,000	1	32,441,599	2,788,792	8,383,074	10,950,508	246,563,974

6. Intangible asset – computer software

Details of intangible asset and their carrying amounts are as follows:

	Acquired Software	Total $
Gross carrying amount		
Balance at January 1, 2016	-	-
Addition	5,661,552	5,661,552
Balance at December 31, 2016	5,661,552	5,661,552
Gross carrying amount		
Balance at January 1, 2017	**5,661,552**	**5,661,552**
Balance at March 31, 2017	5,661,552	5,661,552

The computer software has not been amortised as it is not ready for its intended use by management.

7. Inventories

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Merchandise –		
Stationery and office equipment, furniture & other supplies	117,036,798	118,831,095
Total	117,036,798	118,831,095

8. Trade and other receivables

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Trade	92,306,867	86,762,771
Less: Specific provision for doubtful debts	(1,254,919)	(1,254,919)
	91,051,948	85,507,852
Staff loans	1,095,779	954,434
Other receivable	1,037,771	1,037,771
Total	93,185,498	87,500,057

All amounts are short-term and the carrying value is considered a reasonable approximation of fair value.

Bad debt specific provision is as follows:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Balance at January 1	1,254,919	-
Increase in provision	-	1,254,919
Balance at March 31,2017	1,254,919	1,254,919

An analysis of unimpaired trade receivables that are past due is given in note 26b.

9. Bank and cash

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Cash and bank balances:		
FCIB J$ savings account	163,870	163,870
NCB J$ current account	8,121,256	4,504,631
FCIB US$ current account	3,332,143	260,876
Cash in hand	254,998	254,998
Total	11,872,267	5,164,375
Less: bank overdraft (Note 16)	-	(638,290)
Total bank and cash	11,872,267	4,546,085

10. Share capital

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Authorised:		
2,000 ordinary shares		
Stated capital		
Issued and fully paid:		
2,000 ordinary shares	4,000	4,000

As of January 2007, under the Jamaican Companies Act 2004, all shares in issue are deemed to be without par value.

11. Capital reserve

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Balance at January 1	112,423,398	5,049,313
Unrealised surplus arising from revaluation of land and buildings	-	125,802,419
Deferred tax resulting from revaluation (Note 15)	-	(18,428,334)
Balance at March 31	112,423,398	112,423,398

12. Borrowings

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Loans –		
(a) MF&G Trust & Finance Limited	27,077,150	29,876,430
(b) National Export–Import Bank of Jamaica Limited	7,988,889	8,559,523
	35,066,039	38,435,953
Less: Current portion	(23,010,424)	(23,010,424)
Total	12,055,615	15,425,529

(a) These loans bear interest at rates of twelve per cent (12%) and twelve point five percent (12.5%) per annum, subject to change depending on market conditions or determined by the Trustees. The loans mature in the years 2017 and 2018, and are secured by:

(1) first and second legal mortgage over property registered at Volume 1224 Folio 830 of the Register Book of Titles.

(2) first and second legal mortgage over registered property at Volume 1422 Folio 264 of the Register Books of Titles

(3) assignment of Comprehensive Fire and Peril Insurance for value on real estate with the Bank's interest noted.

(4) personal guarantee of Directors: David McDaniel and Marjorie McDaniel.

(b) In August 2014 the company received an Energy Loan and a SME Growth Initiate Loan from National Export-Import Bank of Jamaica Limited totalling $14,380,000. The Energy Loan is being offered for a period of sixty (60) months and bears interest at a rate of 9.5% per annum. The SME Growth Initiate Loan is being offered for a period of forty eight (48) months and bears interest at a rate of 10.375% per annum.

These loans are secured by legal mortgage over property registered at Volume 1286 Folio 652 of the Register Book of Titles

13. (i) Other loans

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Loan: (a)	39,180,917	39,111,854
(b)	2,746,969	4,080,931
(c)	19,300,080	19,266,260
	61,227,966	62,459,045
Less: current portion	(2,746,969)	(4,080,931)
Total	58,480,997	58,378,114

(a) These amounts are unsecured, interest free and have no fixed repayment terms. However the Directors do not intend to and will not make a call on the amount within the next twelve (12) months.

(b) The loan is unsecured and bears interest at a rate of 9.25% per annum and is to be repaid with quarterly payments of US$4,150.64 on the reducing balance. The loans will expire August 19, 2017.

(c) The loan was received on September 1, 2016 for a period of six (6) years with a moratorium on principal payments for the first four (4) years. Interest is fixed at a rate of nine percent (9%) per annum and is payable on a quarterly basis.

(ii) Owing to Directors

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Advances	842,733	1,472,320
Total	842,733	1,472,320

These amounts are unsecured, interest free and have no fixed repayment terms. (Note 22(ii))

14. Finance lease

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Finance lease	29,099,363	29,020,571
Less: Current portion	(12,747,815)	(12,157,215)
Total	16,351,548	16,863,356

The company entered into finance lease arrangements with MF & G Trust & Finance Limited and The Trustees of Seramco Limited Superannuation Fund for the acquisition of certain motor vehicles which are included in property, plant and equipment (Note 5) and computer software which is included in intangible asset (Note 6).

i Future minimum lease payments at March 31,2017 are as follows:

	Due Within One Year $	Due Within Two to Five Years $	Total $
Lease payments	15,600,600	17,858,255	33,458,855
Less: Finance charge	(2,852,785)	(1,506,707)	(4,359,492)
	12,747,815	16,351,548	29,099,363
Less: Current portion	(12,747,815)	-	(12,747,815)
Total	-	16,351,548	16,351,548

ii Future minimum lease payments at December 31, 2016 are as follows:

	Due Within One Year $	Due Within Two to Five Years $	Total $
Lease payments	15,069,803	19,204,381	34,274,184
Less: Finance charge	(2,912,588)	(2,341,025)	(5,253,613)
	12,157,215	16,863,356	29,020,571
Less: Current portion	(12,157,215)	-	(12,157,215)
Total	-	**16,863,356**	**16,863,356**

iii Operating leases as lessee:
The company leases an office, warehouse and storage buildings under operating leases. The future minimum lease payments are as follows:

	Minimum lease payments due within 1 year US$	1 to 5 years US$	Total US$
March 31, 2017	**47,774**	-	**47,774**

The lease agreement expired on December 31, 2015. The company has an option to renew, however, at the reporting date the documentation to give effect to the terms of the new lease agreement had not been finalised.

15. Deferred tax liability

Deferred tax is calculated on all temporary differences under the liability method using a tax rate of 25%, (2016 - 25%). The movement on the deferred tax account is as follows:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Balance at beginning of period/year	(24,805,419)	(9,687,313)
Charge during the period/year - revaluation (Note 11)	-	(18,428,334)
- deferred tax credit	(1,078,209)	3,310,228
Balance at end of period/year	(25,883,628)	(24,805,419)

Deferred tax balance arose on temporary differences in respect of the following:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Deferred tax liability on:		
Property, plant and equipment	18,608,787	17,550,276
Lease obligation	7,274,841	7,255,143
Defferred tax liability	25,883,628	24,805,419

16. Bank overdraft

The company does not have a bank overdraft facility. The amount represents unpresented cheques in the company's books. (Note 9).

17. Trade and other payables

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Trade	18,733,590	23,884,611
Customer deposits	28,394,921	30,064,123
Statutory deductions	4,837,912	5,046,345
Accruals	3,611,639	3,574,292
Other	22,415,070	16,599,479
Total	77,993,132	79,168,850

18. Finance income and finance cost

Finance income includes all income from short – term deposits and cash at bank:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Interest income	124,231	226,560
Total finance income	124,231	226,560

Finance costs for the years presented comprise:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Interest expense for borrowings at amortised cost	1,607,483	8,344,518
Interest on finance lease	769,708	2,799,944
Total finance costs	2,377,191	11,144,462

19. Other income

This comprises of:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Miscellaneous income	-	163,078
Total	-	163,078

20. Profit before tax

Profit before tax is stated after charging/(crediting):

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Depreciation	4,865,787	15,938,561
Directors' emoluments –		
Management remuneration	10,825,409	39,334,720
Auditor's remuneration	360,000	1,320,000
Interest expense	2,377,191	11,144,462
Interest income	(124,231)	(226,560)
Loss on foreign exchange	224,017	4,871,347

21. Income tax

i Income tax based on profit for the year, adjusted for tax purposes and computed at the tax rate of 25%,(2016 - 25%) comprise:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Current charge	4,527,807	9,877,113
Deferred tax expense/(credit) (note 15)	1,078,209	(3,310,228)
Total	5,606,016	6,566,885

ii Reconciliation of theoretical tax expenses to effective tax expenses:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Profit before tax	30,111,496	53,153,078
Tax at the applicable tax rate of 25%	7,527,874	13,288,270
Employment Tax Credit	(1,927,178)	(4,208,774)
Tax effect of expenses not deductible for tax purposes	5,404,764	5,248,892
Tax effect of other charges and allowances	(5,399,444)	(7,761,503)
Income tax for the period/year	5,606,016	6,566,885

22. Related party balances

i A party is related to the company if:

a Directly, or indirectly through one or more intermediaries, the party:

- Is controlled by, or is under common control with the entity;
- Has an interest in the company that gives it significant influence over the entity; or
- Has joint control over the company.

b The party is an associate;

c The party is a joint venture in which the company is a venturer;

d The party is a member of the key management personnel of the entity or its parent;

e The party is a close member of the family of any individual referred to in (a) or (d);

f The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

g The party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the entity.

ii At the end of the reporting period trade and non-trade balances with related parties were as follows:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Other loans (Note 13)	61,227,966	62,459,045
Owing to Directors (See Note 13)	842,733	1,472,320
	62,070,699	63,931,365

iii Transactions with key management personnel

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Short-term employee benefits – Management remuneration	10,825,409	39,334,720
Total	10,825,409	39,334,720

23. Expenses by nature

Total direct, administrative and other overhead expenses:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Advertising	3,106,766	14,602,161
Cost of inventories recognised as an expense	111,538,816	363,402,612
Directors' remuneration	10,825,409	39,334,720
Auditor's remuneration	360,000	1,320,000
Depreciation	4,865,787	15,938,561
Legal and professional fees	504,015	205,730
Commission	12,385,639	36,239,960
Employee benefits (Note 24)	28,222,781	99,990,037
Finance costs	2,377,191	11,144,462
Other expenses	15,784,705	62,257,821
Total	189,971,109	644,436,064

The above assets/liabilities are receivables/payables in United States Dollars (US$). The exchange rate applicable at date is J$128.67 to US$1 (2016 - J$128.44 to US$1).

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result for the year end and equity with regards to the company's financial assets and financial liabilities and US Dollar to Jamaican (JA) Dollar exchange rate. Only movements between the Jamaican Dollar and US Dollars are considered, as these are the two major currencies of the company.

The sensitivity analysis is based on the company's United States Dollar financial instruments at the end of the reporting period.

Effect on results of operations

If the JA Dollar weakens by 6% (2016 – 6%) against the US Dollar then this would have the effect of the amounts shown below on the basis that all other variables remain constant.

	Rate %	Weakens $
2017	**6**	**(2,914,325)**
2016	6	(3,423,588)

If the JA Dollar strengthens against the US Dollar by 1% (2016 – 1%) this would have the following impact:

	Rate %	Strengthens $
2017	**1**	**485,721**
2016	1	570,595

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The company maintains interest-earning bank accounts with licensed financial institutions. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates. (Note 9).

Interest rate sensitivity

Due to the fact that interest earned from the company's interest-earning bank accounts is immaterial, there would be no material impact on the results of the company's operations as a result of fluctuations in interest rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

The company faces credit risk in respect of its trade and other receivables and cash and cash equivalents. There is significant concentration of credit risk in trade and other receivables. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and bank balances are maintained with licensed financial

institutions considered to be stable. The maximum credit risk faced by the company is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Trade and other receivables	93,185,498	87,500,057
Bank balance	11,617,269	4,929,377
Total	104,802,767	92,429,434

The age of trade receivables and other receivables past due but not impaired is as follows

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Not more than 3 months	73,968,949	67,792,921
More than 3 months but not more than 6 months	8,745,948	15,123,809
More than 6 months but not more than 1 year	6,579,084	3,183,446
More than 1 year	3,891,517	1,399,881
Total	93,185,498	87,500,057

However, at the end of the reporting period a maximum of $600,000 per Commercial Bank is insured under the Jamaica Deposit Insurance Scheme (JDIS).

The company does not require collateral or other credit enhancements in respect of trade and other receivables.

c Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash to meet its liquidity requirements.

As at Three Months Ended March 31, 2017, the company's liabilities have contractual maturities which are summarised below:

	Current Within 12 Months $	Non-current 2 to 5 years $	Non-current Over 5 years $
Borrowings	23,010,424	12,055,615	-
Other loans	2,746,969	58,480,997	-
Finance lease	12,747,815	16,351,548	-
Owing to directors	842,733	-	-
Trade and other payables	77,993,132	-	-
Total	117,341,073	86,888,160	-

This compares to the maturity of the company's financial liabilities in the previous reporting period as follows:

	Current Within 12 Months $	Non-current 2 to 5 years $	Non-current Over 5 years $
Borrowings	23,010,424	15,425,529	-
Other loans	4,080,931	58,378,114	-
Finance lease	12,157,215	16,863,356	-
Owing to directors	1,472,320	-	-
Trade and other payables	79,168,850	-	-
Total	119,889,740	90,666,999	-

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the end of the reporting period.

26. Fair value measurement of non-financial assets

The following table shows the Levels within the Hierarchy of non-financial assets measured at fair value on a recurring basis at March 31, 2017:

March 31, 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Property, plant and equipment				
Land and Buildings	-	-	192,000,000	192,000,000
Total	-	-	192,000,000	192,000,000

Fair value of the company's land and buildings is estimated based on appraisal by a professionally qualified valuator. The significant inputs and assumptions are developed in close consultation with management.

Land and Buildings (Level 3)

The appraisal was carried out using a market approach that reflects observed prices for market transactions and incorporates adjustments for factors specific to the company's property, including size, location, encumbrances and current use of the property. Land and buildings at 21, 23 and 25 Beechwood Avenue, Kingston 5, were revalued December 2016.

27. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at the end of the reporting periods under review may also be categorised as follows:

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Financial assets		
Loans and receivables		
Trade and other receivables	93,185,498	87,500,057
Bank and cash	11,872,267	5,184,375
Total	105,057,765	92,684,432
Financial liabilities		
Borrowings	12,055,615	15,425,529
Other loans	58,480,997	58,378,114
Finance lease	16,351,548	16,863,356
Financial liabilities measured at amortised cost		
Bank overdraft	-	638,290
Trade and other payables	77,993,132	79,168,850
Owing to directors	842,733	1,472,320
Current portion of borrowings	23,010,424	23,010,424
Current portion of other loans	2,746,969	4,080,931
Current portion of finance lease	12,747,815	12,157,215
Total	204,229,233	211,195,029

28. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to sustain future development of the business. The company's Board of Directors review the financial position of the company at regular meetings.

The company is not subject to externally imposed capital requirements. The company did not change its approach to capital management polices during the year.

Additional information – Detailed trading and profit or loss account Three months ended March 31, 2017

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Sales	220,182,391	702,070,851
Cost of sales		
Opening stock	118,831,095	106,866,176
Purchases	109,744,519	375,367,531
	228,575,614	482,233,707
Less: Closing stock	(117,036,798)	(118,831,095)
Cost of goods sold	111,538,816	363,402,612
Gross profit	108,643,575	338,668,239
Finance income	124,231	226,560
Other income	-	163,078
	108,767,806	339,057,877
Administrative and other expenses		
Administrative and general expenses	(53,394,069)	(193,399,312)
Selling and promotional costs	(17,795,246)	(59,296,198)
Other operating expenses	-	(1,254,919)
Depreciation	(4,865,787)	(15,938,561)
Finance costs	(2,377,191)	(11,144,462)
Loss on foreign exchange	(224,017)	(4,871,347)
	(78,656,310)	(285,904,799)
Profit before tax	30,111,496	53,153,078

Additional information – Supporting schedule of expenses
Three months ended March 31, 2017

	Unaudited Three Months Ended March 31 2017 $	Audited Year Ended December 31 2016 $
Administrative and general expenses		
Directors' remuneration	10,825,409	39,334,720
Salaries, wages and related expenses	26,042,884	92,173,636
Staff benefits	2,179,897	7,816,401
Rent	1,502,010	6,257,293
Telephone	430,843	1,462,488
Rates and taxes	59,903	741,109
Foreign travel	-	898,313
Motor vehicle expenses	3,795,016	14,713,366
Repairs and maintenance	3,023,931	12,834,535
Audit fee	360,000	1,320,000
Legal and professional fees	504,015	205,730
Equipment rental	81,824	-
Assets declaration and annual returns fees	200,000	300,000
Security	525,748	2,751,362
Insurance	653,924	3,045,255
Donations and subscriptions	114,960	319,722
Electricity	563,761	2,171,159
Printing, postage and stationery	759,313	2,542,468
General office expenses	1,025,979	1,440,068
Bank charges	744,652	3,071,687
	53,394,069	193,399,312
Selling and promotional costs		
Advertising	3,106,766	14,602,161
Commission	12,385,639	36,239,960
Travelling and entertainment	2,302,841	8,454,077
	17,795,246	59,296,198
Depreciation		
Depreciation	4,865,787	15,938,561
	4,865,787	15,938,561
Other operating expenses		
Loss on foreign exchange	224,017	4,871,347
Bad debts – specific provision	-	1,254,919
	224,017	6,126,266
Finance costs		
Loan interest	1,607,483	8,344,518
Lease interest	769,708	2,799,944
	2,377,191	11,144,462

Mair Russell

Grant Thornton

Stationery and Office Supplies Limited

Financial Statements

December 31, 2016

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Independent auditor's report

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To the Members of
Stationery and Office Supplies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stationery and Office Supplies Limited ("the Company") which comprise the statement of financial position as at December 31, 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, 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.

Mair Russell
Grant Thornton

Independent auditor's report (cont'd)

To the Members of
Stationery and Office Supplies Limited

Report on the Audit of the Financial Statements

Responsibilities of Management and the Board of Directors for the Financial Statements (Cont'd)

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.

The Board of Directors is 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 ISAs 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 in accordance with ISAs, 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 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

Independent auditor's report (cont'd)

To the Members of
Stationery and Office Supplies Limited

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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 presents a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

Kingston, Jamaica

March 15, 2017

Mair Russell Grant Thornton
Chartered Accountants

Statement of financial position December 31, 2016

	Note	2016 $	2015 $
Assets			
Non-current assets			
Property, plant and equipment	(5)	246,563,974	107,806,770
Intangible asset	(6)	5,661,552	-
		252,225,526	107,806,770
Current assets			
Inventories	(7)	118,831,095	106,866,176
Trade and other receivables	(8)	87,500,057	70,658,952
Prepayments		20,999,958	12,218,555
Bank and cash	(9)	5,184,375	1,097,445
		232,515,485	190,841,128
Total assets		484,741,011	298,647,898
Equity and liabilities			
Equity			
Share capital	(10)	4,000	4,000
Capital reserve	(11)	112,423,398	5,049,313
Retained profits		130,213,625	83,627,432
Total equity		242,641,023	88,680,745
Liabilities			
Non-current liabilities			
Borrowings	(12)	15,425,529	33,478,266
Other loans	(13)	58,378,114	58,501,084
Finance lease	(14)	16,863,356	10,465,841
Deferred tax liability	(15)	24,805,419	9,687,313
		115,472,418	112,132,504
Current liabilities			
Bank overdraft	(9 & 16)	638,290	-
Trade and other payables	(17)	79,168,850	62,284,125
Owing to Directors	(13)	1,472,320	3,179,092
Current portion of borrowings	(12)	23,010,424	18,821,519
Current portion of other loans	(13)	4,080,931	4,699,872
Current portion of finance lease	(14)	12,157,215	8,233,068
Taxation payable		6,099,540	616,973
		126,627,570	97,834,649
Total liabilities		242,099,988	209,967,153
Total equity and liabilities		484,741,011	298,647,898

The notes on the accompanying pages 8 to 30 form an integral part of these financial statements.

Approved for issue by the Board of Directors on March 15, 2017 and signed on its behalf by:

Director
David McDaniel

Marjorie E. McDaniel Director
Majorie McDaniel

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Statement of profit or loss and other comprehensive income
Year ended December 31, 2016

	Note	2016 $	2015 $
Revenue	(4c)	702,070,851	626,580,325
Cost of sales		(363,402,612)	(357,976,359)
		338,668,239	268,603,966
Finance income	(18)	226,560	-
Other income	(19)	163,078	126,261
		339,057,877	268,730,227
Administrative and general expenses		(193,399,312)	(172,610,834)
Selling and promotional costs		(59,296,198)	(55,514,629)
Other operating expenses		(1,254,919)	(642,865)
Depreciation		(15,938,561)	(14,550,307)
Finance costs	(18)	(11,144,462)	(9,073,341)
Loss on foreign exchange		(4,871,347)	(2,248,284)
Loss on disposal of property, plant and equipment		-	(83,653)
		(285,904,799)	(254,723,713)
Profit before tax	(20)	53,153,078	14,006,514
Income tax expense	(21)	(6,566,885)	(6,900,004)
Profit for the year		46,586,193	7,106,510
Other comprehensive income			
Revaluation of land and buildings		125,802,419	-
Deferred tax relating to revaluation of land and buildings		(18,428,334)	-
Other comprehensive income for the year		107,374,085	-
Total comprehensive income for the year		153,960,278	7,106,510

The notes on the accompanying pages 8 to 30 form an integral part of these financial statements.

Statement of changes in equity
Year ended December 31, 2016

	Share Capital $	Capital Reserve $	Retained Profits $	Total $
Balance at January 1, 2015	4,000	5,049,313	**76,520,922**	**81,574,235**
Profit for year 2015 being total comprehensive income	-	-	7,106,510	7,106,510
Balance at December 31, 2015	4,000	5,049,313	**83,627,432**	**88,680,745**
Profit for the year	-	-	46,586,193	46,586,193
Other comprehensive income	-	107,374,085	-	107,374,085
Total comprehensive income for the year	-	107,374,085	46,586,193	153,960,278
Balance at December 31, 2016	4,000	112,423,398	130,213,625	242,641,023

The notes on the accompanying pages 8 to 30 form an integral part of these financial statements.

Statement of cash flows
Year ended December 31, 2016

	Note	2016 $	2015 $
Cash flows from operating activities:			
Profit before tax		53,153,078	14,006,514
Adjustments for:			
Depreciation	(5)	15,938,561	14,550,307
Loss on foreign exchange on foreign currency loans		5,449,307	1,827,542
Loss on disposal of property, plant and equipment		-	83,653
Interest income		(226,560)	-
Interest expense	(18)	11,144,462	9,073,341
		85,458,848	39,541,357
Increase in inventories		(11,964,919)	(9,514,655)
Increase in trade and other receivables		(13,720,495)	(2,508,961)
Increase in prepayments		(8,781,403)	(2,341,076)
Increase/(decrease)in trade and other payables		13,764,115	(3,706,990)
Decrease in owing to Directors		(1,706,772)	(6,727,874)
Cash generated from operations		63,049,374	14,741,801
Interest paid		(11,144,462)	(9,073,341)
Income taxes paid		(4,394,050)	(2,261,445)
Net cash provided by operating activities		47,510,862	3,407,015
Cash flows from investing activities:			
Interest received net of withholding tax		226,064	-
Purchase of property, plant and equipment		(28,893,346)	(32,452,526)
Purchase of intangible asset	(6)	(5,661,552)	-
Net cash used in investing activities		(34,328,834)	(32,452,526)
Cash flows from financing activities			
Proceeds from other loans		-	35,200,642
Proceeds from finance lease		20,693,079	16,671,072
Repayment of borrowings		(13,863,832)	(11,624,108)
Repayment of other loans		(6,191,218)	(4,947,871)
Repayment of finance lease		(10,371,417)	(7,428,044)
Net cash provided by financing activities		(9,733,388)	27,871,691
Net increase/(decrease) in cash and cash equivalents		3,448,640	(1,173,820)
Cash and cash equivalents at beginning of year		1,097,445	2,271,265
Cash and cash equivalents at end of year	(9)	4,546,085	1,097,445

The notes on the accompanying pages 8 to 30 form an integral part of these financial statements

Notes to the financial statements December 31, 2016

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 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.

2. 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).

3. Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after January 1, 2016

Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and determined that none will have a material impact on the company.

Standards, amendments and interpretations issued but not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the company. Information on those expected to be relevant to the company's financial statements are provided below.

Management anticipates that all relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that may be relevant to the company's financial statements are provided below:

IFRS 9 'Financial Instruments' (2015)

The IASB recently released IFRS 9 'Financial Instruments' (2015), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The company's management have yet to assess the impact of IFRS 9 on these financial statements. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018.

IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. The company's management have not yet assessed the impact of IFRS 15 on these financial statements.

IFRS 16 'Leases'
IFRS 16 Leases', (effective for annual periods beginning on or after January 1, 2019). In January 2016, the IASB published IFRS 16 which replaces the current guidance in IAS 17. Under IAS 17, lessees were require to make a distinction between a finance lease and an operating lease. IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption or lessees or certain short-term leases and leases of low-value assets. The company is assessing the impact of future adoption of the measurements on its financial statements.

4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below:

a Property, plant and equipment

(i) Land and buildings are carried at revalued amounts being the market value and are performed once every three to five (3 – 5) years, unless market factors indicate a material change in fair value. Any revaluation surplus is recognized in other comprehensive income and credited to capital reserve in equity, unless the carrying amount of that asset has previously suffered a revaluation decrease or impairment loss. To the extent that any decrease has previously been recognized in other comprehensive income a revaluation increase in credit to profit or loss with the remaining part of the increase recognized in other comprehensive income.

Downward revaluations of buildings are recognized upon revaluation or impairment testing, with the decrease being charged to other comprehensive income to the extent of any surplus in equity relating to this asset and any remaining decrease recognized in profit or loss.

(ii) Property, plant and equipment are carried at revalued amounts/cost less accumulated depreciation and impairment. (Note 4j).

(iii) Depreciation is charged on assets from the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to fifty (50) years for building, ten (10) years for machinery, equipment and storage container, furniture and fixtures, five (5) years for motor vehicles and eight (8) years for solar system equipment.

Leasehold improvements are being amortised over five (5) years.

Land is not depreciated.

(iii) Repairs and renewals

The cost of repairs and renewals which do not enhance the value of the existing assets are written off to the profit or loss as they are incurred.

b Inventories

Inventories are stated at the lower of cost, determined on a first in first out (FIFO) basis, and net realisable value. Cost of inventory invoiced is the value plus applicable landing charges. Net realisable value is based upon estimated selling price.

c Revenue recognition

Revenue comprises sales to customers and other income. Sales represent the invoiced value of goods to customers net of General Consumption Tax.

Revenue is recognised when goods are delivered to customers or on the transfer of risk to third parties.

d Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in Jamaican Dollars, which is the functional currency of the company. Except where otherwise stated, these financial statements are expressed in Jamaican Dollars.

Foreign currency translations and balances

(i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.

(ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.

(iii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

e Cash and cash equivalents

Cash and cash equivalents consist of current accounts, held with licensed financial institutions and cash on hand maintained by the company.

f Income tax

Income tax on profit or loss for the year comprises current and deferred tax.

When applicable, current tax is calculated on taxable profits at current tax rates.

Current tax is the expected tax payable on the taxable income for the year, using tax values enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous year.

Deferred tax is accounted for using liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged to profit or loss, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

g Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held–to– maturity investments; and
- available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance income', 'finance costs' or 'other financial items', except for impairment of trade receivables which is presented within 'other operating expenses'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. A provision for doubtful debt is recognised when there is an indication that the debt is impaired. Impairment of trade receivables are presented within 'other operating expenses'.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. None of the company's financial assets fall into this category.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the company has the intention and ability to hold them until maturity. None of the company's financial assets fall into this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. None of the company's financial assets fall into this category.

Financial liabilities

The company's financial liabilities include interest bearing borrowings and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

h Owing to Directors

Amounts owing to Directors are carried at amortised cost.

i Borrowings

Borrowings comprise loans and capital lease obligations and are classified as financial liabilities measured at amortised cost and are recognised initially at fair value, being their issued proceeds net of transaction costs incurred. Subsequently, borrowings are measured at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method. Interest charges are recognised in profit or loss in the period in which they occur.

j Impairment

The company's property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

k Leases

Finance leases

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance lease liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

Subsequent accounting for assets held under finance lease agreements, that is, depreciation methods and useful lives, correspond to those applied to comparable acquired assets. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are charged to the statement of comprehensive income as finance costs. Finance charges represent a constant periodic rate of interest on the outstanding balance of the finance lease liability.

Operating leases

All other leases are treated as operating leases. Where the company is a lessee, payments on operating lease arrangements are recognised as an expense on a straight line basis over the lease term. Associated costs such as maintenance are expensed as incurred.

l Equity

Share capital is determined using the proceeds received for the shares that have been issued.

Capital reserve represents realised surplus on disposal of property and equipment plus accumulated surplus arising on the revaluation of land and buildings.

Retained profits include all current and prior period results as disclosed in profit or loss.

m Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

n Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Depreciation of property, plant and equipment

Depreciation is provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 4(a).

(ii) Taxation

The company is required to estimate income tax payable to the Commissioner General of Tax Administration Jamaica on any profit derived from operations (Note 21). This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included in the statement of financial position. Deferred tax assets and liabilities are measured using the enacted tax rate at the end of the reporting period.

If the tax eventually payable or recoverable differs from the amounts originally estimated then the difference will be accounted for in the accounts in the year such determination is made.

o Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

All provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the statement of financial position.

Probable inflows of economic benefits to the company that do not yet meet the recognition criteria of an asset are considered contingent assets.

p Comparative information

Certain previous year figures have been restated to conform to current year's presentation.

5. Property, plant and equipment comprise:

The carrying amounts for property, plant and equipment for the years included in these financial statements as at December 31, 2016 can be analyzed as follows:

	Work in progress $	Freehold Land $	Buildings $	Leasehold improvements $	Motor Vehicles $	Computer Equipment $	Other Equipment $	Solar Equipment $	Total $
Gross carrying amount									
Balance at January 1, 2016	12,646,108	22,910,195	31,544,591	7,234,615	60,159,958	9,411,007	15,990,116	14,600,678	174,497,268
Additions	-	-	8,898,702	-	16,767,654	586,908	2,640,082	-	28,893,346
Transfer	(12,646,108)	-	12,646,108	-	-	-	-	-	-
Revaluations	-	52,089,805	63,910,599	-	-	-	-	-	116,000,404
Disposals	-	-	-	-	(3,623,277)	-	-	-	(3,623,277)
Balance at December 31, 2016	-	75,000,000	117,000,000	7,234,615	73,304,335	9,997,915	18,630,198	14,600,678	315,767,741
Depreciation									
Balance at January 1, 2016	-	-	(8,812,619)	(7,234,614)	(34,036,983)	(6,253,583)	(8,527,614)	(1,825,085)	(66,690,498)
Depreciation	-	-	(989,396)	-	(10,449,030)	(955,540)	(1,719,510)	(1,825,085)	(15,938,561)
Depreciation eliminated on revaluations	-	-	9,802,015	-	-	-	-	-	9,802,015
Depreciation eliminated on disposals	-	-	-	-	3,623,277	-	-	-	3,623,277
Balance at December 31, 2016	-	-	-	(7,234,614)	(40,862,736)	(7,209,123)	(10,247,124)	(3,650,170)	(69,203,767)
Carrying amount at December 31, 2016	-	75,000,000	117,000,000	1	32,441,599	2,788,792	8,383,074	10,950,508	246,563,974

(i) Included in the above are motor vehicles with gross carrying amounts totaling $39,421,465(2015 -$29,190,298), which were acquired under finance lease arrangements (Note 14).

(ii) Land and buildings located at 21, 23 and 25 Beechwood Avenue, Kinston 5, were revalued by independent valuators D.C. Tavares & Finson Realty Ltd. in December 2016. The resulting increase in valuation has been credited to capital reserve in equity.

(iii) Under the cost model, the carrying amount of revalued land and buildings at 21, 23 and 25 Beechwood Avenue, Kingston 5, at reporting date would be $120,942,079 (2015 - $45,642,167).

(iv) Land and buildings have been pledged as security for the company's borrowings (Note 12 (a) and (b)).

5. **Property, plant and equipment comprise (Cont'd):**

	Work In progress $	Freehold Land $	Buildings $	Leasehold improvements $	Motor Vehicles $	Computer Equipment $	Other Equipment $	Solar Equipment $	Total $
Gross carrying amount									
Balance at January 1, 2015	-	22,910,195	31,544,591	7,234,615	52,158,816	7,874,923	14,290,853	14,600,678	150,614,671
Additions	12,646,108	-	-	-	16,571,071	1,536,084	1,699,263	-	32,452,526
Disposals	-	-	-	-	(8,569,929)	-	-	-	(8,569,929)
Balance at December 1, 2015	12,646,108	22,910,195	31,544,591	7,234,615	60,159,958	9,411,007	15,990,116	14,600,678	174,497,268
Depreciation									
Balance at January 1, 2015	-	-	(8,207,862)	(5,787,693)	(34,260,324)	(5,337,018)	(7,033,570)	-	(60,626,467)
Depreciation	-	-	(604,757)	(1,446,921)	(8,262,935)	(916,565)	(1,494,044)	(1,825,085)	(14,550,307)
Disposals	-	-	-	-	8,486,276	-	-	-	8,486,276
Balance at December 31, 2015	-	-	(8,812,619)	(7,234,614)	(34,036,983)	(6,253,583)	(8,527,614)	(1,825,085)	66,690,498
Carrying amount at December 31, 2015	12,646,108	22,910,195	22,731,972	1	26,122,975	3,157,424	7,462,502	12,775,593	107,806,770

6. Intangible asset - computer software

Details of intangible asset and their carrying amounts are as follows:

	Acquired Software	Total $
Gross carrying amount		
Balance at January 1, 2016	-	-
Addition	5,661,552	5,661,552
Balance at December 31, 2016	5,661,552	5,661,552

The computer software has not been amortised as it is not ready for its intended use by management.

7. Inventories

	2016 $	2015 $
Merchandise – Stationery and office equipment, furniture & other supplies	118,831,095	106,866,176
Total	118,831,095	106,866,176

8. Trade and other receivables

	2016 $	2015 $
Trade	86,762,771	68,706,242
Less: Specific provision for doubtful debts	(1,254,919)	-
	85,507,852	68,706,242
General Consumption Tax	-	139,502
Staff loans	954,434	695,437
Other receivable	1,037,771	1,117,771
Total	87,500,057	70,658,952

All amounts are short-term and the carrying value is considered a reasonable approximation of fair value.

Bad debt specific provision is as follows

	2016 $	2015 $
Balance at January 1	-	-
Increase in provision	1,254,919	-
Balance at December 31	1,254,919	-

An analysis of unimpaired trade receivables that are past due is given in note 26b.

9. Bank and cash

	2016 $	2015 $
Cash and bank balances:		
FCIB J$ savings account	163,870	91,426
NCB J$ current account	4,504,631	157,528
FCIB J$ current account	-	491,667
FCIB US$ current account	260,876	181,826
Cash in hand	254,998	174,998
Total	5,184,375	1,097,445
Less: bank overdraft (Note 16)	(638,290)	-
Total bank and cash	4,546,085	1,097,445

10. Share capital

	2016 $	2015 $
Authorised:		
2,000 ordinary shares		
Stated capital		
Issued and fully paid:		
2,000 ordinary shares	4,000	4,000

As of January 2007, under the Jamaican Companies Act 2004, all shares in issue are deemed to be without par value.

11. Capital reserve

	2016 $	2015 $
Balance at January 1	5,049,313	5,049,313
Unrealised surplus arising from revaluation of land and buildings	125,802,419	-
Deferred tax resulting from revaluation (Note 15)	(18,428,334)	-
Balance at December 31	112,423,398	5,049,313

12. Borrowings

	2016 $	2015 $
Loans –		
(a) MF&G Trust & Finance Limited	29,876,430	40,316,451
(b) National Export–Import Bank of Jamaica Limited	8,559,523	11,983,334
	38,435,953	52,299,785
Less: Current portion	(23,010,424)	(18,821,519)
Total	15,425,529	33,478,266

(a) These loans bear interest at rates of twelve per cent (12%) and twelve point five percent (12.5%) per annum, subject to change depending on market conditions or determined by the Trustees. The loans mature in the years 2017 and 2018, and are secured by:

(1) first and second legal mortgage over property registered at Volume 1224 Folio 830 of the Register Book of Titles.

(2) first and second legal mortgage over registered property at Volume 1422 Folio 264 of the Register Books of Titles.

(3) assignment of Comprehensive Fire and Peril Insurance for value on real estate with the Bank's interest noted.

(4) personal guarantee of Directors: David McDaniel and Marjorie McDaniel.

(b) In August 2014 the company received an Energy Loan and a SME Growth Initiate Loan from National Export-Import Bank of Jamaica Limited totalling $14,380,000. The Energy Loan is being offered for a period of sixty (60) months and bears interest at a rate of 9.5% per annum. The SME Growth Initiate Loan is being offered for a period of forty eight (48) months and bears interest at a rate of 10.375% per annum.

These loans are secured by legal mortgage over property registered at Volume 1286 Folio 652 of the Register Book of Titles.

13. (i) Other loans

	2016 $	2015 $
Loan (a)	39,111,854	36,669,535
(b)	4,080,931	8,525,623
(c)	19,266,260	18,005,798
	62,459,045	63,200,956
Less: current portion	(4,080,931)	(4,699,872)
Total	58,378,114	58,501,084

(a) These amounts are unsecured, interest free and have no fixed repayment terms. (Note 22(ii)). However the Directors do not intend to and will not make a call on the amount within the next twelve (12) months.

(b) The loan is unsecured and bears interest at a rate of 9.25% per annum and is to be repaid with quarterly payments of US$4,150.64 on the reducing balance. The loans will expire August 19, 2017.

(c) The loan was received on September 1, 2015 for a period of six (6) years with a moratorium on principal payments for the first four (4) years. Interest is fixed at a rate of nine percent (9%) per annum and is payable on a quarterly basis.

(ii) Owing to Directors

	2016 $	2015 $
Advances	1,472,320	3,179,092
Total	1,472,320	3,179,092

These amounts are unsecured, interest free and have no fixed repayment terms. (Note 22(ii))

14. Finance lease

	2016 $	2015 $
Finance lease	29,020,571	18,698,909
Less: Current portion	(12,157,215)	(8,233,068)
Total	16,863,356	10,465,841

The company entered into finance lease arrangements with MF & G Trust & Finance Limited and The Trustees of Seramco Limited Superannuation Fund for the acquisition of certain motor vehicles which are included in property, plant and equipment (Note 5) and computer software which is included in intangible asset (Note 6).

i Future minimum lease payments at December 31, 2016 are as follows:

	Due Within One Year $	Due Within Two to Five Years $	Total $
Lease payments	15,069,803	19,204,381	34,274,184
Less: Finance charge	(2,912,588)	(2,341,025)	(5,253,613)
	12,157,215	16,863,356	29,020,571
Less: Current portion	(12,157,215)	-	(12,157,215)
Total	-	16,863,356	16,863,356

ii Future minimum lease payments at December 31, 2015 are as follows:

	Due Within One Year $	Due Within Two to Five Years $	Total $
Lease payments	10,078,356	12,474,238	22,552,594
Less: Finance charge	(1,845,288)	(2,008,397)	(3,853,685)
	8,233,068	10,465,841	18,698,909
Less: Current portion	(8,233,068)	-	(8,233,068)
Total	-	10,465,841	10,465,841

iii Operating leases as lessee

The company leases an office, warehouse and storage buildings under operating leases. The future minimum lease payments are as follows:

	Minimum lease payments due within 1 year US$	1 to 5 years US$	Total US$
December 31, 2016	47,774	-	47,774

The lease agreement expires on December 31, 2015. The company has an option to renew, however, at the reporting date the documentation to give effect to the terms of the new lease agreement had not been finalised.

15. Deferred tax liability

Deferred tax is calculated on all temporary differences under the liability method using a tax rate of 25%, (2015 - 25%). The movement on the deferred tax account is as follows:

	2016 $	2015 $
Balance at beginning of year	(9,687,313)	(5,727,549)
Charge during the year - revaluation (Note 11)	(18,428,334)	-
- deferred tax credit	3,310,228	(3,959,764)
Balance at end of year	(24,805,419)	(9,687,313)

Deferred tax balance arose on temporary differences in respect of the following:

	2016 $	2015 $
Deferred tax liability on		
Property, plant and equipment	17,550,276	9,743,744
Lease obligation	7,255,143	-
	24,805,419	9,743,744
Deferred tax asset on		
Interest payable	-	(56,431)
Net deferred tax liability	24,805,419	9,687,313

16. Bank overdraft

The company does not have a bank overdraft facility. The amount represents unpresented cheques in the company's books (Note 9).

17. Trade and other payables

	2016 $	2015 $
Trade	23,884,611	24,208,103
Customer deposits	30,064,123	16,897,207
Statutory deductions	5,046,345	3,182,077
Accruals	3,574,292	5,041,382
Other	16,599,479	12,955,356
Total	79,168,850	62,284,125

18. Finance income and finance cost

Finance income includes all income from short – term deposits and cash at bank:

	2016 $	2015 $
Interest income	226,560	-
Total finance income	226,560	-

Finance costs for the years presented comprise:

	2016 $	2015 $
Interest expense for borrowings at amortised cost	8,344,518	7,154,328
Interest on finance lease	2,799,944	1,919,013
Total finance costs	11,144,462	9,073,341

19. Other income

This comprises of:

	2016 $	2015 $
Miscellaneous income	163,078	126,261
Total	163,078	126,261

20. Profit before tax

Profit before tax is stated after charging/ (crediting):

	2016 $	2015 $
Depreciation	**15,938,561**	14,550,307
Directors' emoluments –		
Management remuneration	**39,334,720**	37,234,879
Auditor's remuneration	**1,320,000**	1,241,856
Interest expense	**11,144,462**	9,073,341
Interest income	**(226,560)**	-
Loss on foreign exchange	**4,871,347**	2,248,284
Loss on disposal of property, plant and equipment	**-**	83,653

21. Income tax

i Income tax based on profit for the year, adjusted for tax purposes and computed at the tax rate of 25%,(2015 - 25%) comprise

	2016 $	2015 $
Current charge	**9,877,113**	2,940,240
Deferred tax credit/(expense) (note 15)	**(3,310,228)**	3,959,764
Total	**6,566,885**	6,900,004

ii Reconciliation of theoretical tax expenses to effective tax expenses:

	2016 $	2015 $
Profit before tax	**53,153,078**	14,006,514
Tax at the applicable tax rate of 25%	**13,288,270**	3,501,629
Employment Tax Credit	**(4,208,774)**	(1,337,062)
Tax effect of expenses not deductible for tax purposes	**5,248,892**	3,775,864
Tax effect of other charges and allowances	**(7,761,503)**	959,573
Income tax for the year	**6,566,885**	6,900,004

22. Related party balances

i A party is related to the company if:

a Directly, or indirectly through one or more intermediaries, the party:

- Is controlled by, or is under common control with the entity;
- Has an interest in the company that gives it significant influence over the entity; or
- Has joint control over the company.

b The party is an associate;

c The party is a joint venture in which the company is a venturer;

d The party is a member of the key management personnel of the entity or its parent;

e The party is a close member of the family of any individual referred to in (a) or (d);

f. The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

g. The party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the entity.

ii. At the end of the reporting period trade and non-trade balances with related parties were as follows:

	2016 $	2015 $
Other loans (Note 13)	62,459,045	63,200,956
Owing to Directors (See Note 13)	1,472,320	3,179,092
	63,931,365	66,380,048

iii. Transactions with key management personnel

	2016 $	2015 $
Short-term employee benefits – Management remuneration	39,334,720	37,234,879
Total	39,334,720	37,234,879

23. Expenses by nature

Total direct, administrative and other overhead expenses:

	2016 $	2015 $
Advertising	14,602,161	12,595,821
Cost of inventories recognised as an expense	363,402,612	357,976,359
Directors' remuneration	39,334,720	37,234,879
Auditor's remuneration	1,320,000	1,241,856
Depreciation	15,938,561	14,550,307
Legal and professional fees	205,730	1,126,201
Commission	36,239,960	35,001,400
Employee benefits (Note 24)	99,990,037	87,808,946
Finance costs	11,144,462	9,073,341
Other expenses	62,257,821	53,842,678
Total	644,436,064	610,451,788

24. Employee benefits

	2016 $	2015 $
Salaries and wages	77,188,782	65,950,411
Statutory contributions	14,984,854	13,275,293
Staff benefits	7,816,401	8,583,242
Total	99,990,037	87,808,946

There were ninety-three (93), (2015 – eighty-nine (89)) employees at year end.

25. Prior year adjustments

Reconciliation of the statement of financial position as at December 31, 2015

	Note	As previously stated $	Effect of Restatement $	Restated $
Assets				
Non-current assets				
Property, plant and equipment		107,806,770	-	107,806,770
		107,806,770	-	107,806,770
Current assets				
Inventories		106,866,176	-	106,866,176
Trade and other receivables	(1)	73,779,562	(3,120,610)	70,658,952
Prepayments		12,218,555	-	12,218,555
Bank and cash		1,097,445	-	1,097,445
		193,961,738	(3,120,610)	190,841,128
Total assets		301,768,508	**(3,120,610)**	**298,647,898**
Equity and liabilities				
Equity				
Share capital		4,000	-	4,000
Capital reserve		5,049,313	-	5,049,313
Retained profits		83,627,432	-	83,627,432
Total equity		88,680,745	-	88,680,745
Liabilities				
Non-current liabilities				
Borrowings		33,478,266	-	33,478,266
Other loans		58,501,084	-	58,501,084
Finance lease		10,465,841	-	10,465,841
Deferred tax liability		9,687,313	-	9,687,313
		112,132,504	-	112,132,504
Current liabilities				
Bank overdraft		-	-	-
Trade and other payables	(1)	65,404,735	(3,120,610)	62,284,125
Owing to Directors		3,179,092	-	3,179,092
Current portion of borrowings		18,821,519	-	18,821,519
Current portion of other loans		4,699,872	-	4,699,872
Current portion of finance lease		8,233,068	-	8,233,068
Taxation payable		616,973	-	616,973
		100,955,259	(3,120,610)	97,834,649
Total Liabilities		213,087,763	(3,120,610)	209,967,153
Total equity and liabilities		301,768,508	**(3,120,610)**	**298,647,898**

(1) Prior year adjustments represent a reclassification of the General Consumption Tax balance

26. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Foreign currency risk

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US$) the company however, maintains US$ bank account in an attempt to minimise this risk.

At the end of the reporting period there were net liabilities of approximately US$444,253 (2015 - US$563,377) which were subject to foreign exchange rate changes as follows:

Concentrations of currency risk

	2016 US$	2015 US$
Financial assets		
- Prepayments	149,042	95,703
- Bank and cash	2,046	1,520
Financial liabilities		
- Other loans	(486,287)	(525,658)
- Trade and other payables	(109,054)	(134,942)
Total	(444,253)	(563,377)

The above assets/liabilities are receivables/payables in United States Dollars (US$). The exchange rate applicable at date is J$128.44 to US$1 (2015 - J$120.42 to US$1).

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result for the year end and equity with regards to the company's financial assets and financial liabilities and US Dollar to Jamaican (JA) Dollar exchange rate. Only movements between the Jamaican Dollar and US Dollars are considered, as these are the two major currencies of the company.

The sensitivity analysis is based on the company's United States Dollar financial instruments at the end of the reporting period.
Effect on results of operations:

If the JA Dollar weakens by 6% (2015 – 8%) against the US Dollar then this would have the effect of the amounts shown below on the basis that all other variables remain constant.

	Rate %	Weakens $
2016	**6**	**(3,423,588)**
2015	8	(5,427,349)

If the JA Dollar strengthens against the US Dollar by 1% (2015 – 1%) this would have the following impact:

	Rate %	Strengthens $
2016	**1**	**570,595**
2015	1	678,416

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The company maintains interest-earning bank accounts with licensed financial institutions. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates. (Note 9).

Interest rate sensitivity

Due to the fact that interest earned from the company's interest-earning bank accounts is immaterial, there would be no material impact on the results of the company's operations as a result of fluctuations in interest rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

The company faces credit risk in respect of its trade and other receivables and cash and cash equivalents. There is significant concentration of credit risk in trade and other receivables. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and bank balances are maintained with licensed financial institutions considered to be stable. The maximum credit risk faced by the company is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	2016 $	2015 $
Trade and other receivables	87,500,057	70,658,952
Bank balance	4,929,377	922,447
Total	92,429,434	74,702,009

The age of trade receivables and other receivables past due but not impaired is as follows

	2016 $	2015 $
Not more than 3 months	67,792,921	57,618,746
More than 3 months but not more than 6 months	15,123,809	10,895,227
More than 6 months but not more than 1 year	3,183,446	2,137,535
More than 1 year	1,399,881	7,444
Total	87,500,057	70,658,952

However, at the end of the reporting period a maximum of $600,000 per Commercial Bank is insured under the Jamaica Deposit Insurance Scheme (JDIS).

The company does not require collateral or other credit enhancements in respect of trade and other receivables.

c **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash to meet its liquidity requirements.

As at December 31, 2016, the company's liabilities have contractual maturities which are summarised below:

	Current Within 12 Months $	Non-current 2 to 5 years $	Non-current Over 5 years $
Borrowings	23,010,424	15,425,529	-
Other loans	4,080,931	58,378,114	-
Finance lease	12,157,215	16,863,356	-
Owing to directors	1,472,320	-	-
Trade and other payables	79,168,850	-	-
Total	119,889,740	90,666,999	-

This compares to the maturity of the company's financial liabilities in the previous reporting period as follows:

	Current Within 12 Months $	Non-current 2 to 5 years $	Non-current Over 5 years $
Borrowings	18,821,519	33,478,266	-
Other loans	4,699,872	58,501,084	-
Finance lease	8,233,068	10,465,841	-
Owing to directors	3,179,092	-	-
Trade and other payables	62,284,125	-	-
Total	**97,217,676**	**102,445,191**	-

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the end of the reporting period.

27. Fair value measurement of non-financial assets

The following table shows the Levels within the Hierarchy of non-financial assets measured at fair value on a recurring basis at December 31, 2016:

December 31, 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Property, plant and equipment				
Land and Buildings	-	-	192,000,000	192,000,000
Total	-	-	**192,000,000**	**192,000,000**

Fair value of the company's land and buildings is estimated based on appraisal by a professionally qualified valuator. The significant inputs and assumptions are developed in close consultation with management.

Land and Buildings (Level 3)

The appraisal was carried out using a market approach that reflects observed prices for market transactions and incorporates adjustments for factors specific to the company's property, including size, location, encumbrances and current use of the property. Land and buildings at 21, 23 and 25 Beechwood Avenue, Kingston 5, were revalued December 2016.

28. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at the end of the reporting periods under review may also be categorised as follows:

	2016 $	2015 $
Financial assets		
Loans and receivables		
Trade and other receivables	87,500,057	70,658,952
Bank and cash	5,184,375	1,097,445
Total	92,684,432	71,756,397
Financial liabilities		
Borrowings	15,425,529	33,478,266
Other loans	58,378,114	58,501,084
Finance lease	16,863,356	10,465,841
Financial liabilities measured at amortised cost		
Bank overdraft	638,290	-
Trade and other payables	79,168,850	62,284,125
Owing to directors	1,472,320	3,179,092
Current portion of borrowings	23,010,424	18,821,519
Current portion of other loans	4,080,931	4,699,872
Current portion of finance lease	12,157,215	8,233,068
Total	211,195,029	199,662,867

29. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to sustain future development of the business. The company's Board of Directors review the financial position of the company at regular meetings.

The company is not subject to externally imposed capital requirements. The company did not change its approach to capital management polices during the year.

Mair Russell
Grant Thornton

Additional information – Auditor's report

To the Directors of
Stationery and Office Supplies Limited
On Additional Information

The additional information presented on pages 32 and 33 has been taken from the accounting records of the company and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the company for the year ended December 31, 2016.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole although it is not necessary for a fair presentation of the state of the company's affairs as at December 31, 2016 or of the results of its operations or its cash flows for the year then ended.

Mair Russell Grant Thornton
Chartered Accountants

Kingston, Jamaica
March 15, 2017

Chartered Accountants
Member of Grant Thornton International Ltd

Additional information – Detailed trading and profit or loss account Year ended December 31, 2016

	2016 $	2015 $
Sales	702,070,851	626,580,325
Cost of sales		
Opening stock	106,866,176	97,351,521
Purchases	375,367,531	367,491,014
	482,233,707	464,842,535
Less: Closing stock	(118,831,095)	(106,866,176)
Cost of goods sold	363,402,612	357,976,359
Gross profit	338,668,239	268,603,966
Finance income	226,560	-
Other income	163,078	126,261
	339,057,877	268,730,227
Administrative and other expenses		
Administrative and general expenses	(193,399,312)	(172,610,634)
Selling and promotional costs	(59,296,198)	(55,514,629)
Other operating expenses	(1,254,919)	(642,865)
Depreciation	(15,938,561)	(14,550,307)
Finance costs	(11,144,462)	(9,073,341)
Loss on foreign exchange	(4,871,347)	(2,248,284)
Loss on disposal of property, plant and equipment	-	(83,653)
	(285,904,799)	(254,723,713)
Profit before tax	53,153,078	14,006,514

Additional information – Supporting schedule of expenses Year ended December 31, 2016

	2016 $	2015 $
Administrative and general expenses		
Directors' remuneration	39,334,720	37,234,879
Salaries, wages and related expenses	92,173,636	79,225,704
Staff benefits	7,816,401	8,583,242
Rent	6,257,293	5,878,681
Telephone	1,462,488	1,267,097
Rates and taxes	741,109	693,978
Foreign travel	898,313	1,153,399
Motor vehicle expenses	14,713,366	13,487,558
Repairs and maintenance	12,834,535	9,926,905
Audit fee	1,320,000	1,241,856
Legal and professional fees	205,730	1,126,201
Environmental fees	-	98,310
Assets declaration and annual returns fees	300,000	100,000
Security	2,751,362	1,559,193
Insurance	3,045,255	2,878,346
Donations and subscriptions	319,722	573,223
Electricity	2,171,159	2,221,618
Printing, postage and stationery	2,542,468	1,846,544
General office expenses	1,440,068	1,392,835
Bank charges	3,071,687	2,121,065
	193,399,312	172,610,634
Selling and promotional costs		
Advertising	14,602,161	12,595,821
Commission	36,239,960	35,001,400
Travelling and entertainment	8,454,077	7,917,408
	59,296,198	55,514,629
Depreciation		
Depreciation	15,938,561	14,550,307
	15,938,561	14,550,307
Other operating expenses		
Loss on disposal of property, plant and equipment	-	83,653
Loss on foreign exchange	4,871,347	2,248,284
Bad debts – written off	-	642,865
– specific provision	1,254,919	-
	6,126,266	2,974,802
Finance costs		
Loan interest	8,344,518	7,154,328
Lease interest	2,799,944	1,919,013
	11,144,462	9,073,341

Mair Russell

Grant Thornton

Mair Russell Grant Thornton
Kingston
3 Haughton Avenue
Kingston 10

Montego Bay
56 Market Street
St. James
Jamaica, West Indies

T +1 876 926 2597
F +1 876 754 3196
www.gtjamaica.com

May 5, 2017

The Directors
Stationery and Office Supplies Limited
23 Beechwood Avenue
Kingston 5

Attention: Mr. David McDaniel – Managing Director

Dear Sirs:

Re: Account's Report for the Period January 1, 2017 to March 31, 2017

We are the auditors of Stationery and Office Supplies Limited and refer to the attached Prospectus.

The Prospectus incorporates the following unaudited interim financial statements of the company:

- Statement of financial position as at March 31, 2017;
- Statement of profit or loss and other comprehensive income for the three (3) months ended March 31, 2017;
- Statement of changes in equity for the three (3) months ended March 31, 2017; and
- Statement of cash flows for the three (3) months ended March 31, 2017.

We have not audited any financial statements of the company as at any date or for any period subsequent to December 31, 2016. Although we have performed an audit for the year ended December 31, 2016, the purpose and, therefore, the scope of the audit was to enable us to express our opinion on the financial statements as at December 31, 2016 and for the year then ended, but not on the financial statements for any interim period subsequent to that year. Therefore, we are unable to and do not express an opinion on the above-mentioned unaudited interim financial statements, or on the financial position, results of operations or cash flows of the company as at any period subsequent to December 31, 2016.

We have, however, performed a review of the unaudited interim financial statements of the company for the three (3) months ended March 31, 2017.

.../2

May 5, 2017

The Directors
Stationery and Office Supplies Limited

Attention: Mr. David McDaniel – Managing Director

Page 2

We performed our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of, and having discussions with, persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with International Financial Reporting Standards.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.

Further, we hereby irrevocably consent to the inclusion of this Report in the Prospectus in the form and context in which it has been so included.

Yours truly,

Mair Russell Grant Thornton

CHARTERED ACCOUNTANTS

KAL*dt
Corr: S-96

Mair Russell

Grant Thornton

Mair Russell Grant Thornton
Kingston
3 Haughton Avenue
Kingston 10

Montego Bay
56 Market Street
St. James
Jamaica, West Indies

T +1 876 926 2597
F +1 876 754 3196
www.gtjamaica.com

May 5, 2017

The Directors
Stationery & Office Supplies Limited
23 Beechwood Avenue
Kingston 5

Dear Sirs:

Re: Prospectus for Stationery & Office Supplies Limited

We have given and have not withdrawn our consent to the inclusion of our name, reports and all reference thereto in the Prospectus of Stationery and Office Supplies.

Yours sincerely,

Mair Russell Grant Thornton

CHARTERED ACCOUNTANTS

KAL*dt
Corr: S-96

Partners:
Kenneth L. Lewis, CD
Morsia E. Francis
Sixto P. Coy
Audrey C. Hoyte
Karen A. Lewis

Chartered Accountants
Member of Grant Thornton International Ltd

Independent auditor's report on financial information

To the Directors of
Stationery and Office Supplies Limited
On five years financial information ended December 31, 2016

Dear Sirs,

We have audited, in accordance with International Standards on Auditing, the separate financial statements of Stationery and Office Supplies Limited as at and for each of the years December 31, 2012 through to December 31, 2016 and in our reports dated May 3, 2013, July 3, 2014 and May 12, 2015, May 25, 2016 and March 15, 2017 respectively, we expressed unqualified opinion on these financial statements to the effect that the financial statements presents a true and fair view.

In our opinion, the extracted statements of financial position and statements of comprehensive income of the company set out in the prospectus are consistent, in all material respect, with the financial statements (where applicable) referred to above, from which they were derived.

For a better understanding of the company's financial position at the reporting dates referred to above, the results of operations for each of the years ended on those dates, and the scope of our audit, the extracted statements of financial position and statements of comprehensive income should be read in conjunction with the financial statements from which they are derived and our audit reports thereon, where applicable.

Kingston, Jamaica

May 5, 2017

Chartered Accountants

Section 12

Risk Factors

Macro-Economic Policies

The Company is subject to the risk presented by potential shifts in the local and international macroeconomic environment, as well as changes in fiscal and monetary policies and their impact on variables such as business and consumer confidence, commerce and capital markets including the Junior Market. Shifts in the macroeconomic environment are a normal part of the business cycle and can present both opportunities as well as challenges for the Company. Factors such as movements in interest rates, exchange rates, oil and other commodity prices, inflation and the general level of economic activity are all critical to the Company's operations. These risks are not unique to the Company and are borne by all trading businesses.

Operational Risk

The Company is subject to the risk of loss resulting from disruptions to its business, inadequate or failed internal processes, people and systems, or from external events (including severe weather, other Acts of God, social unrest or insurrection). This definition also includes systemic risk (including the risk of accounting errors, failure to procure appropriate insurance coverage, and compliance failures), legal risk and reputation risk. This catch-all category of risks also includes employee errors, computer and manual systems failures, security failures, fire, floods or other losses to physical assets, and fraud or other criminal activity or any other risk that affects the volume of visitor arrivals to the island. The Company is prudent and therefore, it insures itself against some (but not all) of these risks: for instance, the Company is insured in respect of damage to its business by fire, flood or other physical damage. It may not be feasible for the Company to insure itself in respect of all the risks mentioned, because no coverage may be available or it may not be economical to do so.

New Accounting Rules or Standards

The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is not faced by the Company alone but also, by any trading business.

Admission of the Shares to the Junior Market

After the Closing Date, and assuming that the Company is able to raise at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules as a result of the Invitation by the Closing Date, the Company will make application to the JSE to admit the Shares to the Junior Market. However, the Company is not able to guarantee the full subscription of the Shares in the Invitation or the admission of the Shares to the Junior Market.

Volatility in Price of Shares

Following their proposed admission to trading on the Junior Market, the Shares may experience volatility in their market price which may extend beyond the short term and which may be dependent on the Company's financial performance, as well as on investors' confidence and other factors over which the Company has no control.

Revocation of Tax Concessions Risk

If the Invitation is successful in raising at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules by the Closing Date, and the Company is admitted to the Junior Market, it must remain listed on the JSE trading platforms for a period of fifteen (15) years in order to be eligible for the concessionary tax regime

JN Fund Managers Ltd.

described in Section 14.2.

The instrument governing the concessionary tax regime is the Income Tax Act (Jamaica Stock Exchange Junior Market) (Remittance) Notice dated 13 August 2009, which was made by the Minister of Finance under section 86 of the Income Tax Act. The instrument provides that if the Company is de-listed at any time during the fifteen (15) year period, it will become retrospectively liable to pay corporate income tax at the rate that would otherwise have been applicable to it during the concessionary period.

Key Personnel

It is important that the Company attracts and retains appropriately skilled personnel, including the Directors of the Company, who specialize in distinct areas of the Company's management. It is also important for the Company to replace personnel whose employment may be terminated for any reason within a reasonable time. In Jamaica, there are a limited number of persons with the requisite skills, knowledge and experience required by the Company. The Company will need to attract and retain honest qualified personnel, and failure to do so could have a material adverse impact on the Company's future prospects.

Key Partners

The Company relies on its key and on-going business relationships with customers and suppliers. If the Company's relationship with any of these parties is disrupted or terminated for any reason, the Company would have to identify new customers and suppliers. However, this risk may be mitigated against by the Company's policy of creating and maintaining symbiotic relationships with its key partners and by seeking to provide itself with the components of its products by investing in integrated businesses.

Uninsured Risks

The Company has procured insurance in respect of certain risks facing its business, as described in Section 7.11 of this Prospectus. If the Company suffered loss or damage to its property or facilities or as a result of a claim by a third party and was not able to claim successfully under its policies of insurance for that purpose its finances could suffer and its operations could be disrupted temporarily or permanently. The Company does however have consequential loss insurance which would allow it to mitigate against losses occasioned by an interruption of business.

Section 13

Professional Advisors to the Company

Financial Advisor,
Arranger & Lead Stock Broker
JN Fund Managers Limited
2-4 Constant Spring Road
Kingston 10

Attorneys to the Company
in the Invitation
MH&CO., Attorneys-at-Law
7 Barbados Avenue (Second Floor)
Kingston 5

Marketing Strategist
Janus Strategic Marketing Services Limited
7 Barbados Avenue (Second Floor)
Kingston 5

Auditor and Reporting Accountant
Mair Russell Grant Thornton
3 Haughton Avenue
Kingston 10

Registrars and Transfer Agents
Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston, Jamaica

14.1 Statutory Information required to be set out in this Prospectus by section 42 and the Third Schedule to the Companies Act

1. The Company has no founders' or management or deferred shares.
2. The Articles of Incorporation fix no shareholding qualification for Directors (Article 83) and none has been otherwise fixed by the Company in general meeting.
3. The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:
    a. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings or any committee of the directors or general meetings of the Company in connection with the business of the Company. (Article 82);
    b. A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. (Article 84);
    c. A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or management entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established. (Article 94(3));
    d. Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director, provided that nothing herein contained shall authorize a director or his firm to act as auditor to the Company. (Article 94(5));
    e. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. (Article 99); and
    f. The Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine. (Article 123)
4. The names and addresses of the Directors appear in Section 8 of this Prospectus. The residential addresses of the respective directors are as follows:

Name of Director	Residential Address
David McDaniel	10 Ebony Glades, Kingston 8
Marjorie McDaniel	10 Ebony Glades, Kingston 8
Allan McDaniel	5 Farringdon Drive, Kingston 6
Stephen Todd	5 Ebony Glades, Kingston 8
Kerri (McDaniel) Todd	5 Ebony Glades, Kingston 8
Kelli (McDaniel) Muschett	14 Sunset Avenue, Kingston 8
Anthony Bell	43 Graham Heights, Kingston 8
Gary "Butch" Hendrickson	35A Cherry Drive, Kingston 8
Evan Thwaites	20 Widcombe Road, Kingston 6

Statutory and General Information

The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the "minimum subscription") is at least $50,000,000 as per Rule 501(2)(b) of the Junior Market Rules. The Company estimates that the expenses in the Invitation will not exceed $12,000,000 inclusive of General Consumption Tax, broken down as follows:

a.	Arranger, financial advisory and brokerage fees:	$3,495,000;
b.	Legal fees:	$4,660,000;
c.	Auditor's and Accounting fees:	$200,000;
d.	Statutory fees including initial listing fees:	$752,000;
e.	Marketing expenses:	$2,000,000; and
f.	Registrar and Transfer Agent fees:	$250,000

5. The Invitation will open for subscription at 9:00 a.m. on July 19th, 2017 and will close at 4:30 pm on the Closing Date, July 26th, 2017, subject to the Company's right to close the application list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount in excess of the Shares offered under this Prospectus, or to extend the Closing Date for any reason whatsoever.

6. All Applicants (including Reserved Share Applicants) will be required to pay in full the Subscription Price of $2.00 per Share, subject to discounts, where applicable. No further sum will be payable on allotment.

7. No previous offer of Shares has been made to the public.

8. Save for the entitlement of the Reserved Share Applicants, no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.

10. As at the date of this Prospectus, the Company held no trade investments, quoted investments other than trade investments nor any unquoted investments other than trade investments.

11. Details of the Company's trademark, real property and business name are set out in Section 7.8 of this Prospectus. However, there is no amount for goodwill, patent, or trademarks shown in the financial statements of the Company and there is no contract for sale and purchase which would involve any goodwill, patent or trademark.

12. As at the date of this Prospectus, the aggregate principal amount of indebtedness of the Company is approximately J$125M.

13. No amount is currently recommended for distribution by way of dividend. The Company's dividend history, and its dividend policy following admission to the Junior Market, is described in Section 7.11.

14. As at the date of this Prospectus, the Company is in negotiations are in-train to purchase the real property located at 34 Collins Green, Kingston 5 which is duly registered in the Register Book of Titles at Volume 1359 Folio 203 with the registered proprietor being Mr. Headly Thomas of Lot 133 El Prado Verde, Spanish Town, Saint Catherine. The proposed purchase price for the aforementioned property is J$61M and it is foreseeable that part of the proceeds of the IPO (that is, approximately J$36,000,000) will be applied toward the acquisition of this property.

15. Within the two (2) preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares or debentures of the Company.

16. The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising,

and the Company estimates that the expenses in the Invitation will not exceed $12,000,000 inclusive of General Consumption Tax, broken down as follows:

a.	Arranger, financial advisory and brokerage fees:	$3,495,000;
b.	Legal fees:	$4,660,000;
c.	Auditor's and Accounting fees:	$200,000;
d.	Statutory fees including initial listing fees:	$752,000;
e.	Marketing expenses:	$2,000,000; and
f.	Registrar and Transfer Agent fees:	$250,000

See paragraph 17 below for further details.

17. Within the last two (2) years preceding the date of this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter, save for JN Fund Managers, for arrangement, financial advisory and brokerage services associated with the Invitation and listing on the Junior Market under an agreement dated February 9th, 2017. The agreement provides for JN Fund Managers to act as arranger and financial adviser to the Invitation, and for JN Fund Managers to act as lead broker for which they will collectively receive fees equivalent to approximately $3,000,000 + General Consumption Tax (inclusive of valuation services, lead brokerage, and the development of a marketing strategy for the purposes of the Invitation).

18. The issue is not underwritten.

19. The material contracts of the Company are set out in Section 7.9.

20. The name and address of the auditors to the Company is Mair Russell Grant Thornton, Chartered Accountants of 3 Haughton Avenue, Kingston 10.

21. Mair Russell Grant Thornton, Chartered Accountants, have given and have not withdrawn their consent to the issue of this Prospectus with the inclusion of the Auditor's Report and Historical Financial Information, and his name in the form and context in which it is included.

22. The Company was incorporated on Friday, July 23rd, 1965, and it has carried on business since that date. The Company does not have any subsidiaries.

14.2 Taxation of Junior Market Companies: Concessionary Regime

Companies that successfully apply for admission to the Junior Market of the JSE will benefit from a concessionary tax regime, details of which are set out below:

- Pursuant to the Minister of Finance's powers under section 86 of the Income Tax Act, Jamaican Junior Market companies are not liable to pay corporate income tax in the first five (5) years after listing. In years six (6) to ten (10) on the Junior Market, the Company will only be liable to pay corporate income tax at half the usual rate. The aforementioned corporate income tax concession requires Jamaican Junior Market companies to maintain their listing on the JSE (on either or both of the Main or Junior Markets) for a period of fifteen (15) years. If such a Company is de-listed at any time during the fifteen (15) year period, it will become retrospectively liable to pay corporate income tax at the rate that would otherwise have been applicable to it during the concessionary period.
- Section 17(1)(d) of the Transfer Tax Act provides that transfers of shares made in the ordinary course

Statutory and General Information

of business on the JSE will not attract transfer tax.

- The Schedule to the Stamp Duty Act provides that transfers of shares in the ordinary course of business on the JSE will not attract Stamp Duty.
- Section 12(v) of the Income Tax Act provides that profits or gains from transactions in shares carried out on the JSE that accrue to an individual that does not hold himself out as a dealer are exempt from income tax, where such profits or gains do not exceed one half of that person's statutory income from all other sources for the year of assessment, or (where the person so elects) those profits or gains which, taken with profits or gains (or losses) on such transactions by him/her in the two (2) immediately preceding years of assessment, do not exceed one half of that persons statutory income from all other sources for the year of assessment and those two (2) preceding years.
- Section 34(1) paragraph 6 of the Income Tax Act provides that payments of interest or other payments made to holders of shares out of the assets of a company that is quoted on a recognized stock exchange, including the JSE, are exempt from income tax.
- Prospective investors should seek advice on the taxation of Junior Market companies and their prospective investment in the Company from a professional adviser, and should not rely on the summary set out above.

Section 15

Documents Available for Inspection

Copies of the following documents may be inspected at the offices of Messrs. MH&CO., Attorneys-at-Law between the hours of 9:00 a.m. and 4:00 p.m. on Monday to Friday, up to and including the Closing Date (or the extended Closing Date, as the case may be):

1. The Articles of Incorporation of the Company adopted on March 29th, 2017.
2. The Company's Certificate of Incorporation.
3. Company Status Letter issued by the Companies Office of Jamaica.
4. The Company's Tax Compliance Certificate.
5. The Auditor's Report and audited financial statements of the Company for the five (5) fiscal years ended December 31st, 2016. The unaudited financial statements of the Company for the period January 1st, 2017 to March 31st, 2017.
6. The consent of the auditors of the Company dated May 5th, 2017, referred to in paragraph 21 of Section 14.1.
7. The documents referred to in Section 7.7 (Regulation).
8. Copy of any documents related to the trademark applications referred to in Section 7.8.
9. The material contracts referred to in Section 7.9.
10. Confirmation of the insurance arrangements referred to in Section 7.12.
11. Letter dated August 5th, 2016 from the Jamaica Customs Agency to the Company confirming the approval of its Authorized Economic Status.
12. Letter dated June 1st, 2016 from the National Contracts Commission to the Company confirming the approval of its Approved Supplier status to supply government agencies with furniture supplies, office equipment supplies and stationery supplies and books.
13. Acknowledgement of Reception letters dated May 3rd, 2017 from the Jamaica Intellectual Property Office confirming the receipt of the Company's applications to register the SOS, Torch and Image trademarks, respectively.

Section 16

Directors' Signatures

Appendix 1: SUBSCRIPTION FORM

PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM

Please note that the Jamaica Central Securities Depository (JCSD) charges an application fee of $163.10 (approximately $140+GCT) in respect of each application for Shares. All payments made for subscription of shares should include this fee, and same is subject to change at the discretion of the JCSD.

To: Stationery and Office Supplies Limited

Re: Invitation for Subscription for up to 50,024,100 ordinary shares made pursuant to the Prospectus dated the _________ day of__________________2017.

I/We confirm that I/We have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated in this Application Form by Reference.

I/We hereby apply for ______________________________ordinary shares in Stationery and Office Supplies Limited on and subject to the terms and conditions of the invitation set out in the Prospectus at the price of J$__________________________ each and I/We:

- ◯ Attach my/our manager's cheque for J$____________________;or
- ◯ Request JN Fund Managers Limited to make payment on my behalf from cleared funds held in my name in account numbered __________________________.
- ◯ Hereby instruct JN Fund Managers Limited to debit my/our account with the sum of J$_______________________ for the purposes of my/our purchase of ordinary shares as indicated above; or
- ◯ Have transferred the sum of J$______________________ to JN Fund Managers Limited using the following RTGS details:

  Beneficiary Bank: JN Bank Limited
  BIC: JNBSJMKN
  Beneficiary account #: 2094296874
  Beneficiary account name: JN Fund Managers Limited

I/We agree to accept the same or any smaller number of Shares in respect of which this application may be accepted, subject to the terms and conditions in the Prospectus and the Articles of Incorporation of Stationery and Office Supplies Limited, by which I/We agree to be bound. I/We request you to sell and transfer to me/us the number of shares which may be allocated to me/us at the close of the said invitation pursuant to the terms and conditions governing applications, as set forth in the Prospectus. I/We hereby agree to accept the shares that may be allocated to me/us to be credited to an account in my/our name(s) in the Jamaica Central Securities Depository.

Instructions to completing application form: All fields are relevant and must be completed. If you already have an account with the JCSD, please ensure that you indicate your JCSD Account number.

Reserved Shares (employees, Family and JN Fund Managers' Clients)	◯ Employee and Family Shares ◯ JN Fund Managers' Clients ◯ General Subscription	

PRIMARY HOLDER

PERSONAL/COMPANY INFORMATION

Full Name of Applicant (Individual or Company)

TRN

Occupation/ Line of Business

Address

Nationality or Incorporation Country

Telephone (Home)

Telephone (Work)

Telephone (Cellular)

Facsimile

Email Address

STOCKBROKERAGE INFORMATION

Broker Code

Client Type

Account Type

JCSD Account Number

Broker Customer Number

PERSONAL/COMPANY BANK INFORMATION

(Required where payment method is other than manager's cheque)

Applicant's Bank

Bank Account Number

Bank Branch

Bank Account Type ◯ Savings ◯ Chequing

Date of Application D D M M Y Y Y Y

SIGNATURES

Signatures (Company) ______________________________ **DIRECTOR** ______________________________ **DIRECTOR/SECRETARY**

Signature (Individual) ______________________________

Insert/Affix Company Seal Here ______________________________

SECONDARY HOLDERS

Full Name (First Joint Holder)

TRN

Occupation

Signature (Individual) ______________________________

Date D D M M Y Y Y Y

Full Name
(Second Joint Holder)

TRN

Occupation

Signature
(Individual)

Date
D D M M Y Y Y Y

Full Name
(Third Joint Holder)

TRN

Occupation

Signature
(Individual)

Date
D D M M Y Y Y Y

ALL APPLICANTS MUST INPUT THEIR TAXPAYER REGISTRATION NUMBER.
THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA

Refund Payment

I/We hereby acknowledge and confirm that any refunds payable to me/us will be refunded to me/us in the same manner and form in which payment has been made for the Shares.

ADDITIONAL INFORMATION

1. Applicants who are not applying for Reserved Shares must apply for a minimum of 5,000 Shares with increments in multiples of 1,000. Applications in other denominations will not be processed or accepted.

2. If you are not a Reserve Share Applicant you must attach your payment for the specified number of Shares you have applied for, in the form of either:

   a. Manager's cheque made payable to JN Fund Managers Limited ("JN Fund Managers");

   b. A letter of authorization from the Applicant instructing JN Fund Managers to make payment from cleared funds held with JN Fund Managers in an investment account in the Applicant's name; or

   c. Transfer or deposit of funds to the following account:
   Beneficiary Bank: JN Bank Limited
   BIC: JNBSJMKN
   Beneficiary account#: 2094296874
   Beneficiary account name: JN Fund Managers Limited

3. Shares are priced at the invitation prices as follows (see Prospectus for additional information):

Shares	**Price**
General Public	$2.00
Employee Shares	$1.60
JN Fund Managers' Clients	$2.00

4. If you are a Reserve Share Applicant please so specify at the top of the Application Form. You must attach payment for the specified number of Reserve Shares you are applying for.

5. If you are applying jointly with any other person you must complete the Joint Holder Information and each joint holder must sign the Application Form at the place indicated.

6. All Applicants must be at least eighteen (18) years old.

7. Share certificates will not be issued unless specifically requested, howevershares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account. Applicants may refer to the notice posted on the JSE website (**www.jamstockex.com**) for the instructions on confirming Share allottments.

8. Applicants who do not have a broker account must provide valid identification, proof of address, source of funds and satisfy account opening requirements of the broker.

9. All Applicants are deemed to have accepted the terms and conditions set out in the Prospectus generally.