

STATIONERY & OFFICE SUPPLIES LTD.

23 BEECHWOOD AVENUE, KINGSTON 5, JAMAICA
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UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017

The Board of Directors is pleased to present the unaudited results for the company for the 2nd quarter ended June 30, 2017. It should be noted that it was just after the end of this quarter on August 10, 2017 that the company fulfilled its plan to list on the Jamaica Junior Stock Exchange.

For the 2nd quarter, revenues increased over the corresponding period in 2016 by just over 23% (\$171M - \$211M) which led to an increase in the gross profit of 25% (\$79M - \$99M). As expenses rose by 12% (\$71M - \$79M) the company experienced an increase in pre-tax profit of 147% for the quarter (\$8.2M - \$20.2M).

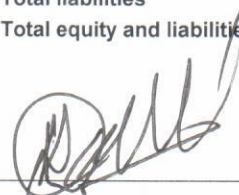
David McDaniel
Chairman of the Board &
Managing Director

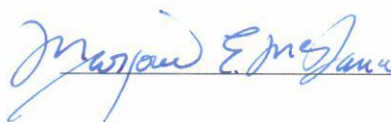
Stationery & Office Supplies Limited

Statement of financial position

June 30 2017

	June 2017	June 2016	2016
	Unaudited	Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	268,755,249	119,918,905	246,563,974
Intangible asset	5,661,552		5,661,552
	<u>274,416,801</u>	<u>119,918,905</u>	<u>252,225,526</u>
Current assets			
Inventories	152,696,682	121,238,258	118,831,095
Trade and other receivables	101,831,886	74,315,319	87,500,057
Prepayments	18,651,500	13,823,428	20,999,958
Bank and cash	1,163,206	8,512,445	5,184,375
	<u>274,343,274</u>	<u>217,889,450</u>	<u>232,515,485</u>
Total assets	<u>548,760,075</u>	<u>337,808,355</u>	<u>484,741,011</u>
Equity and liabilities			
Equity			
Share capital	4,000	4,000	4,000
Capital reserve	112,423,398	5,049,313	112,423,398
Retained profits	171,864,524	113,898,724	130,213,625
Total equity	<u>284,291,922</u>	<u>118,952,037</u>	<u>242,641,023</u>
Liabilities			
Non-current liabilities			
Borrowings	22,570,160	25,810,218	15,425,529
Other loans	58,460,769	58,830,526	58,378,114
Finance lease	12,838,853	11,838,891	16,863,356
Deferred tax liability	24,805,419	9,687,313	24,805,419
	<u>118,675,201</u>	<u>106,166,948</u>	<u>115,472,418</u>
Current liabilities			
Bank overdraft	2,450,759	0	638,290
Trade and other payables	98,015,447	69,192,097	79,168,850
Owing to Directors	582,687	2,556,008	1,472,320
Current portion of borrowings	26,099,418	19,456,189	23,010,424
Current portion of other loans	1,436,374	5,152,248	4,080,931
Current portion of finance lease	12,500,000	10,000,000	12,157,215
Taxation payable	4,708,267	6,332,828	6,099,540
	<u>145,792,952</u>	<u>112,689,370</u>	<u>126,627,570</u>
Total liabilities	<u>264,468,153</u>	<u>218,856,318</u>	<u>242,099,988</u>
Total equity and liabilities	<u>548,760,075</u>	<u>337,808,355</u>	<u>484,741,011</u>

) Director

 Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended June 30, 2017

	Quarter to		Quarter to		2,016
	Jun-17	YTD -17	Jun-16	YTD 16	Audited
	Unaudited	Unaudited	Unaudited	Unaudited	
	\$	\$	\$	\$	\$
Revenue	211,603,364	431,785,755	171,045,058	353,477,988	702,070,851
Cost of sales	(112,062,571)	(223,601,387)	(91,711,624)	(180,654,671)	(363,402,612)
Gross Profit	99,540,793	208,184,368	79,333,434	172,823,317	338,668,239
Finance income					226,560
Other income	(40,806)	83,425	(113,261)	(116,165)	163,078
	99,499,987	208,267,793	79,220,173	172,707,152	339,057,877
Administrative and general expenses	(53,845,319)	(107,239,388)	(46,200,054)	(90,916,832)	(193,399,312)
Selling and promotional costs	(16,930,893)	(34,726,139)	(15,390,264)	(28,390,726)	(59,296,198)
Other operating expenses	(715,834)	(715,834)	0	0	(1,254,919)
Depreciation	(5,176,464)	(10,042,251)	(4,237,021)	(7,439,608)	(15,938,561)
Finance costs	(2,491,575)	(4,868,766)	(2,587,481)	(4,579,471)	(11,144,462)
Loss on foreign exchange	(45,498)	(269,515)	(2,546,024)	(3,600,985)	(4,871,347)
	(79,205,583)	(157,861,893)	(70,960,844)	(134,927,622)	(285,904,799)
Profit before tax	20,294,404	50,405,900	8,259,329	37,779,530	53,153,078
Income tax expense	(8,755,000)	(8,755,000)	0	(8,550,000)	(6,566,885)
Profit for the period	11,539,404	41,650,900	8,259,329	29,229,530	46,586,193
Other comprehensive income					
Revaluation of land and buildings	0	0	0	0	125,802,419
Deferred tax relating to revaluation of land and buildings	0	0	0	0	(18,428,334)
Other comprehensive income for the period	0	0	0	0	107,374,085
Total comprehensive income for the period	11,539,404	41,650,900	8,259,329	43,955,900	153,960,278

Stationery & Office Supplies Limited

Statement of changes in equity

Period ended June 30, 2017

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at January 1, 2016	4,000	5,049,313	83,627,432	88,680,744
Profit for year			46,586,193	46,586,193
Other comprehensive income	-	107,374,085		107,374,085
Balance at December 31, 2016	4,000	112,423,398	130,213,625	242,641,022
Profit for the period, total comprehensive income for the period.	-		41,650,900	41,650,900
Balance at June 30, 2017.	4,000	112,423,398	171,864,525	284,291,922

Stationery & Office Supplies Limited

Statement of cash flows

Period ended June 30, 2017

	June 2017 Unaudited \$	December 2016 Audited \$
Cash flows from operating activities:		
Profit before tax	50,405,900	53,153,078
Adjustments for:		
Depreciation	10,042,251	15,938,561
Loss on foreign exchange on foreign currency loans	132,473	5,449,307
Loss on disposal of property, plant and equipment	121,547	-
Interest income	-123,200	-226,560
Interest expense	4,400,516	11,144,462
	64,979,487	85,458,848
Increase in inventories	-33,865,587	-11,964,919
Increase in trade and other receivables	-14,331,829	-13,720,495
Decrease/(Increase) in prepayments	2,348,458	-8,781,403
Increase/(decrease) in trade and other payables	18,846,597	13,764,115
Decrease in owing to Directors	-889,633	-1,706,772
Cash generated from operations	37,087,493	63,049,374
Interest paid	-4,400,516	-11,144,462
Income taxes paid	-9,976,533	-4,394,050
Net cash provided by operating activities	22,710,444	47,510,862
Cash flows from investing activities:		
Interest received net of withholding tax	123,200	226,064
Purchase of property, plant and equipment	-32,400,556	-28,893,346
Purchase of intangible asset		-5,661,552
Net cash used in investing activities	-32,400,556	-34,328,834
Cash flows from financing activities		
Proceeds from Borrowings	18,540,001	-
Proceeds from finance lease	3,640,000	20,693,079
Repayment of borrowings	-8,306,373	-13,863,832
Repayment of other loans	-2,695,437	-6,191,218
Repayment of finance lease	-7,321,717	-10,371,417
Net cash provided by financing activities	3,856,474	-9,733,388
Net increase/(decrease) in cash and cash equivalents	-5,833,638	3,448,640
Cash and cash equivalents at beginning of year	4,546,085	1,097,445
Cash and cash equivalents at end of period	-1,287,553	4,546,085

Stationery & Office Supplies Limited
Notes to the Unaudited Financial Statements

June 30, 2017

1. Identification and activities

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

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

These financial statements are presented in Jamaica Dollars.

2. Articles Of Incorporation

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

3. Share Capital

Following a Directors Meeting and an Extraordinary General Meeting held on March 29, 2017 approval was given to restructure the share capital of the company. The authorised ordinary share capital moved from 2,000 shares without par value to 10,000,000 ordinary shares without par value. The Companys ordinary share capital was then sub divided with each ordinary share being divided into 50 ordinary shares. Under a scheme of reorganisation Outlook Limited were allotted 199,996,400 shares; the shares held by David & Marjorie McDaniel (100,000) were also transferred to Outlook Limited.

4 Statement of compliance

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