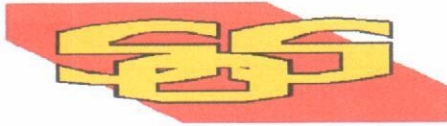


**STATIONERY &
OFFICE SUPPLIES
LTD.**

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

**UNAUDITED FINANCIAL
STATEMENTS 1ST QUARTER
MARCH 2018**





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UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED MARCH 31ST, 2018

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 1st quarter ended March 31, 2018.

During the 1st quarter of 2018, SOS has continued to grow, once again setting an all-time high in sales for any single month (March \$102M) as well as the highest recorded sales for any quarter ever posted in the 50-year history of the company (\$279M). Included in the month of March was a large government contract that was completed totalling \$22M.

Expenses during this quarter rose by 22.5% (\$78.6M - \$96.3M) as a direct result of the 29% increase in sales, additional labour (staff compliment grew by 11 employees) and salaries that were increased in July 2017.

During the 1st quarter, SOS continued to show positive financial performance with all key factors showing steady growth. Sales increased by 29%, gross profit was also up by 27% (\$108.6M - \$138.2M) and inventory also grew by 60% (\$117M - \$187.5M). All these factors led to SOS recording a 1st quarter pre-tax net profit of \$44.5M, an increase of 49% over the 1st quarter of 2017 (\$30.1M - \$44.8M).

FINANCIAL POSITION

At the end of the 1st quarter, SOS had increased its total assets by 36% growing (\$498M - \$676M). This growth was mainly due to the purchase of a new property, a 60% increase in inventories, a 68% increase in bank & cash equivalents (\$11.8M - \$19.2M) as well as a 19% increase in receivables and prepayments (\$93M - \$110.5M).

Earnings per share at the end of the 1st quarter was \$.17 an increase of \$.07 from the \$.10 experienced at the end of the 1st quarter of 2017.

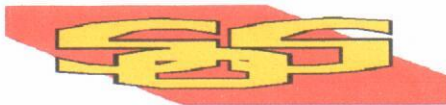
A handwritten signature in black ink, appearing to read 'D. McDaniel', written over a horizontal line.

David McDaniel
Chairman of the Board & Managing Director

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

Marjorie McDaniel
Chief Administrative officer & Company Secretary

March 31, 2018



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SOS TOP 10 SHAREHOLDERS AS OF MARCH 31, 2018

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	OUTLOOK LIMITED	200,096,400.	80
2	ANJANETTE MARIANNA MCDANIEL	5,850,040.	2.34
3	KIW INTERNATIONAL LIMITED	2,976,877.	1.2
4	JNBS PENSION TRUSTEES NOMINEE LTD.	2,240,650.	0.9
5	JASON CARL CARBY	1,918,660.	0.77
6	KENDALL MARIE TODD	1,744,000.	0.7
7	MIRAH JESSICA LIM TODD	1,500,000.	0.6
8	MF & G ASSET MANAGEMENT LTD. - NCB CM UNIT TRUST SCHEME (JMD CARIBBEAN EQUITY PORTFOLIO)	1,192,373.	0.48
9	JAMAICA TEAS LIMITED BUYING ACCOUNT	1,005,698.	0.4
10	DAVID ANTHONY STEPHENS	802,896.	0.3

DIRECTORS SHARE HOLDINGS AS OF MARCH 31, 2018

#	DIRECTORS NAMES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
1	DAVID MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
2	MARJORIE MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
3	ALLAN MCDANIEL	NIL		
4	KELLI MUSCHETT	NIL	OUTLOOK LTD	200,096,400.
5	STEPHEN TODD	NIL	OUTLOOK LTD	200,096,400.
6	KERRI TODD	NIL	OUTLOOK LTD	200,096,400.
7	ANTHONY BELL	NIL	-	
9	GARY HENDRICKSON	NIL	-	
10	R. EVAN D. THWAITES	28,165.	-	

SENIOR MANAGERS SHARE HOLDING

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	DENISE MCINTOSH	389,650.	0.16

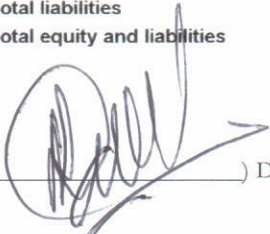
March 31, 2018

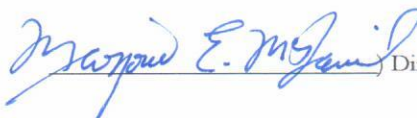
Stationery & Office Supplies Limited

Statement of financial position

March 31, 2018

	March 31, 2018	March 31, 2017	December 31, 2017
	3 Months Unaudited	3 Months Unaudited	Audited
	\$	\$	\$
Assets			
Non-current assets			
Property, plant and equipment	338,919,364	248,951,723	322,495,979
Intangible asset	4,953,858	5,661,552	5,095,397
Investments	1,633,678	0	1,500,000
	<u>345,506,900</u>	<u>254,613,275</u>	<u>329,091,376</u>
Current assets			
Inventories	187,479,280	117,036,798	158,707,704
Trade and other receivables	110,541,591	93,185,498	130,673,742
Prepayments	12,564,106	21,202,340	28,186,844
Taxation recoverable	841,942	0	247,180
Bank and cash	19,204,078	11,872,267	8,297,006
	<u>330,630,997</u>	<u>243,296,903</u>	<u>326,112,476</u>
Total assets	<u>676,137,897</u>	<u>497,910,178</u>	<u>655,203,852</u>
Equity and liabilities			
Equity			
Share capital	88,151,214	4,000	88,151,214
Capital reserve	112,423,398	112,423,398	112,423,398
Retained profits	257,663,609	154,719,105	213,180,070
Total equity	<u>458,238,221</u>	<u>267,146,503</u>	<u>413,754,682</u>
Liabilities			
Non-current liabilities			
Borrowings	48,357,973	12,055,615	41,075,921
Other loans	54,545,418	58,480,997	56,814,327
Finance lease	4,072,353	16,351,548	6,557,005
Deferred tax liability	15,551,925	25,883,628	15,551,925
	<u>122,527,669</u>	<u>112,771,788</u>	<u>119,999,178</u>
Current liabilities			
Trade and other payables	55,434,051	77,993,132	85,092,897
Owing to Directors	685,442	842,733	413,193
Current portion of borrowings	25,262,731	23,010,424	23,252,767
Current portion of other loans	2,147,793	2,746,969	0
Current portion of finance lease	11,841,990	12,747,815	12,691,135
Taxation payable	0	650,814	0
	<u>95,372,007</u>	<u>117,991,887</u>	<u>121,449,992</u>
Total liabilities	<u>217,899,676</u>	<u>230,763,675</u>	<u>241,449,170</u>
Total equity and liabilities	<u>676,137,897</u>	<u>497,910,178</u>	<u>655,203,852</u>


Director


Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended March 31, 2018

	Quarter to March 31, 2018 Unaudited \$	Quarter to March 31, 2017 Unaudited \$	Year End December 31, 2017 Audited \$
Revenue	279,178,802	220,182,391	906,505,818
Cost of sales	(140,903,924)	(111,538,816)	(483,492,384)
Gross Profit	138,274,878	108,643,575	423,013,434
Other income	598,158	0	97,991
Administrative and general expenses	(65,628,181)	(53,394,069)	(236,627,569)
Selling and promotional costs	(22,206,106)	(17,795,246)	(72,259,503)
Bad Debt			(714,969)
Depreciation amortisation & impairment	(5,640,326)	(4,865,787)	(22,312,151)
Operating profit	45,398,423	32,588,473	91,197,233
Finance income	159,429	124,231	420,367
(Loss) / gain on foreign exchange	(1,083,182)	(224,017)	208,016
Finance costs	(2,272,643)	(2,377,191)	(9,483,266)
Profit / (Loss) on disposal of property plant and equipment	2,207,834	0	(60,772)
Gain on Investments	133,678	0	0
Profit before tax	44,543,539	30,111,496	82,281,578
Income tax (expense) / credit	(60,000)	(5,606,016)	684,867
Profit for the period, total comprehensive income for the period / year	44,483,539	24,505,480	82,966,445
Basic / diluted earnings per share	<u>0.17</u>	<u>0.10</u>	<u>0.38</u>

Stationery & Office Supplies Limited

Statement of cash flows

3 months ended March 31, 2018

	March 31, 2018	March 31, 2017	December 31 2017
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	44,543,539	30,111,496	82,281,578
Adjustments for:			
Depreciation amortisation impairment	5,640,326	4,865,787	22,312,151
Loss on foreign exchange on foreign currency loans	447,574	106,512	(1,527,675)
(Profit) / Loss on disposal of property, plant and equipment	(2,207,834)	0	60,772
Increase in Investments	(133,678)	0	0
Interest income	(159,429)	(124,231)	(420,367)
Interest expense	2,272,643	2,377,191	9,483,266
	50,403,141	37,336,755	112,189,725
(Increase) /decrease in inventories	(28,771,576)	1,794,297	(39,876,609)
Decrease / (Increase) in trade and other receivables	20,132,151	(5,685,441)	(43,173,685)
Decrease/(Increase) in prepayments	15,622,738	(202,382)	(7,186,886)
(Decrease) / decrease in trade and other payables	(29,658,846)	(1,175,718)	5,924,047
Increase / (Decrease) in owing to Directors	272,249	(629,587)	(1,059,127)
Cash generated from operations	27,999,857	31,437,924	26,817,465
Interest paid	(2,272,643)	(2,377,191)	(9,483,266)
Income taxes paid	(592,261)	(9,976,533)	(14,915,089)
Net cash provided by operating activities	25,134,953	19,084,200	2,419,110
Cash flows from investing activities:			
Interest received net of withholding tax	159,429	124,231	420,109
Purchase of property, plant and equipment	(22,742,466)	(7,253,536)	(97,738,773)
Proceeds from sale of fixed assets.	3,090,000	0	0
Purchase of investment	0	0	(1,500,000)
Net cash used in investing activities	(19,493,037)	(7,129,305)	(98,818,664)
Cash flows from financing activities			
Increase in share capital	0	0	88,147,214
Proceeds from Borrowings	14,900,000	0	55,540,001
Proceeds from finance lease	0	3,640,000	3,152,700
Repayment of borrowings	(5,732,397)	(3,369,914)	(29,647,266)
Repayment of other loans	(568,651)	(1,337,591)	(4,117,043)
Repayment of finance lease	(3,333,796)	(3,561,208)	(12,925,131)
Net cash provided by financing activities	5,265,156	(4,628,713)	100,150,475
Net increase/(decrease) in cash and cash equivalents	10,907,072	7,326,182	3,750,921
Cash and cash equivalents at beginning of period	8,297,006	4,546,085	4,546,085
Cash and cash equivalents at end of period	19,204,078	11,872,267	8,297,006

Stationery & Office Supplies Limited

Statement of changes in equity

3 months ended March 31, 2018

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2016	4,000	112,423,398	130,213,625	242,641,023
Profit for year			82,966,445	82,966,445
Issue of shares	88,147,214			88,147,214
Balance at December 31, 2017.	88,151,214	112,423,398	213,180,070	413,754,682
Profit for period			44,483,539	44,483,539
Balance at March 31, 2018	88,151,214	112,423,398	257,663,609	458,238,221
Balance at December 31, 2016	4,000	112,423,398	130,213,625	242,641,023
Profit for the period			24,505,480	24,505,480
Balance at March 31, 2017	4,000	112,423,398	154,719,105	267,146,503

Stationery & Office Supplies Limited
Notes to the Unaudited Financial Statements

March 31, 2018

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).

5. **These unaudited financial financials are consistent with the accounting policies of the most recent Audited Financial Statements.**