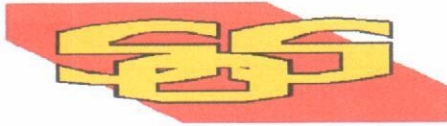


**STATIONERY &
OFFICE SUPPLIES
LTD.**

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**





STATIONERY & OFFICE SUPPLIES LTD.

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

UNAUDITED FINANCIAL STATEMENTS FOR THE 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.

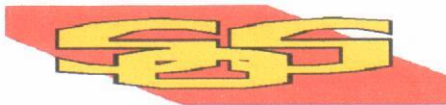
A handwritten signature in black ink, appearing to read 'D. McDaniel', written over a horizontal line.

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



**STATIONERY &
OFFICE SUPPLIES
LTD.**

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

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 |
| | | | |

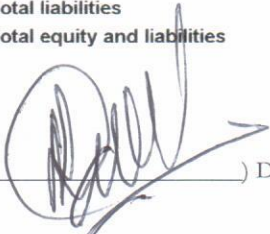
March 31, 2018

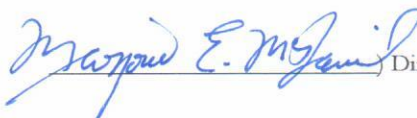
Stationery & Office Supplies Limited

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.**