

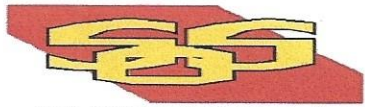


**STATIONERY &
OFFICE SUPPLIES
LTD.**

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

**UNAUDITED FINANCIAL
STATEMENTS – 1ST QUARTER ENDED
MARCH 31ST, 2019**





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**UNAUDITED FINANCIAL STATEMENTS FOR THE
1st QUARTER & 3 MONTHS ENDED MARCH 31ST 2019**

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 1ST quarter & 3 months ended March 31st, 2019.

SOS has had an amazing start so far in 2019 posting all time high results in revenues (\$343.5M) as well as net profit (\$57.5M) in any quarter as well as the highest sales experienced in any one month in January (\$125M). Some of the key statistics for the quarter are as follows:

1ST QUARTER RESULTS 2018 & 2019			
	2018	2019	% INCREASE
REVENUES	\$ 279,178,000.00	\$ 343,466,601.00	23%
EXPENSES	\$ 96,830,439.00	\$ 112,021,652.00	16%
GROSS PROFIT %	49.5%	49.0%	-1%
PRE TAX-PROFIT	\$ 44,483,539.00	\$ 57,531,012.00	30%

The sharp rise in profit is directly related to the 23% increase in sales that maintained a healthy gross profit figure of 49%. During the quarter SOS delivered the first export order to the islands for the year, a 20' container of chairs with another export project looking to be delivered in the 2nd quarter of 2019. During the quarter SOS was also very busy supplying and installing over 700 seats to the BPO sector as well. All of these factors led to positive financial performance with all key factors showing steady growth.

FINANCIAL POSITION

At the end of the 1st quarter, SOS had increased its total assets by 30% growing (\$676M - \$878M). This growth was mainly due to the purchase SEEK, that increased the amount of equipment (\$339M - \$383M), an increase in inventory (\$187.5M - \$223M) as well as a 65% increase in trade and receivables (\$110.5M - \$181.6M).

Earnings per share at the end of the 1st quarter was \$.23 an increase of \$.06 experienced at the end of the 1st quarter of 2018.

David McDaniel
Chairman of the Board & Managing Director

Marjorie McDaniel
Chief Administrative officer & Company Secretary



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SOS TOP 10 SHAREHOLDERS AS OF MARCH 31ST, 2019

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	OUTLOOK LIMITED	200,096,400.	80
2	ANJANETTE MARIANNA MCDANIEL	5,563,293.	2.2
3	QWI INVESTMENTS LIMITED	3,000,000.	1.2
4	JASON CARL CARBY	2,510,000.	1.0
5	JNBS PENSION TRUSTEES NOMINEE LTD.	2,240,650.	0.9
6	KENDALL MARIE TODD	1,701,000.	0.7
7	MIRAH JESSICA LIM TODD	1,480,000.	0.6
8	ANTHONY DOUGALL	1,215,150.	0.5
9	MF & G ASSET MANAGEMENT LTD. - NCB CM UNIT TRUST SCHEME (JMD CARIBBEAN EQUITY PORTFOLIO)	1,192,373.	0.5
10	BRIDGETOWN MANAGEMENT SERVICES LTD	1,002,179.	0.4

DIRECTORS SHARE HOLDINGS AS OF MARCH 31ST 2019

#	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 AS OF MARCH 31ST 2019

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	BRUCE W. BAYLIS	300,000.	0.12
2	DENISE MCINTOSH	295,650.	0.12

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended March 31, 2019


	Quarter to March 31, 2019 Unaudited	Quarter to March 31, 2018 Unaudited	Year End December 31, 2018 Audited
	\$	\$	\$
Revenue	343,466,601	279,178,802	1,064,360,671
Cost of sales	(175,040,946)	(140,903,924)	(559,850,241)
Gross Profit	168,425,655	138,274,878	504,510,430
Other income	130,451	598,158	1,123,353
Administrative and general expenses	(77,194,099)	(65,628,181)	(294,316,318)
Selling and promotional costs	(23,063,674)	(22,206,106)	(88,627,558)
Gain / (Impairment loss) on financial assets	55,607	133,678	(143,176)
Depreciation amortisation & impairment	(8,454,539)	(5,640,326)	(24,294,167)
Operating profit	59,899,401	45,532,101	98,252,564
Finance income	790,947	159,429	305,734
(Loss) / gain on foreign exchange	(348,646)	(1,083,182)	(3,144,526)
Finance costs	(2,960,690)	(2,272,643)	(13,931,914)
Profit / (Loss) on disposal of property plant and equipment	150,000	2,207,834	3,499,001
Profit before tax	57,531,012	44,543,539	84,980,859
Income tax (expense) / credit	0	(60,000)	6,692,215
Profit for the period, total comprehensive income for the period / year	57,531,012	44,483,539	91,673,074
Basic earnings per share	<u>0.23</u>	<u>0.17</u>	<u>0.37</u>


Stationery & Office Supplies Limited

Statement of financial position

March 31, 2019

	March 31, 2019	March 31, 2018	December 31, 2018
	3 Months Unaudited	3 Months Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	383,068,535	338,919,364	389,502,671
Intangible asset	14,153,432	4,953,858	14,553,096
Investments	1,482,623	1,633,678	1,427,016
	<u>398,704,590</u>	<u>345,506,900</u>	<u>405,482,783</u>
Current assets			
Inventories	223,013,549	187,479,280	215,160,638
Trade and other receivables	181,615,783	110,541,591	150,241,459
Prepayments	19,201,073	12,564,106	28,982,472
Taxation recoverable	893,978	841,942	841,982
Bank and cash	54,915,325	19,204,078	52,625,987
	<u>479,639,708</u>	<u>330,630,997</u>	<u>447,852,538</u>
Total assets	<u>878,344,298</u>	<u>676,137,897</u>	<u>853,335,321</u>
Equity and liabilities			
Equity			
Share capital	88,151,214	88,151,214	88,151,214
Capital reserve	112,423,398	112,423,398	112,423,398
Retained profits	339,049,641	257,663,609	294,024,654
Total equity	<u>539,624,253</u>	<u>458,238,221</u>	<u>494,599,266</u>
Liabilities			
Non-current liabilities			
Borrowings	122,491,413	48,357,973	128,063,719
Other loans	51,610,351	54,545,418	52,227,886
Finance lease	0	4,072,353	205,707
Deferred tax liability	8,799,710	15,551,925	8,799,710
	<u>182,901,474</u>	<u>122,527,669</u>	<u>189,297,022</u>
Current liabilities			
Bank Overdraft	0	0	3,846,305
Trade and other payables	125,992,645	55,434,051	134,943,209
Owing to Directors	551,704	685,442	685,442
Current portion of borrowings	22,099,224	25,262,731	20,572,020
Current portion of other loans	3,095,353	2,147,793	3,039,692
Current portion of finance lease	4,079,645	11,841,990	6,352,365
	<u>155,818,571</u>	<u>95,372,007</u>	<u>169,439,033</u>
Total liabilities	<u>338,720,045</u>	<u>217,899,676</u>	<u>358,736,055</u>
Total equity and liabilities	<u>878,344,298</u>	<u>676,137,897</u>	<u>853,335,321</u>

 Director

 Director

Stationery & Office Supplies Limited

Statement of changes in equity

3 months ended March 31, 2019

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2017.	88,151,214	112,423,398	213,180,070	413,754,682
Adjustment from the adoption of IFRS 9			(823,670)	(823,670)
Adjusted Balance at December 31, 2017	88,151,214	112,423,398	212,356,400	412,931,012
Transaction with owners:				
Dividend Paid	0	0	(10,004,820)	(10,004,820)
Profit for the year being total comprehensive income	0	0	91,673,074	91,673,074
Balance at December 31, 2018	88,151,214	112,423,398	294,024,654	494,599,266
Transaction with owners:				
Dividend Paid	0	0	(12,506,025)	(12,506,025)
Profit for the period being total comprehensive income	0	0	57,531,012	57,531,012
Balance March 31 2019	88,151,214	112,423,398	339,049,641	539,624,253
Balance at December 31, 2017	88,151,214	112,423,398	213,180,070	413,754,682
Profit for the period being total comprehensive income	0	0	44,483,539	44,483,539
Balance March 31, 2018	88,151,214	112,423,398	257,663,609	458,238,221

Stationery & Office Supplies Limited

Statement of cash flows

3 months ended March 31, 2019

	March 31, 2019	March 31, 2018	December 31 2018
	Unaudited	Unaudited	Audited
		\$	\$
Cash flows from operating activities:			
Profit before tax	57,531,012	44,543,539	84,980,859
Adjustments for:			
Depreciation amortisation impairment	8,454,539	5,640,326	28,342,717
(Profit)/ Loss on foreign exchange on foreign currency loans	(561,875)	447,574	1,287,819
(Profit) / Loss on disposal of property, plant and equipment	(150,000)	(2,207,834)	(3,499,001)
(Gain) / Loss on financial assets recognised in profit or loss	(55,607)	(133,678)	17,377
Interest income	(790,947)	(159,429)	(305,734)
Interest expense	2,960,690	2,272,643	13,914,537
	67,387,812	50,403,141	124,738,574
(Increase) /decrease in inventories	(7,852,911)	(28,771,576)	(56,452,934)
Decrease / (Increase) in trade and other receivables	(31,374,324)	20,132,151	(20,391,387)
Decrease/(Increase) in prepayments	9,781,399	15,622,738	(795,628)
(Decrease) / increase in trade and other payables	(8,950,564)	(29,658,846)	49,850,312
Increase / (Decrease) in owing to Directors	(133,738)	272,249	272,249
Cash generated from operations	28,857,674	27,999,857	97,221,186
Interest paid	(2,960,690)	(2,272,643)	(13,914,537)
Income taxes paid	0	(592,261)	(649,179)
Net cash provided by operating activities	25,896,984	25,134,953	82,657,470
Cash flows from investing activities:			
Interest received net of withholding tax	738,952	159,429	300,111
Purchase of property, plant and equipment	(1,620,740)	(22,742,466)	(100,073,107)
Proceeds from sale of fixed assets.	150,000	3,090,000	9,090,000
Purchases of shares	0	0	(1,247,001)
Proceeds from disposal of shares	0	0	1,302,608
Purchase of intangible assets	0	0	(10,325,000)
Net cash used in investing activities	(731,788)	(19,493,037)	(100,952,389)
Cash flows from financing activities			
Dividends Paid	(12,506,025)	0	(10,004,820)
Proceeds from Borrowings	0	14,900,000	115,395,000
Repayment of borrowings	(4,045,101)	(5,732,397)	(31,087,949)
Repayment of other loans	0	(568,651)	(2,834,568)
Repayment of finance lease	(2,478,427)	(3,333,796)	(12,690,068)
Net cash provided by financing activities	(19,029,553)	5,265,156	58,777,595
Net increase/(decrease) in cash and cash equivalents	6,135,643	10,907,072	40,482,676
Cash and cash equivalents at beginning of period	48,779,682	8,297,006	8,297,006
Cash and cash equivalents at end of period	54,915,325	19,204,078	48,779,682

Stationery & Office Supplies Limited
Notes to the Unaudited Financial Statements
March 31, 2019

1. Identification and activities

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

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

These financial statements are presented in Jamaica Dollars.

2. Articles Of Incorporation

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

3. Share Capital

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

4. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared on the accruals and under the historical cost convention as modified by the revaluation of properties.

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

6. 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 managements 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.

7. Dividends per Share

Dividend paid were as follows:

	<u>2019</u>	<u>2018</u>
.05 cents per stock unit (2018 .04 cents)	\$12,506,025	10,004,820