



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**



Agents for



**Kingston:** 23 Beechwood Avenue, Kingston 5, Jamaica, West Indies. Tel: (876) 926-5688, 926-2649 Fax: (876) 968-8200  
**Montego Bay:** Unit #8, Fairview Office Park, Alice Eldermire Drive. Tel: (876) 953-6351 Fax: (876) 953-6386  
Website: [www.sosjm.com](http://www.sosjm.com) Email: [mail@sosjm.com](mailto:mail@sosjm.com)

# UNAUDITED FINANCIAL STATEMENTS

## 3<sup>RD</sup> QUARTER ENDED SEPTEMBER 30<sup>TH</sup>, 2020

### 沃格 VOGUE

塑造的不仅是一张椅子  
而是一种时尚美学 一种新的办公方式  
It's not only a chair, but also a kind of  
aesthetics and a new office style





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**UNAUDITED FINANCIAL STATEMENTS FOR THE  
3<sup>RD</sup> QUARTER & 9 MONTHS ENDED SEPTEMBER 30<sup>TH</sup> 2020**

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 3<sup>RD</sup> quarter & 9 months ended September 30<sup>th</sup>, 2020.

The 3<sup>rd</sup> quarter of 2020 continued to be difficult, with the effects of the Covid-19 virus still present. It was during this quarter that the country saw the biggest spike in cases, rising as high as 210 confirmed cases during the month of September. Following the 2<sup>nd</sup> quarter of 2020 in which SOS suffered its first loss for a quarter since joining the Jamaica Stock Exchange in 2017, the company has been able to rebound and begin to post positive results once again.

During the 3<sup>rd</sup> quarter of 2020, SOS was again able to post a profit and had no months in which a loss was experienced, even though the number of confirmed average daily cases of Covid19 was higher than that experienced in the 2<sup>nd</sup> quarter.

It was also during this quarter that our new 8,000 sq. foot warehouse was completed on our property at 34 Collins Green Avenue. We took the opportunity to hold our 2020 Annual General Meeting in the new warehouse and we were able to show SOS’s shareholders our latest expansion. During the quarter, it was also announced that SOS had acquired the adjoining property at 36 Collins Green Avenue at a value of \$15M. This property will be used for future expansion as SOS continues to grow.

The below chart shows the effect that the Covid-19 virus has had on SOS’s performance during the 3<sup>rd</sup> quarter compared to the corresponding period in 2019. It is clear that we have not reached 2019 levels, but what must be noted is that after the initial fallout in the 2<sup>nd</sup> quarter of 2020 when Covid19 caused major disruptions in all aspects of the Jamaican economy, we have been able to increase sales in the 3<sup>rd</sup> quarter of 2020 by 77% over the 2<sup>nd</sup> quarter of 2020.

<b>3<sup>RD</sup> QUARTER 2020 vs. 2019</b>			
	<b>2020</b>	<b>2019</b>	<b>% INCREASE/DECREASE</b>
<b>REVENUES</b>	\$239,564,512	\$287,995,295	<b>-17%</b>
<b>EXPENSES</b>	\$109,575,050	\$121,972,663	<b>-10%</b>
<b>GROSS PROFIT %</b>	48.1%	48.9%	<b>-1.5%</b>
<b>PRE-TAX-PROFIT</b>	\$6,799,480	\$22,365,946	<b>-70%</b>



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For the first 9 months of 2020 SOS is down in all categories compared to 2019 as can be seen in the overall numbers in the chart below.

<b>9 MONTHS 2019 &amp; 2020</b>			
	<b>2020</b>	<b>2019</b>	<b>% INCREASE/DECREASE</b>
<b>REVENUES</b>	\$711,682,901	\$933,216,357	<b>-23%</b>
<b>EXPENSES</b>	\$317,775,619	\$353,780,544	<b>-10%</b>
<b>GROSS PROFIT %</b>	48.1%	48.9%	<b>-1.5%</b>
<b>PRE-TAX-PROFIT</b>	\$28,631,155	\$114,014,962	<b>-75%</b>

This has been a trying year for SOS, Jamaica and the entire world. In times like these, it is important to change and continue to grow no matter what the circumstances. We can no longer compare ourself from year to year as 2019 and 2020 are drastically different. SOS will continue to grow by adjusting to the new norm, listening to our customers and understanding their changing needs. This is what we have done and will continue to do.

**FINANCIAL POSITION**

At the end of the 3<sup>rd</sup> quarter, SOS’s total assets had decreased year on year by 1% (\$865M - \$876M). This slight decrease in total assets was due to a large reduction in Receivables & Prepayments. Prepayments decreased as we had to control the amount of inventory needed with the almost 25% reduction in revenues.

Earnings per share for the 3<sup>rd</sup> quarter of 2020 was \$.03, a decrease of \$.06 compared to \$0.09 at the end of the 3<sup>rd</sup> quarter of 2019. For the 9 months ended September 30, 2020 earnings per share now stand at \$.11, down \$.34 from \$.45 seen at this time in 2019.

**David McDaniel**  
Managing Director

**Marjorie McDaniel**  
Chief Administrative officer & Company Secretary



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## SOS TOP 10 SHAREHOLDERS AS OF SEPTEMBER 30<sup>TH</sup>, 2020

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	OUTLOOK LIMITED	200,096,400.	80.0
2	ANJANETTE MARIANNA MCDANIEL	5,427,260.	2.2
3	JASON CARL CARBY	4,200,000.	1.7
4	QWI INVESTMENTS LIMITED	4,064,181.	1.6
5	JNBS PENSION TRUSTEES NOMINEE LTD.	3,337,495.	1.3
6	KENDALL MARIE TODD	1,784,900.	0.7
7	MIRAH JESSICA LIM TODD	1,400,000.	0.6
8	JCDC TRUTEE SERVICES LTD	1,285,053.	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	1,079,667.	0.4

## DIRECTORS SHARE HOLDINGS AS OF SEPTEMBER 30<sup>TH</sup>, 2020

#	<u>DIRECTORS NAMES</u>	<u>SHAREHOLDING</u>	<u>CONNECTED PARTY</u>	<u>SHAREHOLDING</u>
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	JERMAINE DEANS	NIL	-	
10	R. EVAN D. THWAITES	28,165.	-	

## SENIOR MANAGERS SHARE HOLDING AS OF SEPTEMBER 30<sup>TH</sup>, 2020

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	DENISE MCINTOSH	295,650.	0.12

# Stationery & Office Supplies Limited

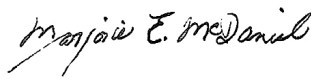
## Statement of financial position

September 30, 2020

	September 30, 2020 9 Months Unaudited	September 30, 2019 9 Months Unaudited	December 31, 2019 Audited
<b>Assets</b>	\$	\$	\$
<b>Non-current assets</b>			
Property, plant and equipment	411,254,647	376,381,620	400,614,099
Intangible assets	12,358,257	13,440,146	13,298,607
Investments	3,435,903	4,015,732	3,974,552
	<u>427,048,807</u>	<u>393,837,498</u>	<u>417,887,258</u>
<b>Current assets</b>			
Inventories	232,675,317	230,545,655	249,047,574
Trade and other receivables	96,636,827	159,001,566	140,413,502
Prepayments	35,962,666	16,338,622	36,258,739
Taxation recoverable	917,766	897,820	897,820
Bank and cash	111,854,937	87,474,047	62,540,044
	<u>478,047,513</u>	<u>494,257,710</u>	<u>489,157,679</u>
<b>Total assets</b>	<u>905,096,320</u>	<u>888,095,208</u>	<u>907,044,937</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	88,151,214	88,151,214	88,151,214
Capital reserve	112,423,398	112,423,398	112,423,398
Retained profits	424,705,133	395,525,466	396,073,978
<b>Total equity</b>	<u>625,279,745</u>	<u>596,100,078</u>	<u>596,648,590</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	83,377,996	113,386,927	118,228,943
Other loans	50,108,223	52,586,289	50,786,114
Deferred tax liability	10,933,402	8,799,710	10,933,402
	<u>144,419,621</u>	<u>174,772,926</u>	<u>179,948,459</u>
<b>Current liabilities</b>			
Trade and other payables	91,318,657	89,720,247	96,726,727
Owing to Directors	33,204	502,304	33,204
Current portion of borrowings	39,878,464	22,378,129	30,307,373
Current portion of other loans	4,166,629	3,471,344	3,380,584
Current portion of finance lease	0	1,150,180	0
	<u>135,396,954</u>	<u>117,222,204</u>	<u>130,447,888</u>
<b>Total liabilities</b>	<u>279,816,575</u>	<u>291,995,130</u>	<u>310,396,347</u>
<b>Total equity and liabilities</b>	<u>905,096,320</u>	<u>888,095,208</u>	<u>907,044,937</u>



) Director



) Director

# Stationery & Office Supplies Limited

## Statement of profit or loss and other comprehensive income

Period ended September 30, 2020

	Quarter To September 30, 2020 Unaudited	YTD September 30, 2020 Unaudited	Quarter to September 30, 2019 Unaudited	YTD September 30, 2019 Unaudited	Year End December 31, 2019 Audited
	\$				
<b>Revenue</b>	239,565,511	711,682,901	294,667,784	933,216,357	1,217,983,130
Cost of sales	(122,946,849)	(367,302,461)	(150,648,858)	(467,041,316)	(635,366,957)
Gross Profit	116,618,662	344,380,440	144,018,926	466,175,041	582,616,173
Other income	69,367	75,755	41,423	171,872	419,426
Administrative and general expenses	(78,885,495)	(219,784,678)	(84,769,413)	(242,378,550)	(306,177,280)
Selling and promotional costs	(16,977,354)	(54,902,443)	(22,411,709)	(70,739,399)	(93,205,130)
Gain / (Impairment loss) on financial assets	(345,602)	(1,538,650)	235,768	533,110	(1,511,536)
Depreciation amortisation & impairment	(8,548,899)	(26,304,201)	(8,620,915)	(25,572,642)	(26,183,802)
Operating profit	11,930,679	41,926,223	28,494,080	128,189,432	155,957,851
Finance income	32,106	149,146	15,368	806,315	1,084,242
(Loss) / gain on foreign exchange	(1,373,438)	(6,145,759)	(2,671,367)	(3,910,048)	(5,228,422)
Finance costs	(3,789,866)	(10,638,538)	(3,480,260)	(11,228,862)	(15,264,990)
Profit / (Loss) on disposal of property plant and equipment	0	3,340,083		150,000	150,000
Profit before tax	6,799,481	28,631,155	22,357,821	114,006,837	136,698,681
Income tax (expense) / credit	0	0	0	0	(2,133,692)
<b>Profit for the period, total comprehensive income for the period / year</b>	<b>6,799,481</b>	<b>28,631,155</b>	<b>22,357,821</b>	<b>114,006,837</b>	<b>134,564,989</b>
Basic earnings per share	<u>0.03</u>	<u>0.11</u>	<u>0.09</u>	<u>0.46</u>	<u>0.54</u>

# Stationery & Office Supplies Limited

## Statement of changes in equity

### 9 months ended September 30, 2020

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
<b>Balance at December 31, 2018</b>	88,151,214	112,423,398	294,024,654	494,599,266
Transaction with owners:				
Dividend Paid	0	0	(32,515,685)	(32,515,685)
Profit for the period being total comprehensive income	0	0	134,564,089	134,564,089
<b>Balance at December 31, 2019</b>	88,151,214	112,423,398	396,073,978	596,648,590
Profit for the period, being total comprehensive income	0	0	28,631,155	28,631,155
<b>Balance at September 30, 2020</b>	88,151,214	112,423,398	424,705,133	625,279,745
Balance at December 31, 2018	88,151,214	112,423,398	294,024,654	494,599,266
Profit for the period being total comprehensive income	0	0	114,006,837	114,006,837
Transaction with owners:				
Dividend Paid	0	0	(12,506,025)	(12,506,025)
Profit for the period being total comprehensive income	0	0	114,006,837	114,006,837
<b>Balance September 30, 2019</b>	88,151,214	112,423,398	395,525,466	596,100,078

# Stationery & Office Supplies Limited

## Statement of cash flows

### 9 months ended September 30, 2020

	September 30, 2020	September 30, 2019	December 31 2019
	Unaudited	Unaudited	Audited
	\$	\$	\$
<b>Cash flows from operating activities:</b>			
Profit before tax	28,631,155	114,006,837	136,698,681
Adjustments for:			
Depreciation amortisation impairment	26,304,201	25,572,642	33,499,606
Loss on foreign exchange on foreign currency loans	3,174,128	3,107,366	2,098,102
(Profit) on disposal of property, plant and equipment	(3,340,083)	(150,000)	(150,000)
Loss / (Gain) on financial assets recognised in profit or loss	538,649	(533,110)	(277,927)
Interest income	(149,147)	(806,315)	(806,315)
Interest expense	10,513,518	11,228,862	15,264,990
	<u>65,672,421</u>	<u>152,426,282</u>	<u>186,327,137</u>
Decrease / ( Increase) in inventories	16,372,257	(15,385,017)	(33,886,936)
( Increase) / Decrease in trade and other receivables	43,776,675	(8,760,107)	9,827,957
( Increase) / Decrease in prepayments	296,073	12,643,850	(7,276,267)
( Decrease) / increase in trade and other payables	(5,408,070)	(45,222,962)	(38,216,482)
( Decrease) / Increase in owing to Directors	0	(183,138)	(652,238)
	<u>120,709,356</u>	<u>95,518,908</u>	<u>116,123,171</u>
<b>Cash generated from operations</b>	<u>120,709,356</u>	<u>95,518,908</u>	<u>116,123,171</u>
Interest paid	(10,513,518)	(11,228,862)	(15,264,990)
	<u>110,195,838</u>	<u>84,290,046</u>	<u>100,858,181</u>
<b>Net cash provided by operating activities</b>	<u>110,195,838</u>	<u>84,290,046</u>	<u>100,858,181</u>
<b>Cash flows from investing activities:</b>			
Interest received net of withholding tax	149,147	750,477	750,477
Purchase of property, plant and equipment	(37,333,687)	(11,338,642)	(43,356,545)
Proceeds from sale of fixed assets.	3,343,083	150,000	150,000
Purchases of shares	0	(2,000,000)	(2,786,357)
Proceeds from disposal of shares	0	0	516,748
	<u>(33,841,457)</u>	<u>(12,438,165)</u>	<u>(44,725,677)</u>
<b>Net cash used in investing activities</b>	<u>(33,841,457)</u>	<u>(12,438,165)</u>	<u>(44,725,677)</u>
<b>Cash flows from financing activities</b>			
Dividends Paid	0	(12,506,025)	(32,515,665)
Proceeds from Borrowings	0	5,000,000	22,992,000
Repayment of borrowings	(23,973,628)	(17,870,682)	(23,091,423)
Repayment of other loans	(3,065,860)	(2,372,917)	(3,198,982)
Repayment of finance lease	0	(5,407,892)	(6,558,072)
	<u>(27,039,488)</u>	<u>(33,157,516)</u>	<u>(42,372,142)</u>
<b>Net cash provided by financing activities</b>	<u>(27,039,488)</u>	<u>(33,157,516)</u>	<u>(42,372,142)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	49,314,893	38,694,365	13,760,362
<b>Cash and cash equivalents at beginning of period</b>	<b>62,540,044</b>	<b>48,779,682</b>	<b>48,779,682</b>
<b>Cash and cash equivalents at end of period</b>	<b>111,854,937</b>	<b>87,474,047</b>	<b>62,540,044</b>





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## Stationery & Office Supplies Limited Notes to the Unaudited Financial Statements September 30, 2020

### 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.



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#### 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.