



**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 Email: mail@sosjm.com

UNAUDITED FINANCIAL STATEMENTS – 2nd QUARTER ENDED JUNE 30TH, 2021





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**UNAUDITED FINANCIAL STATEMENTS FOR THE
2nd QUARTER & 6 MONTHS ENDED JUNE 30TH 2021**

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 2nd quarter & 6 months ended June 30th, 2021.

History has shown that SOS’s 2nd quarter is normally the slowest period during the year but even though we continue to suffer through the Covid-19 virus and all of the issues that come along with it, SOS was able to post a profit, with significant improvements compared to the 2nd quarter of 2020. These are good indicators that Jamaica’s economy is continuing to rebound and as we progress through the summer months, we will see the return of children to school which will also help improve the sales of SEEK back to school products in the market.

2nd Quarter 2020 & 2021			
	2020	2021	% INCREASE
REVENUES	\$135.2M	\$238.4M	75%
GROSS PROFIT %	45%	50.3%	11%
PRE-TAX-PROFIT	-\$22M	\$3.1M	114%

For the first 6 months of 2021, SOS has seen continued growth over the same period in 2020. All comparative numbers are up in 2021 including the most important, profit. The pre-tax profit has risen by over 170% year on year from \$21.8M to \$58.4M. SOS has been able to adjust to the ever-changing market place and this is a big reason why we have been able to continue to be profitable in an unpredictable economy.



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6 MONTHS ENDED JUNE 30TH, 2020 & 2021			
	2020	2021	% INCREASE
REVENUES	\$472,117,390	\$550,871,653	16.5%
EXPENSES	\$208,200,568	\$232,273,763	12%
GROSS PROFIT %	48.1%	52.7%	9.5%
PRE-TAX-PROFIT	\$21,831.674	\$58,428,153	170%

FINANCIAL POSITION

At the end of the 2nd quarter, SOS increased its total assets year on year by 3.5% (\$889.5M - \$920.7M). All current assets increased marginally except for Bank and Cash which fell by 5% as inventories and receivables increased.

Earnings per share at the end of the 2nd quarter for 2021 was \$.23, an increase of \$.14 compared to \$.09 the end of the 2nd quarter of 2020. For the quarter, earnings per share was at \$.01 up from -\$0.09 for the same period in 2020.

David McDaniel
Managing Director

Marjorie McDaniel
Chief Administrative officer & Company Secretary



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SOS TOP 10 SHAREHOLDERS AS OF JUNE 30TH , 2021

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	OUTLOOK LIMITED	200,096,400.	80
2	QWI INVESTMENTS LIMITED	5,896,672.	2.4
3	ANJANETTE MARIANNA MCDANIEL	5,427,260.	2.2
4	JASON CARL CARBY	4,201,435	1.7
5	JN FUND MANAGERS LIMITED FOR JN POOLED PENSION LOCAL EQUITY FUND	2,337,495	0.9
6	KENDALL MARIE TODD	1,784,900	0.7
7	MIRAH JESSICA LIM TODD	1,400,000	0.6
8	JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST CAPITAL GROWTH FUND	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	1,135,527	0.5

DIRECTORS SHARE HOLDINGS AS OF JUNE 30TH , 2021

#	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 JUNE 30TH , 2021


#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	DENISE MCINTOSH	295,650.	0.0012

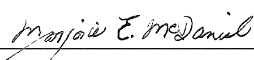
Stationery & Office Supplies Limited

Statement of financial position

June 30, 2021

	June 30 2021	June 30, 2020	December 31, 2020
	6 Months Unaudited	6 Months Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	396,386,311	399,931,269	411,180,830
Intangible asset	11,589,115	12,670,707	12,044,807
Investments	3,867,548	3,781,505	3,867,548
	<u>411,842,974</u>	<u>416,383,481</u>	<u>427,093,185</u>
Current assets			
Inventories	276,453,071	268,109,198	232,650,829
Trade and other receivables	102,037,209	89,928,084	99,385,309
Prepayments	38,136,814	18,251,312	31,069,220
Taxation recoverable	1,057,816	909,740	917,766
Bank and cash	91,242,722	95,974,936	96,899,268
	<u>508,927,632</u>	<u>473,173,270</u>	<u>460,922,392</u>
Total assets	<u>920,770,606</u>	<u>889,556,751</u>	<u>888,015,577</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	467,583,983	417,905,652	409,155,830
Total equity	<u>668,158,595</u>	<u>618,480,264</u>	<u>609,730,442</u>
Liabilities			
Non-current liabilities			
Borrowings	64,970,683	112,035,719	81,490,713
Other loans	48,870,376	51,777,463	49,990,695
Deferred tax liability	13,090,899	10,933,402	13,090,899
	<u>126,931,958</u>	<u>174,746,584</u>	<u>144,572,307</u>
Current liabilities			
Trade and other payables	86,326,351	69,945,749	92,864,283
Owing to Directors	33,204	33,204	33,204
Current portion of borrowings	34,904,996	22,681,130	36,973,453
Current portion of other loans	4,415,502	3,669,820	3,841,888
	<u>125,680,053</u>	<u>96,329,903</u>	<u>133,712,828</u>
Total liabilities	<u>252,612,011</u>	<u>271,076,487</u>	<u>278,285,135</u>
Total equity and liabilities	<u>920,770,606</u>	<u>889,556,751</u>	<u>888,015,577</u>

) Director

) Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended June 30, 2021

	Quarter to June 30, 2021 Unaudited	YTD June 30, 2021 Unaudited	Quarter to June 30, 2020 Unaudited	YTD June 30 2020 Unaudited	Year End December 31, 2020 Audited
	\$	\$	\$	\$	\$
Revenue	237,555,964	550,871,653	135,214,974	472,117,390	972,318,382
Cost of sales	(117,042,339)	(260,748,001)	(72,664,241)	(244,355,612)	(526,892,239)
Gross Profit	120,513,625	290,123,652	62,550,733	227,761,778	445,426,143
Other income	15,190	22,445	4,401	6,389	17,670
Administrative and general expenses	(82,321,888)	(162,906,541)	(54,838,269)	(140,899,185)	(286,666,116)
Selling and promotional costs	(21,968,231)	(43,035,477)	(14,618,213)	(37,925,089)	(74,937,627)
Gain / (Impairment loss) on financial assets	0	0	64,134	(1,193,048)	(835,182)
Depreciation amortisation & impairment	(8,217,902)	(16,463,584)	(8,708,853)	(17,755,302)	(28,424,809)
Operating profit	8,020,794	67,740,495	(15,546,067)	29,995,543	54,580,079
Finance income	312,381	560,088	0	117,041	202,938
(Loss) / gain on foreign exchange	(1,717,536)	(3,872,350)	(2,912,514)	(4,771,321)	(7,968,886)
Finance costs	(3,526,737)	(6,000,080)	(3,511,476)	(6,849,672)	(14,905,225)
Profit / (Loss) on disposal of property plant and equipment	0	0	0	3,340,083	3,340,083
Profit for the year / period.	3,088,902	58,428,153	(21,970,057)	21,831,674	35,248,989
Profit for the period, total comprehensive income for the period/year.	3,088,902	58,428,153	(21,970,057)	21,831,674	35,248,989
Basic earnings per share	<u>0.01</u>	<u>0.23</u>	<u>-0.09</u>	<u>0.09</u>	<u>0.13</u>

Stationery & Office Supplies Limited

Statement of cash flows

6 Months ended 30 June, 2021

	June 30, 2021	June 30, 2020	December 31 2020
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	58,428,153	21,831,674	35,248,989
Adjustments for:			
Depreciation amortisation impairment	16,463,586	17,755,302	34,698,812
Loss/ (profit) on foreign exchange on foreign currency loans	2,356,335	3,012,451	(334,115)
Profit on disposal of property, plant and equipment	0	(3,340,083)	(3,340,083)
Loss on financial assets recognised in profit or loss	0	(193,047)	1,107,005
Interest income	(700,137)	(117,041)	(202,938)
Interest expense	6,000,080	6,849,672	14,905,225
	82,548,017	45,798,928	82,082,895
(Increase) /decrease in inventories	(43,802,242)	(19,061,624)	16,396,745
Decrease / (Increase) in trade and other receivables	(2,651,900)	50,485,418	41,028,193
Decrease/(Increase) in prepayments	(7,067,594)	18,007,427	5,189,519
(Decrease) / increase in trade and other payables	(6,537,932)	(26,780,978)	(3,862,444)
Cash generated from operations	22,488,349	68,449,171	140,834,908
Interest paid	(6,000,080)	(6,849,672)	(14,905,225)
Net cash provided by operating activities	16,488,269	61,599,499	125,929,683
Cash flows from investing activities:			
Interest received net of withholding tax	560,088	117,041	182,992
Purchase of property, plant and equipment	(1,514,519)	(17,773,861)	(45,056,451)
Proceeds from sale of fixed assets.	0	3,343,083	4,384,791
Purchases of shares	0	0	(1,022,154)
Proceeds from disposal of shares	0	0	22,153
Net cash used in investing activities	(954,431)	(14,313,737)	(41,488,669)
Cash flows from financing activities			
Dividends Paid	0	0	(20,009,640)
Proceeds from Borrowings	0	0	5,650,000
Repayment of borrowings	(18,727,010)	(12,118,404)	(35,722,150)
Repayment of other loans	(2,463,374)	(1,732,466)	0
Net cash provided by financing activities	(21,190,384)	(13,850,870)	(50,081,790)
Net increase/(decrease) in cash and cash equivalents	(5,656,546)	33,434,892	34,359,224
Cash and cash equivalents at beginning of period	96,899,268	62,540,044	62,540,044
Cash and cash equivalents at end of period	91,242,722	95,974,936	96,899,268

Stationery & Office Supplies Limited

Statement of changes in equity

6 months ended June 30, 2021

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2019	88,151,214	112,423,398	396,073,978	596,648,590
Transaction with owners:				
Dividend Paid	0	0	(20,009,640)	(20,009,640)
Profit for the year being total comprehensive income	0	0	33,091,492	33,091,492
Balance at December 31, 2020	88,151,214	112,423,398	409,155,830	609,730,442
Profit for the period being total comprehensive income	0	0	58,428,153	58,428,153
Balance June 30, 2021	88,151,214	112,423,398	467,583,983	668,158,595
Balance at December 31, 2019	88,151,214	112,423,398	396,073,978	596,648,590
Profit for the period being total comprehensive income	0	0	21,831,674	21,831,674
Balance June 30, 2020	88,151,214	112,423,398	417,905,652	618,480,264



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Notes to the Unaudited Financial Statements

June 30, 2021

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.



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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.