



# **STATIONERY & OFFICE SUPPLIES LTD.**

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

## **UNAUDITED FINANCIAL STATEMENTS – 2<sup>nd</sup> QUARTER & 6 MONTHS ENDED JUNE 30<sup>TH</sup>, 2019**





**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  
2<sup>ND</sup> QUARTER & 6 MONTHS ENDED JUNE 30<sup>TH</sup> 2019**

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 2<sup>nd</sup> quarter & 6 months ended June 30<sup>th</sup>, 2019.

After a record setting 1<sup>st</sup> quarter, SOS has continued to post the best results in the 54-year history of the company. During the first 6 months of the year SOS has seen significant growth in both revenues and pre-tax profit, while simultaneously controlling expenses which increased by only 13%. Included in this 13% is the SEEK Manufacturing Division that has operated for the entire first half of the year 2019 as opposed to only 2 months during May and June of 2018. Please see the chart below showing key measurements between 2018 and 2019. It should be noted that the pre-tax profit figure for 6 months of 2019 has already surpassed the entire pre-tax profit for 2018. (\$91.6M for the first 6 months in 2019 compared to \$84.9M for the entire year 2018 – an 8% increase to date.)

<b>6 MONTHS ENDED JUNE 30<sup>TH</sup>, 2018 &amp; 2019</b>			
	<b>2018</b>	<b>2019</b>	<b>% INCREASE</b>
<b>REVENUES</b>	\$519,209,959	\$638,548,573	23%
<b>EXPENSES</b>	\$203,399,725	\$230,507,099	13%
<b>GROSS PROFIT %</b>	50.2%	50.3%	0.2%
<b>PRE-TAX-PROFIT</b>	\$56,167,588	\$91,649,016	63%

The 2<sup>nd</sup> quarter of 2019 has also shown significant improvement over the results experienced in 2018. With an increase in revenues of 23%, and aided by a 4% increase in the gross profit percentage, the overall pre-tax profit for the quarter increased by 195% to the highest 2<sup>nd</sup> quarter figure in the history of SOS of \$34.1M. It should be noted that during this quarter the sales of Seek products continued to grow moving from \$4.3M in sales for the quarter in 2018 to \$13.7M in 2019, an increase of 220%. It was also during the quarter that SOS had its annual “SCRATCH & DENT” sale that was a huge success. During the 2<sup>nd</sup> quarter SOS also exported its second container for the year which was shipped to Antigua to furnish the offices for a new hotel being constructed in that island. Please see the chart below showing other key measurements between the 2<sup>nd</sup> quarter of 2018 and 2019.



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

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

<b>2<sup>nd</sup> QUARTER RESULTS 2018 &amp; 2019</b>			
	<b>2018</b>	<b>2019</b>	<b>% INCREASE</b>
<b>REVENUES</b>	\$240,031,157	\$295,081,972	23%
<b>EXPENSES</b>	\$109,400,000	\$119,600,000	9%
<b>GROSS PROFIT %</b>	49.8%	51.9%	4%
<b>PRE TAX-PROFIT</b>	\$11,624,049	\$34,118,004	195%

**FINANCIAL POSITION**

At the end of the 2<sup>nd</sup> quarter, SOS had increased its total assets by 12.5% growing (\$779M - \$876M). This growth was mainly due to an increase in inventory (\$178.5M - \$207M), a 44% increase in trade and receivables (\$107 M - \$154M) and a 45% increase in prepayments (\$27M - \$39M).

Earnings per share for the 2<sup>nd</sup> quarter was \$.14, an increase of \$.09 more than the earnings per share for the 2<sup>nd</sup> quarter of 2018. The EPS for the year 2019 to date is \$.37 compared to \$.22 at the same time at the end of June 2018. That EPS figure of \$.37 realised at the end of June 2019 is the same as the EPS for the entire year 2018.

We wish to thank all of our valued partners, customers and especially our shareholders for your continued support throughout the year.

David McDaniel  
Chairman of the Board & Managing Director

Marjorie McDaniel  
Chief Administrative officer & Company Secretary



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

23 BEECHWOOD AVENUE, KINGSTON 5, JAMAICA  
TELEPHONE: (876) 926-5688 • FAX (876) 968-8200

**SOS TOP 10 SHAREHOLDERS AS OF JUNE 30<sup>TH</sup>, 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	3,910,919.	1.6
4	JNBS PENSION TRUSTEES NOMINEE LTD.	3,337,495.	1.3
5	JASON CARL CARBY	2,591,850.	1.0
6	KENDALL MARIE TODD	1,701,000.	0.7
7	MIRAH JESSICA LIM TODD	1,480,000.	0.6
8	ANTHONY DOUGALL	1,366,693.	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	1,048,943.	0.4

**DIRECTORS SHARE HOLDINGS AS OF JUNE 30<sup>TH</sup>, 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 JUNE 30<sup>TH</sup>, 2019**

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

# Stationery & Office Supplies Limited

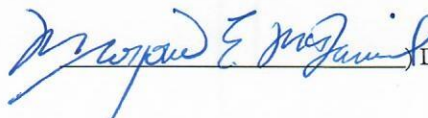
## Statement of financial position

June 30, 2019

	June 30, 2019	June 30, 2018	December 31, 2018
	6 Months Unaudited	6 Months Unaudited	Audited
<b>Assets</b>	\$	\$	\$
<b>Non-current assets</b>			
Property, plant and equipment	383,523,192	354,840,771	389,502,671
Intangible asset	14,011,893	48,380,319	14,553,096
Investments	1,779,965	1,456,184	1,427,016
	<u>399,315,050</u>	<u>404,677,274</u>	<u>405,482,783</u>
<b>Current assets</b>			
Inventories	206,706,751	177,658,050	215,160,638
Trade and other receivables	153,652,993	107,001,683	150,241,459
Prepayments	38,706,945	27,038,760	28,982,472
Taxation recoverable	893,978	841,982	841,982
Bank and cash	76,769,702	61,765,879	52,625,987
	<u>476,730,369</u>	<u>374,306,354</u>	<u>447,852,538</u>
<b>Total assets</b>	<u>876,045,419</u>	<u>778,983,628</u>	<u>853,335,321</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	373,167,645	259,282,838	294,024,654
<b>Total equity</b>	<u>573,742,257</u>	<u>459,857,450</u>	<u>494,599,266</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	117,396,929	131,780,550	128,063,719
Other loans	51,905,055	54,872,801	52,227,886
Finance lease	0	2,298,966	205,707
Deferred tax liability	8,799,710	15,551,925	8,799,710
	<u>178,101,694</u>	<u>204,504,242</u>	<u>189,297,022</u>
<b>Current liabilities</b>			
Bank Overdraft	0	0	3,846,305
Trade and other payables	94,900,254	80,489,947	134,943,209
Owing to Directors	511,504	685,442	685,442
Current portion of borrowings	22,950,651	19,998,177	20,572,020
Current portion of other loans	3,252,351	3,063,434	3,039,692
Current portion of finance lease	2,586,708	10,384,937	6,352,365
	<u>124,201,468</u>	<u>114,621,937</u>	<u>169,439,033</u>
<b>Total liabilities</b>	<u>302,303,162</u>	<u>319,126,179</u>	<u>358,736,055</u>
<b>Total equity and liabilities</b>	<u>876,045,419</u>	<u>778,983,629</u>	<u>853,335,321</u>



) Director



) Director

# Stationery & Office Supplies Limited

## Statement of profit or loss and other comprehensive income

Period ended June 30, 2019

	Quarter to June 30, 2019 Unaudited	YTD June 30, 2019 Unaudited	Quarter to June 30, 2018 Unaudited	YTD June 30, 2018 Unaudited	Year End December 31, 2018 Audited
			\$		\$
Revenue	295,081,972	638,548,573	240,031,157	519,209,959	1,064,360,671
Cost of sales	(141,351,512)	(316,392,458)	(118,718,722)	(259,622,646)	(559,850,241)
Gross Profit	153,730,460	322,156,115	121,312,435	259,587,313	504,510,430
Other income	0	130,451	38,339	636,497	1,123,353
Administrative and general expenses	(80,415,039)	(157,609,137)	(76,746,805)	(142,374,986)	(294,316,318)
Selling and promotional costs	(25,264,016)	(48,327,691)	(22,240,084)	(44,446,190)	(88,627,558)
Gain / (Impairment loss) on financial assets	241,735	297,342	(177,494)	(43,816)	(143,176)
Depreciation amortisation & impairment	(8,497,188)	(16,951,727)	(6,119,121)	(11,759,447)	(24,294,167)
Operating profit	39,795,952	99,695,353	16,067,270	61,599,371	98,252,564
Finance income	0	790,947	61,710	221,139	305,734
(Loss) / gain on foreign exchange	(890,035)	(1,238,681)	(2,073,580)	(3,156,762)	(3,144,526)
Finance costs	(4,787,913)	(7,748,603)	(2,431,351)	(4,703,994)	(13,931,914)
Profit / (Loss) on disposal of property plant and equipment	0	150,000		2,207,834	3,499,001
Profit before tax	34,118,004	91,649,016	11,624,049	56,167,588	84,980,859
Income tax (expense) / credit	0	0	0	(60,000)	6,692,215
<b>Profit for the period, total comprehensive income for the period / year</b>	<b>34,118,004</b>	<b>91,649,016</b>	<b>11,624,049</b>	<b>56,107,588</b>	<b>91,673,074</b>
Basic earnings per share	<u>0.14</u>	<u>0.37</u>	<u>0.05</u>	<u>0.22</u>	<u>0.37</u>

# Stationery & Office Supplies Limited

## Statement of changes in equity

### 6 months ended June 30, 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	0	0	(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
<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	(12,506,025)	(12,506,025)
Profit for the period being total comprehensive income	0	0	91,649,016	57,531,012
Balance June 30 2019	88,151,214	112,423,398	373,167,645	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	56,107,588	56,107,588
Transaction with owners:				
Dividend Paid	0	0	(10,004,820)	(10,004,820)
Balance June 30, 2018	88,151,214	112,423,398	259,282,838	459,857,450

# Stationery & Office Supplies Limited

## Statement of cash flows

### 6 months ended June 30, 2019

	June 30, 2019	June 30, 2018	December 31 2018
	Unaudited	Unaudited	Audited
	\$	\$	\$
<b>Cash flows from operating activities:</b>			
Profit before tax	91,649,016	56,167,588	84,980,859
Adjustments for:			
Depreciation amortisation impairment	16,951,727	11,759,447	28,342,717
(Profit)/ Loss on foreign exchange on foreign currency loans	1,441,643	1,866,645	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	(352,949)	43,816	17,377
Interest income	(790,947)	(221,139)	(305,734)
Interest expense	7,748,603	4,703,994	13,914,537
	116,497,093	72,112,517	124,738,574
Decrease / ( Increase) in inventories	8,453,887	(18,950,346)	(56,452,934)
( Increase) / Decrease in trade and other receivables	(3,411,534)	23,672,509	(20,391,387)
( Increase) / Decrease in prepayments	(9,724,473)	1,148,084	(795,628)
( Decrease) / increase in trade and other payables	(40,042,955)	(4,602,950)	49,850,312
( Decrease) / Increase in owing to Directors	(173,938)	272,249	272,249
<b>Cash generated from operations</b>	71,598,080	73,652,063	97,221,186
Interest paid	(7,748,603)	(4,703,994)	(13,914,537)
Income taxes paid	0	(594,802)	(649,179)
	63,849,477	68,353,267	82,657,470
<b>Net cash provided by operating activities</b>			
<b>Cash flows from investing activities:</b>			
Interest received net of withholding tax	738,952	221,139	300,111
Purchase of property, plant and equipment	(10,431,046)	(44,703,032)	(100,073,107)
Proceeds from sale of fixed assets.	150,000	3,090,000	9,090,000
Purchase of Goodwill	0	(43,568,000)	0
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)
	(9,542,094)	(84,959,893)	(100,952,389)
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Dividends Paid	(12,506,025)	(10,004,820)	(10,004,820)
Proceeds from Borrowings	5,000,000	99,900,000	115,395,000
Repayment of borrowings	(8,288,158)	(12,510,707)	(31,087,949)
Repayment of other loans	(6,551,816)	(744,738)	(2,834,568)
Repayment of finance lease	(3,971,364)	(6,564,236)	(12,690,068)
	(26,317,363)	70,075,499	58,777,595
<b>Net cash provided by financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>	27,990,020	53,468,873	40,482,676
<b>Cash and cash equivalents at beginning of period</b>	48,779,682	8,297,006	8,297,006
<b>Cash and cash equivalents at end of period</b>	76,769,702	61,765,879	48,779,682





**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

23 BEECHWOOD AVENUE, KINGSTON 5, JAMAICA  
TELEPHONE: (876) 926-5688 • FAX (876) 968-8200

**Stationery & Office Supplies Limited**  
**Notes to the Unaudited Financial Statements**

**June 30, 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.**



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

23 BEECHWOOD AVENUE, KINGSTON 5, JAMAICA  
TELEPHONE: (876) 926-5688 • FAX (876) 968-8200

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