



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

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

**UNAUDITED FINANCIAL STATEMENTS –  
1<sup>st</sup> QUARTER ENDED MARCH 31<sup>st</sup>, 2020**





**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

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

## UNAUDITED FINANCIAL STATEMENTS FOR THE 1st QUARTER & 3 MONTHS ENDED MARCH 31<sup>ST</sup> 2020

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 1<sup>ST</sup> quarter & 3 months ended March 31<sup>st</sup>, 2020.

Heading into January of 2020, SOS was prepared to continue to reach new heights, and for the first 2 months of the year everything was going as expected. In January, we exported our first container of the year with products being delivered to Grenada and had plans for an additional 2 overseas projects set to be delivered during March and April. The first 2 months of the year had SOS on target to surpass our best quarter ever which was seen in the 1<sup>st</sup> quarter of 2019.

It was then in March that Jamaica experienced the first case of the Covid-19 virus and after that it was no longer business as usual. As the country reacted to the Covid-19 virus the economy came to a standstill. During the last month of the quarter (March) the effect of the virus was evident as revenues declined year on year for the month by 17%. Notwithstanding this, SOS was able to post our third highest pre-tax profit figure in a quarter of \$43.8 million. Below are some of the other key statistics for the quarter:

<b>1<sup>ST</sup> QUARTER RESULTS 2020 &amp; 2019</b>			
	<b>2020</b>	<b>2019</b>	<b>% INCREASE</b>
<b>REVENUES</b>	\$ 336,902,416.00	\$ 343,466,601.00	-2.5%
<b>EXPENSES</b>	\$ 121,409,314.00	\$ 110,894,643.00	10%
<b>GROSS PROFIT %</b>	49%	49%	0
<b>PRE-TAX PROFIT</b>	\$ 43,801,731.00	\$ 57,531,012.00	-24%

The 2<sup>nd</sup> quarter of 2020 will be a very challenging time for SOS as the second quarter has begun during the height of the Covid-19 virus in Jamaica with the country being on a curfew and people's priorities having changed. We are presently taking all the necessary steps to ensure the safety of our employees and customers as we all work together to make it through these difficult times.



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**

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

**FINANCIAL POSITION**

At the end of the 1st quarter, SOS had increased its total assets by 7% (\$878M - \$938M). This growth was mainly due to an increase in equipment (\$383M - \$401M), as well as a 65% increase in bank and cash (\$55M - \$91M).

Earnings per share at the end of the 1<sup>st</sup> quarter was \$.18 a decrease of \$.05 experienced at the end of the 1<sup>st</sup> quarter of 2019.

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

**Allan McDaniel**  
Deputy Managing Director

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

**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 MARCH 31<sup>ST</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	QWI INVESTMENTS LIMITED	4,064,181.	1.6
4	JASON CARL CARBY	3,500,000.	1.4
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	1,048,943.	0.4

**DIRECTORS SHARE HOLDINGS AS OF MARCH 31<sup>ST</sup>, 2020**

#	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	JERMAINE DEANS	NIL	-	
10	R. EVAN D. THWAITES	28,165.	-	

**SENIOR MANAGERS SHARE HOLDING AS OF MARCH 31<sup>ST</sup>, 2020**

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

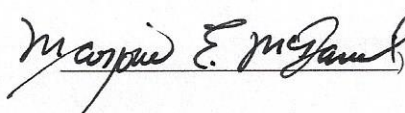
# Stationery & Office Supplies Limited

## Statement of financial position

March 31, 2020

	March 31, 2020	March 31, 2019	December 31, 2019
	3 Months Unaudited	3 Months Unaudited	Audited
<b>Assets</b>	\$	\$	\$
<b>Non-current assets</b>			
Property, plant and equipment	400,720,379	383,068,535	400,614,099
Intangible asset	13,458,214	14,153,432	13,298,607
Investments	3,717,370	1,482,623	3,974,552
	<u>417,895,963</u>	<u>398,704,590</u>	<u>417,887,258</u>
<b>Current assets</b>			
Inventories	226,371,644	223,013,549	249,047,574
Trade and other receivables	172,388,389	181,615,783	140,413,502
Prepayments	30,163,267	19,201,073	36,258,739
Taxation recoverable	909,739	893,978	897,820
Bank and cash	90,947,099	54,915,325	62,540,044
	<u>520,780,138</u>	<u>479,639,708</u>	<u>489,157,679</u>
<b>Total assets</b>	<u>938,676,101</u>	<u>878,344,298</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	439,875,709	339,049,641	396,073,978
<b>Total equity</b>	<u>640,450,321</u>	<u>539,624,253</u>	<u>596,648,590</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	116,304,976	122,491,413	118,228,943
Other loans	50,974,435	51,610,351	50,786,114
Finance lease		0	0
Deferred tax liability	10,933,402	8,799,710	10,933,402
	<u>178,212,813</u>	<u>182,901,474</u>	<u>179,948,459</u>
<b>Current liabilities</b>			
Trade and other payables	90,743,774	125,992,645	96,726,727
Owing to Directors	33,204	551,704	33,204
Current portion of borrowings	25,735,997	22,099,224	30,307,373
Current portion of other loans	3,499,992	3,095,353	3,380,584
Current portion of finance lease	0	4,079,645	0
	<u>120,012,967</u>	<u>155,818,571</u>	<u>130,447,888</u>
<b>Total liabilities</b>	<u>298,225,780</u>	<u>338,720,045</u>	<u>310,396,347</u>
<b>Total equity and liabilities</b>	<u>938,676,101</u>	<u>878,344,298</u>	<u>907,044,937</u>

 ) Director

 ) Director

# Stationery & Office Supplies Limited

## Statement of profit or loss and other comprehensive income

Period ended March 31, 2020

	Quarter to March 31, 2020 Unaudited	Quarter to March 31, 2019 Unaudited	Year End December 31, 2019 Audited
		\$	\$
Revenue	336,902,416	343,466,601	1,217,983,130
Cost of sales	(171,691,371)	(175,040,946)	(635,366,957)
Gross Profit	165,211,045	168,425,655	582,616,173
Other income	4,401	130,451	419,426
Administrative and general expenses	(86,060,914)	(77,194,099)	(306,177,280)
Selling and promotional costs	(23,306,876)	(23,063,674)	(93,205,130)
Gain / (Impairment loss) on financial assets	(1,257,182)	55,607	(1,511,536)
Depreciation amortisation & impairment	(9,046,449)	(8,454,539)	(26,183,802)
Operating profit	45,544,025	59,899,401	155,957,851
Finance income	117,041	790,947	1,084,242
(Loss) / gain on foreign exchange	(1,858,807)	(348,646)	(5,228,422)
Finance costs	(3,340,811)	(2,960,690)	(15,264,990)
Profit / (Loss) on disposal of property plant and equipment	3,340,283	150,000	150,000
Profit before tax	43,801,731	57,531,012	136,698,681
Income tax (expense) / credit	0	0	(2,133,692)
<b>Profit for the period, total comprehensive income for the period / year</b>	<b>43,801,731</b>	<b>57,531,012</b>	<b>134,564,989</b>
Basic earnings per share	<u>0.18</u>	<u>0.23</u>	<u>0.54</u>

# Stationery & Office Supplies Limited

## Statement of cash flows

### 3 months ended March 31, 2020

	March 31, 2020	March 31, 2019	December 31 2019
	Unaudited	Unaudited	Audited
		\$	\$
<b>Cash flows from operating activities:</b>			
Profit before tax	43,801,731	57,531,012	136,698,681
Adjustments for:			
Depreciation amortisation impairment	9,046,449	8,454,539	33,499,606
(Profit)/ Loss on foreign exchange on foreign currency loans	(1,153,484)	(561,875)	2,098,102
(Profit) / Loss on disposal of property, plant and equipment	(3,340,083)	(150,000)	(150,000)
(Gain) / Loss on financial assets recognised in profit or loss	1,257,182	(55,607)	(277,927)
Interest income	(117,041)	(790,947)	(806,315)
Interest expense	3,340,611	2,960,690	15,264,990
	52,835,365	67,387,812	186,327,137
( Increase) /decrease in inventories	22,675,930	(7,852,911)	(33,886,936)
Decrease / ( Increase) in trade and other receivables	(31,974,887)	(31,374,324)	9,827,957
Decrease/( Increase) in prepayments	6,095,472	9,781,399	(7,276,267)
( Decrease) / increase in trade and other payables	(5,982,953)	(8,950,564)	(38,216,482)
Increase / ( Decrease) in owing to Directors	0	(133,738)	(652,238)
<b>Cash generated from operations</b>	43,648,927	28,857,674	116,123,171
Interest paid	(3,340,612)	(2,960,690)	(15,264,990)
<b>Net cash provided by operating activities</b>	40,308,315	25,896,984	100,858,181
<b>Cash flows from investing activities:</b>			
Interest received net of withholding tax	117,041	738,952	750,477
Purchase of property, plant and equipment	(10,357,043)	(1,620,740)	(43,356,545)
Proceeds from sale of fixed assets.	4,600,000	150,000	150,000
Purchases of shares	0	0	(2,786,357)
Proceeds from disposal of shares	0	0	516,748
<b>Net cash used in investing activities</b>	(5,640,002)	(731,788)	(44,725,677)
<b>Cash flows from financing activities</b>			
Dividends Paid	0	(12,506,025)	(32,515,665)
Proceeds from Borrowings	0	0	22,992,000
Repayment of borrowings	(5,415,204)	(4,045,101)	(23,091,423)
Repayment of other loans	(846,054)	0	(3,198,982)
Repayment of finance lease	0	(2,478,427)	(6,558,072)
<b>Net cash provided by financing activities</b>	(6,261,258)	(19,029,553)	(42,372,142)
<b>Net increase/(decrease) in cash and cash equivalents</b>	28,407,055	6,135,643	13,760,362
<b>Cash and cash equivalents at beginning of period</b>	62,540,044	48,779,682	48,779,682
<b>Cash and cash equivalents at end of period</b>	90,947,099	54,915,325	62,540,044

# Stationery & Office Supplies Limited

## Statement of changes in equity

### 3 months ended March 31, 2020

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2018	88,151,214	112,423,398	294,024,654	494,599,266
Transaction with owners:				
Dividend Paid	0	0	(32,515,665)	(32,515,665)
Profit for the year being total comprehensive income	0	0	134,564,989	134,564,989
<b>Balance at December 31, 2019</b>	<b>88,151,214</b>	<b>112,423,398</b>	<b>396,073,978</b>	<b>596,648,590</b>
Profit for the period being total comprehensive income	0	0	43,801,731	43,801,731
Balance March 31 2020	88,151,214	112,423,398	439,875,709	640,450,321
Balance at December 31, 2018	88,151,214	112,423,398	294,024,654	494,599,266
Transaction with owners:				
Dividend Paid			(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



# Stationery & Office Supplies Limited

## Notes to the Unaudited Financial Statements

March 31, 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.
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.