



**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

3RD QUARTER ENDED SEPTEMBER 30TH, 2021





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UNAUDITED FINANCIAL STATEMENTS FOR THE 3RD QUARTER & 9 MONTHS ENDED SEPTEMBER 30TH, 2021

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 3RD Quarter & 9 months ended September 30th, 2021.

During the 3rd Quarter of 2021 Covid once again had a direct impact on the financial results of Stationery & Office Supplies Ltd. During this Quarter, the spread of the Covid-19 virus and the new variants resulted in the government having to implement “no movement days” across the island in an effort to contain transmittal of the virus. The economy lost a total of 10 working days due to the restrictions. Notwithstanding the loss of these days of production which reduced the company’s expected revenue by approximately 10%, SOS was able to make a profit during the 3rd Quarter.

SOS saw significant growth in all areas of the business when compared to the 3rd Quarter of 2020. This included revenues, gross profit percentage and most importantly pre-tax profit which increased by 190% from \$6.8M to \$19.7M. One of the main factors contributing to this increase in profit is the fact that the company has made every effort to continue to reduce costs throughout the year. During this quarter we can see that even though SOS increased revenues by 8%, expenses remained the same as in 2020 which resulted in increased pre-tax profit of 190%.

3RD QUARTER 2020 vs. 2021			
	2020	2021	% INCREASE/DECREASE
REVENUES	\$239,564,512	\$258,460,148	8%
EXPENSES	\$109,575,050	\$110,205,010	1%
GROSS PROFIT %	48.1%	49.8%	3%
PRE-TAX-PROFIT	\$6,799,480	\$19,724,019	190%

It will be noted that notwithstanding having to deal with Covid for all of the 9 months of 2021, SOS has seen growth in all areas as noted in the chart below. Increases in both the gross profit percentage as well as revenues have resulted in higher profits with a small percentage increase in year to date expenses.



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9 MONTHS 2021 & 2020			
	2020	2021	% INCREASE/DECREASE
REVENUES	\$711,682,901	\$809,331,802	13.5%
EXPENSES	\$317,775,619	\$342,478,774	8%
GROSS PROFIT %	48.1%	51.8%	7.5%
PRE-TAX-PROFIT	\$28,631,155	\$78,152,171	175%

With Covid-19 and its challenges, SOS has been able to return to pre Covid-19 levels. In 2020, the focus of everyone was on the Covid-19 virus and what we all had to do to survive. Office furniture and supplies were the last things that individuals were focusing on. This created a situation where SOS was forced to drive sales based on discounted pricing which reduced our profit margins for that year. As things return to normal, SOS will continue to grow as we did prior to 2020 by focusing on our customers and their requirements.

For the year to date, SOS has seen positive increases in almost every statistical category compared to 2020. Revenues are up, expenses are up but are being held to a single digit percentage increase, gross profit as well as its percentage per item is up, but most importantly SOS has seen a 175% increase in pre-tax profit. This increased net profit is a direct result of a higher gross profit along with expenses being held to a moderate rise year on year.

2021 has been a challenging year during which a lot of adjustments have had to be made to increase revenues. These adjustments include higher inventory levels due to the world-wide shipping backlog and the power issues affecting China at this time. From shipping rates increasing by approximately 400% and the prices of steel increasing by 20%, etc., SOS has again adjusted to world changes and has continued to be a profitable company within the Jamaican economy.



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FINANCIAL POSITION

At the end of the 3rd Quarter, SOS's total assets increased year on year by 5% (\$864M - \$907M). This increase in total assets was due to a 20% increase in inventory (\$233M - \$280M), while Receivables and Prepayments rose by 70% as we increased our inventory levels.

Earnings per share for the 3rd Quarter of 2021 was \$.08, an increase of \$.05 compared to \$0.03 at the end of the 3rd Quarter of 2020. For the 9 months ended September 30, 2021 earnings per share now stands at \$.31, up \$.20 from \$.11 seen at this time in 2020.

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

Allan McDaniel
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



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SOS TOP 10 SHAREHOLDERS AS OF SEPTEMBER 30TH, 2021

#	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	OUTLOOK LIMITED	200,096,400.	80.0
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 LTD	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	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	1,135,527.	0.45

DIRECTORS SHARE HOLDINGS AS OF SEPTEMBER 30TH, 2021

#	<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 30TH, 2021

#	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	DENISE MCINTOSH	295,650.	0.12

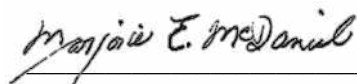
Stationery & Office Supplies Limited

Statement of financial position

September 30, 2021

	September 30 2021 9 Months Unaudited	September 30, 2020 9 Months Unaudited	December 31, 2020 Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	388,497,506	411,254,647	411,180,830
Intangible asset	11,263,012	12,358,257	12,044,807
Investments	3,937,428	3,435,903	3,867,548
	<u>403,697,946</u>	<u>427,048,807</u>	<u>427,093,185</u>
Current assets			
Inventories	280,493,817	232,675,317	232,650,829
Trade and other receivables	116,077,659	96,636,827	99,385,309
Prepayments	53,942,170	35,962,666	31,069,220
Taxation recoverable	1,121,564	917,766	917,766
Bank and cash	63,423,948	111,854,937	96,899,268
	<u>515,059,158</u>	<u>478,047,513</u>	<u>460,922,392</u>
Total assets	<u>918,757,104</u>	<u>905,096,320</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	487,308,001	424,705,133	409,155,830
Total equity	<u>687,882,613</u>	<u>625,279,745</u>	<u>609,730,442</u>
Liabilities			
Non-current liabilities			
Borrowings	62,412,303	83,377,996	81,490,713
Other loans	46,145,985	50,108,223	49,990,695
Deferred tax liability	13,090,899	10,933,402	13,090,899
	<u>121,649,187</u>	<u>144,419,621</u>	<u>144,572,307</u>
Current liabilities			
Trade and other payables	74,882,633	91,318,657	92,864,283
Owing to Directors	33,204	33,204	33,204
Current portion of borrowings	28,146,823	39,878,464	36,973,453
Current portion of other loans	6,162,644	4,166,629	3,841,888
	<u>109,225,304</u>	<u>135,396,954</u>	<u>133,712,828</u>
Total liabilities	<u>230,874,491</u>	<u>279,816,575</u>	<u>278,285,135</u>
Total equity and liabilities	<u>918,757,104</u>	<u>905,096,320</u>	<u>888,015,577</u>


_____) Director


_____) Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended September 30, 2021

	Quarter to September 30, 2021 Unaudited	YTD September 30, 2021 Unaudited	Quarter to September 30, 2020 Unaudited	YTD September 30 2020 Unaudited	Year End December 31, 2020 Audited
	\$	\$	\$	\$	\$
Revenue	258,460,149	809,331,802	239,565,511	711,682,901	972,318,382
Cost of sales	(128,901,057)	(389,649,058)	(122,946,849)	(367,302,461)	(526,892,239)
Gross Profit	129,559,092	419,682,744	116,618,662	344,380,440	445,426,143
Other income	114,938	137,383	69,367	75,755	17,670
Administrative and general expenses	(81,989,392)	(244,895,933)	(78,885,495)	(219,784,678)	(286,666,116)
Selling and promotional costs	(17,799,436)	(60,834,913)	(16,977,354)	(54,902,443)	(74,937,627)
Gain / (Impairment loss) on financial assets	0	0	(345,602)	(1,538,650)	(835,182)
Depreciation amortisation & impairment	(8,214,908)	(24,678,492)	(8,548,899)	(26,304,201)	(28,424,809)
Operating profit	21,670,294	89,410,789	11,930,679	41,926,223	54,580,079
Finance income	255,001	815,089	32,106	149,146	202,938
(Loss) / gain on foreign exchange	59,216	(3,813,134)	(1,373,438)	(6,145,759)	(7,968,886)
Finance costs	(2,260,493)	(8,260,573)	(3,789,866)	(10,638,538)	(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.	19,724,018	78,152,171	6,799,481	28,631,155	35,248,989
Income tax Expense	0	0	0	0	(2,157,497)
Profit for the period, total comprehensive income for the period/year.	19,724,018	78,152,171	6,799,481	28,631,155	33,091,492
Basic earnings per share	<u>0.08</u>	<u>0.31</u>	<u>0.03</u>	<u>0.11</u>	<u>0.13</u>

Stationery & Office Supplies Limited

Statement of cash flows

9 Months ended 30 September, 2021

	September 30, 2021	September 30, 2020	December 31 2020
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	78,152,171	28,631,155	35,248,989
Adjustments for:			
Depreciation amortisation impairment	24,678,492	26,304,201	34,698,812
Loss/ (profit) on foreign exchange on foreign currency loans	3,813,134	3,174,128	(334,115)
Profit on disposal of property, plant and equipment	0	(3,340,083)	(3,340,083)
Profit / Loss on financial assets recognised in profit or loss	(69,881)	558,649	1,107,005
Interest income	(815,089)	(149,147)	(202,938)
Interest expense	8,260,573	10,513,518	14,905,225
	114,019,400	65,692,421	82,082,895
(Increase) /decrease in inventories	(47,842,988)	16,372,257	16,396,745
Decrease / (Increase) in trade and other receivables	(16,692,350)	43,776,675	41,028,193
Decrease/(Increase) in prepayments	(22,872,950)	296,073	5,189,519
(Decrease) / increase in trade and other payables	(17,981,650)	(5,408,070)	(3,862,444)
Cash generated from operations	8,629,462	120,729,356	140,834,908
Interest paid	(8,260,573)	(10,513,518)	(14,905,225)
Net cash provided by operating activities	368,889	110,215,838	125,929,683
Cash flows from investing activities:			
Interest received net of withholding tax	815,089	149,147	182,992
Purchase of property, plant and equipment	(1,514,519)	(37,333,687)	(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	(699,430)	(33,841,457)	(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/loans	(33,144,779)	(27,039,488)	(35,722,150)
Net cash provided by financing activities	(33,144,779)	(27,039,488)	(50,081,790)
Net increase/(decrease) in cash and cash equivalents	(33,475,320)	49,334,893	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	63,423,948	111,874,937	96,899,268

Stationery & Office Supplies Limited

Statement of changes in equity

9 months ended September 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	78,152,171	78,152,171
Balance September 30, 2021	88,151,214	112,423,398	487,308,001	687,882,613
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	28,631,155	28,631,155
Balance September 30, 2020	88,151,214	112,423,398	424,705,133	625,279,745



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Notes to the Unaudited Financial Statements September 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.