



**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, 2022



EVOLVE





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UNAUDITED FINANCIAL STATEMENTS FOR THE 3rd QUARTER & 9 MONTHS ENDED SEPTEMBER 30TH, 2022

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, 2022.

To date, 2022 has been a banner year for Stationery & Office Supplies Limited and the 3rd Quarter was no exception. The period between July to September 2022 produced the highest revenues in a quarter in the company's 57-year history. Revenues for the 3rd Quarter totalled \$473M surpassing the previous high set in the 1st Quarter of 2022 by approximately \$46M, an 11% increase. The table on the following page will show that SOS has had significant improvements in all financial comparisons compared to the same period in 2021 including pre-tax profit which climbed 345% to \$87.2M. A number of factors aided in these results including:

1. The launch of our new furniture line **EVOLVE**. The EVOLVE line has been a work in progress for the past year and the first container finally arrived at the beginning of August. The first set of products has been well received and in just the first 3 months generated revenues of \$13.2M. The demand for these new products is high, and has allowed SOS to place orders for an additional 3 containers to be in stock before the end of 2022.
2. **SEEK** continues to grow. The expansion of the SEEK factory occurred in June of this year and we saw immediate improvements. For the 3rd Quarter SEEK sales grew by 66% over the same period in 2021. This is a result of the new machinery and man power and the ability to produce additional products. For the period, additional SEEK products that were previously not being manufactured accounted for \$3.8M or 14% of sales for the quarter.
3. **SOS MONTEGO BAY**. During this quarter our Montego Branch continued to rebound as business continued to grow and hotels reopened. For the quarter, sales increased to \$60M from \$33M in 2021.
4. **SHOWROOM**. During the 3rd Quarter we continued to upgrade our facilities. It was during this time that we expanded our showroom to allow for the display of additional products (including the EVOLVE line) as well as to make the area more comfortable and appealing for our customers. Since the completion of the upgrades that also included additional parking, we have seen an uptake in persons visiting our location which has definitely had a positive impact on our sales.



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3RD QUARTER 2022 vs. 2021			
	2022	2021	% INCREASE/DECREASE
REVENUES	\$473,106,145	\$258,460,148	83%
EXPENSES	\$158,853,119	\$110,205,010	44%
SEEK REVENUES	\$27,069,622	\$16,281,726	66%
GROSS PROFIT %	51.4%	49.8%	3%
PRE-TAX-PROFIT	\$87,222,286	\$19,724,019	345%

For the first 9 months of 2022, SOS continued to set historically high results and is headed towards its best year in its 57-year history. By the end of August, SOS had already eclipsed its revenues amassed during the entire year 2021 and has more than tripled its Pre-tax profit by the end of the 3rd Quarter compared to the same period in 2021. During the year, the following revenue segments has had a huge impact on the current financial position of SOS:

- 1. MONTEGO BAY OFFICE** – Sales from our north coast branch have more than doubled for the year so far increasing from \$84M - \$174M. This is attributed to the reopening of the tourism sector as well as the addition of several new call centres recently opened.
- 2. Document Destruction Services** – Sales in document destruction has increased by 51% during 2022. This is an area that many companies were hesitant to use during Covid but are now destroying old files to create additional productive space within their organizations.
- 3. SEEK** – With the additional equipment purchased in June of this year it was expected to have a significant impact on SEEK sales for 2022. For the year to date, SEEK sales have exceeded our expectation and are 77% higher than the sales for the same time period in 2021.
- 4. Warehouse Equipment** – Our warehousing equipment sales including Racking, Mobile Ladders and Hand Trolleys have increased by 20% during 2022.
- 5. SAFES** – SOS is the agent for **SENTRY SAFES** in Jamaica. We have seen a rise in the need for personal and corporate safes and this is seen in the revenues for Sentry Safes increasing by over 45% during 2022.



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6. INVENTORY – Additional inventory which has risen by almost 30% (\$280M - \$356M) has allowed the company to have increased quantities of products on hand to satisfy our customers’ needs right away. One group of products that has seen a large increase in sales due to the availability is metal furniture (filing cabinets, storage cupboards, and pedestals) which has resulted in increased sales to date of 49% for 2022.

Please see the below chart showing the comparative numbers between the first 9 months of 2022 compared to 2021.

9 MONTHS 2022 & 2021			
	2020	2021	% INCREASE/DECREASE
REVENUES	\$1,320,810,385	\$809,331,802	63%
EXPENSES	\$443,896,865	\$342,478,774	30%
SEEK REVENUES	\$61,553.506	\$34,676,988	77%
GROSS PROFIT %	51.1%	51.8%	-1.5%
PRE-TAX-PROFIT	\$260,890,860	\$78,152,171	233%

SOS is committed to continuing to grow and provide our customers with the best customer service and the best products available at the best prices. With a dedicated staff and a management team who are always looking for possibilities, we see a future that is bright and a company with the potential to reach even greater heights in the near future.



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FINANCIAL POSITION

At the end of the 3rd Quarter, SOS's total assets increased year on year by 23% (\$1.1B - \$907M). This increase in total assets was due to a 30% increase in inventory (\$280.5M - \$356M), Bank & Cash rose by 59% (\$63.4M - \$99.3M) and Receivables and Prepayments rose by 56% as we increased our inventory levels, and revenues rose by 63%.

Earnings per share for the 3rd Quarter of 2022 was \$.35, an increase of \$.27 compared to \$0.08 at the end of the 3rd Quarter of 2021. For the 9 months ended September 30, 2022 earnings per share now stands at \$1.04, up \$.73 from \$.31 seen at this time in 2021.

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, 2022

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	OUTLOOK LIMITED	200,096,400.	80.0
2	QWI INVESTMENTS LIMITED	5,896,672	2.4
3	ANJANETTE MARIANNA MCDANIEL	5,705,964	2.3
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	BRIDGETOWN MANAGEMENT SERVICES LTD	1,328,510.	0.5
8	JCDC TRUTEE SERVICES LTD	1,285,053.	0.5
9	MIRAH JESSICA LIM TODD	1,255,000.	0.5
10	DAVID ANTHONY STEPHENS	1,000,000.	0.4

DIRECTORS SHARE HOLDINGS AS OF SEPTEMBER 30TH, 2022

#	<u>DIRECTORS NAMES</u>	SHAREHOLDING	<u>CONNECTED PARTY</u>	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 SEPTEMBER 30TH, 2022

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

Stationery & Office Supplies Limited

Statement of financial position

September 30, 2022

	September 30 2022	September 30 2021	December 31, 2021
	9 Months Unaudited	9 Months Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	395,825,234	388,497,506	389,213,192
Intangible asset	9,971,507	11,263,012	10,791,007
Investments	4,069,405	3,937,428	4,057,960
	<u>409,866,146</u>	<u>403,697,946</u>	<u>404,062,159</u>
Current assets			
Inventories	356,059,477	280,493,817	296,015,672
Trade and other receivables	193,688,762	116,077,659	123,729,234
Prepayments	62,921,301	53,942,170	68,627,691
Taxation recoverable	523,633	1,121,564	1,121,564
Bank and cash	99,327,489	63,423,948	34,462,852
	<u>712,520,662</u>	<u>515,059,158</u>	<u>523,957,013</u>
Total assets	<u>1,122,386,808</u>	<u>918,757,104</u>	<u>928,019,172</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	683,776,552	487,308,001	476,256,354
Total equity	<u>884,351,164</u>	<u>687,882,613</u>	<u>676,830,966</u>
Liabilities			
Non-current liabilities			
Borrowings	36,819,064	62,412,303	46,998,750
Other loans	41,685,901	46,145,985	46,140,801
Taxation	7,737,068	0	0
Deferred tax liability	11,480,476	13,090,899	11,480,476
	<u>97,722,509</u>	<u>121,649,187</u>	<u>104,620,027</u>
Current liabilities			
Trade and other payables	101,147,699	74,882,633	102,362,167
Owing to Directors	33,204	33,204	33,204
Current portion of borrowings	32,628,043	28,146,823	37,810,807
Current portion of other loans	6,504,189	6,162,644	6,362,001
	<u>140,313,135</u>	<u>109,225,304</u>	<u>146,568,179</u>
Total liabilities	<u>238,035,644</u>	<u>230,874,491</u>	<u>251,188,206</u>
Total equity and liabilities	<u>1,122,386,808</u>	<u>918,757,104</u>	<u>928,019,172</u>

) Director

) Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended September 30, 2022

	Quarter to September 30, 2022 Unaudited	YTD September 30, 2022 Unaudited	Quarter to September 30, 2021 Unaudited	YTD September 30 2021 Unaudited	Year End December 31, 2021 Audited
	\$	\$	\$	\$	\$
Revenue	473,106,145	1,320,810,385	258,460,149	809,331,802	1,124,846,375
Cost of sales	(230,137,911)	(646,348,175)	(128,901,057)	(389,649,058)	(573,699,215)
Gross Profit	242,968,234	674,462,210	129,559,092	419,682,744	551,147,160
Other income / (expense)	(233,502)	25,639	114,938	137,383	0
Administrative and general expenses	(111,925,508)	(314,096,398)	(81,989,392)	(244,895,933)	(319,533,545)
Selling and promotional costs	(35,837,492)	(96,395,268)	(17,799,436)	(60,834,913)	(80,263,412)
Gain / (Impairment loss) on financial assets	11,445	11,445	0	0	(1,440,604)
Depreciation amortisation & impairment	(8,749,262)	(26,448,446)	(8,214,908)	(24,678,492)	(26,448,846)
Operating profit	86,233,915	237,559,182	21,670,294	89,410,789	123,460,753
Finance income	284,553	289,691	255,001	815,089	1,167,457
Loss on foreign exchange	(309,640)	(374,130)	59,216	(3,813,134)	(7,977,940)
Finance costs	(2,045,135)	(6,596,595)	(2,260,493)	(8,260,573)	(11,140,889)
Profit / (Loss) on disposal of property plant and equipment	3,044,621	29,998,740	0	0	-
Profit for the year / period.	87,208,314	260,876,888	19,724,018	78,152,171	105,509,381
Income Tax	(8,335,000)	(8,335,000)	0	0	1,610,423
Profit for the period, total comprehensive income for the period/year.	78,873,314	252,541,888	19,724,018	78,152,171	107,119,804
Basic earnings per share	<u>0.35</u>	<u>1.04</u>	<u>0.08</u>	<u>0.31</u>	<u>0.42</u>

Stationery & Office Supplies Limited

Statement of changes in equity

9 months ended September 30, 2022

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2020	88,151,214	112,423,398	409,155,830	609,730,442
Transaction with owners:				
Dividend Paid	0	0	(40,019,280)	(40,019,280)
Profit for the year being total comprehensive income	0	0	107,119,804	107,119,804
Balance at December 31, 2021	88,151,214	112,423,398	476,256,354	676,830,966
Profit for the period being total comprehensive income	0	0	252,541,888	252,541,888
Transactions with owners:				
Dividends paid	0	0	(45,021,690)	(45,021,690)
Balance September 30, 2022	88,151,214	112,423,398	683,776,552	884,351,164
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

Stationery & Office Supplies Limited

Statement of cash flows

9 Months ended 30 September, 2022

	September 30, 2022	September 30, 2021	December 31 2021
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	260,876,888	78,152,171	105,509,381
Adjustments for:			
Depreciation amortisation impairment	26,448,446	24,678,492	32,737,301
(Gain) / Loss on foreign exchange on foreign currency loans	1,573,325	3,813,134	4,668,439
Profit on disposal of property, plant and equipment	(29,998,740)	0	0
Profit / Loss on financial assets recognised in profit or loss	(11,445)	(69,881)	0
Gain on Investments	0	0	(111,438)
Dividend Income	0	0	(78,974)
Interest income	(289,691)	(815,089)	(977,045)
Interest expense	6,596,595	8,260,573	11,140,889
	265,195,378	114,019,400	152,888,553
(Increase) /decrease in inventories	(60,043,805)	(47,842,988)	(63,364,843)
Decrease / (Increase) in trade and other receivables	(69,959,528)	(16,692,350)	(24,343,925)
Decrease/(Increase) in prepayments	5,706,390	(22,872,950)	(37,558,471)
(Decrease) / increase in trade and other payables	(1,214,468)	(17,981,650)	9,497,884
	139,683,967	8,629,462	37,119,198
Cash generated from operations	139,683,967	8,629,462	37,119,198
Interest paid	(6,596,595)	(8,260,573)	(11,140,889)
	133,087,372	368,889	25,978,309
Net cash provided by operating activities	133,087,372	368,889	25,978,309
Cash flows from investing activities:			
Interest received net of withholding tax	289,691	815,089	773,247
Purchase of property, plant and equipment	(47,888,997)	(1,514,519)	(9,515,863)
Proceeds from sale of fixed assets.	46,121,286	0	0
Net cash used in investing activities	(1,478,020)	(699,430)	(8,742,616)
Cash flows from financing activities			
Dividends Paid	(45,021,690)	0	(40,019,280)
Proceeds from Borrowings	13,495,000	0	2,930,000
Repayment of borrowings/loans	(35,218,025)	(33,144,779)	(42,582,829)
Net cash provided by financing activities	(66,744,715)	(33,144,779)	(79,672,109)
Net increase/(decrease) in cash and cash equivalents	64,864,637	(33,475,320)	(62,436,416)
Cash and cash equivalents at beginning of period	34,462,852	96,899,268	96,899,268
Cash and cash equivalents at end of period	99,327,489	63,423,948	34,462,852



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Notes to the Unaudited Financial Statements September 30, 2022

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.