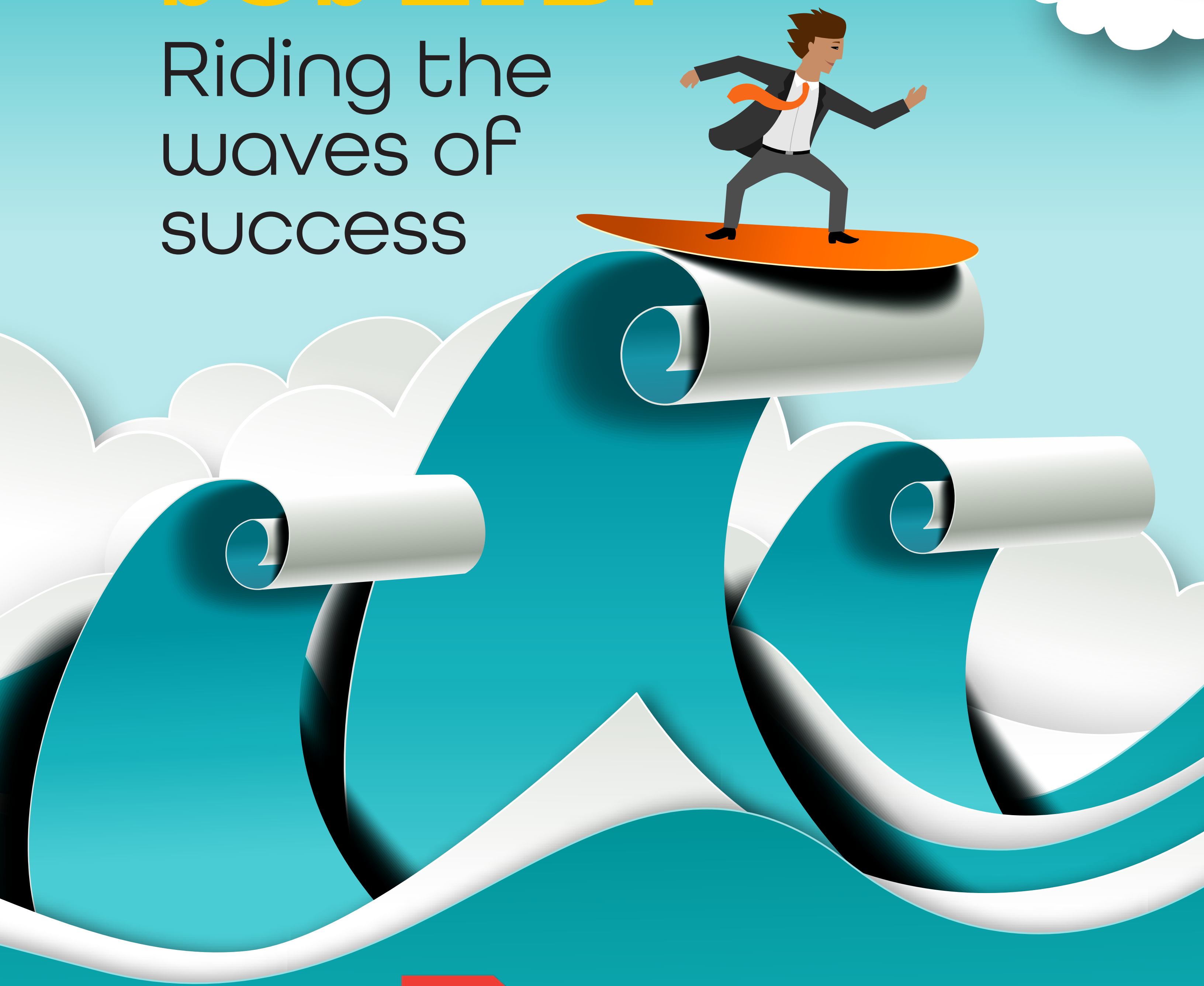
The Annual Report Magazine

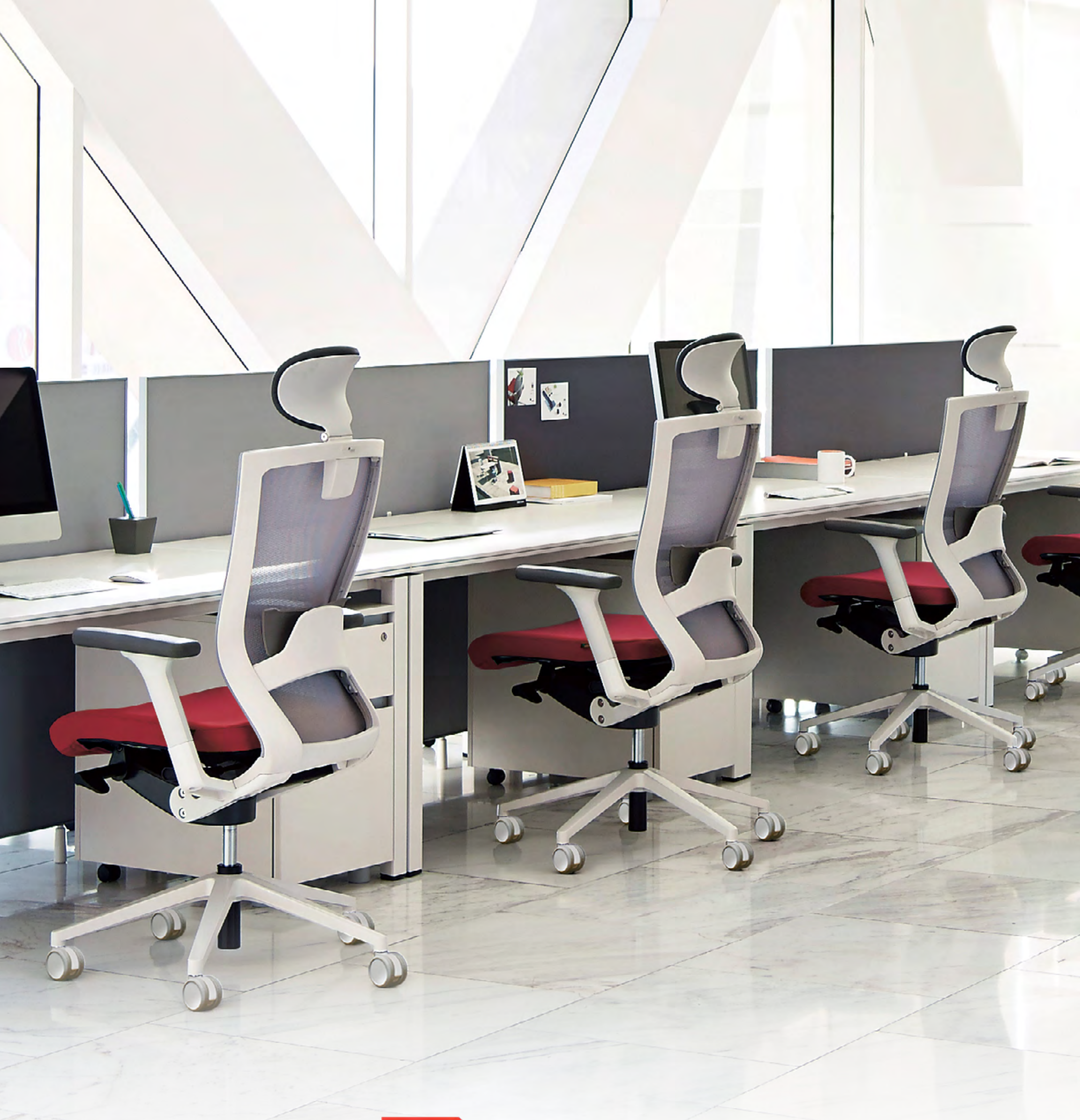
STATIONERY & OFFICE SUPPLIES LIMITED 2022 REPORT

SOS LTD.

Riding the waves of success



STATIONERY & OFFICE SUPPLIES LTD.



STATIONERY & OFFICE SUPPLIES LTD.

Visit our showrooms in Kingston and Montego Bay | www.sosjm.com

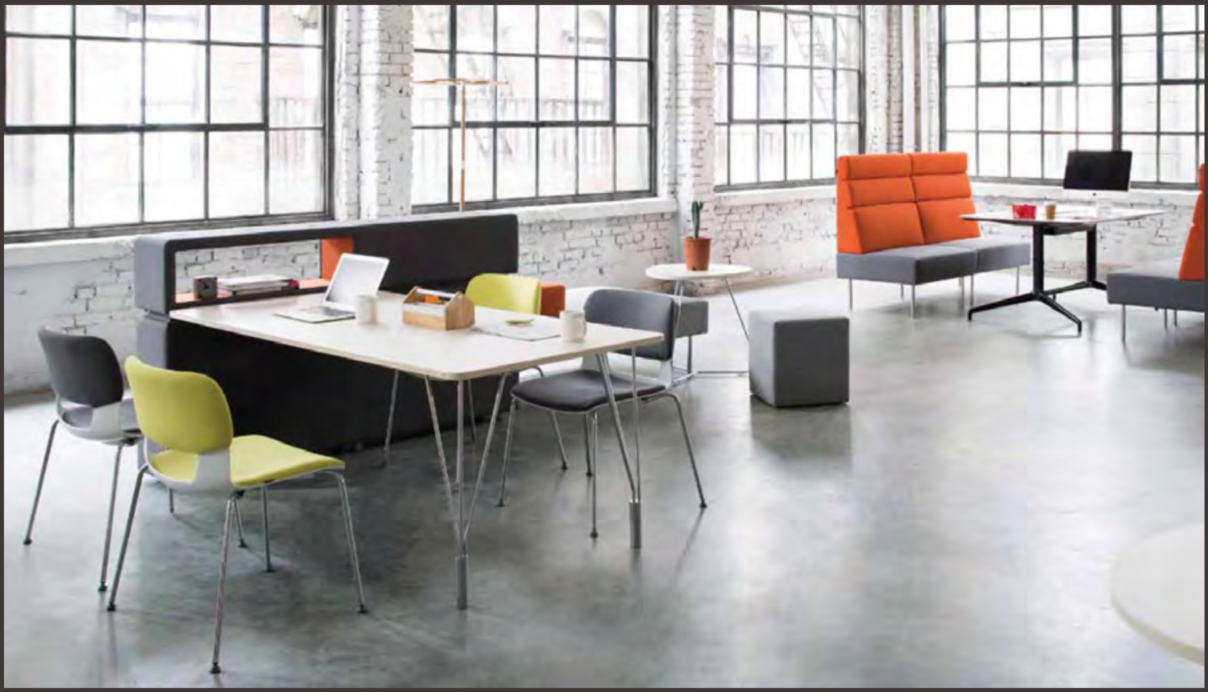
The outstanding performance of the company's newest line, EVOLVE, brought in $28 million in revenue in just five months.

Inside

we take pride in delivering on the responsibility to serve in the best interest our people.

VISION

Delivering solutions for functional and attractive workspaces that promote creativity, efficiency and support every body, hassle-free.



MISSION

To provide the largest stock of high quality office supplies, furniture and accessories that support an efficient and organized operation.

CORE VALUES

QUALITY. We believe in what we supply.

INTEGRITY. Your trusted partner

INNOVATION. Constantly upgrading the rules of productivity.

SERVICE. Reliability and efficiency at our core.

COMMITMENT. All backed by a supportive and knowledgeable team.

$1.03

EPS Increase of $0.60

We belive in what we supply.

$1.39B

Total Assets up by 55%

Revenue increased 56% over 2021

$1.75B

$836M

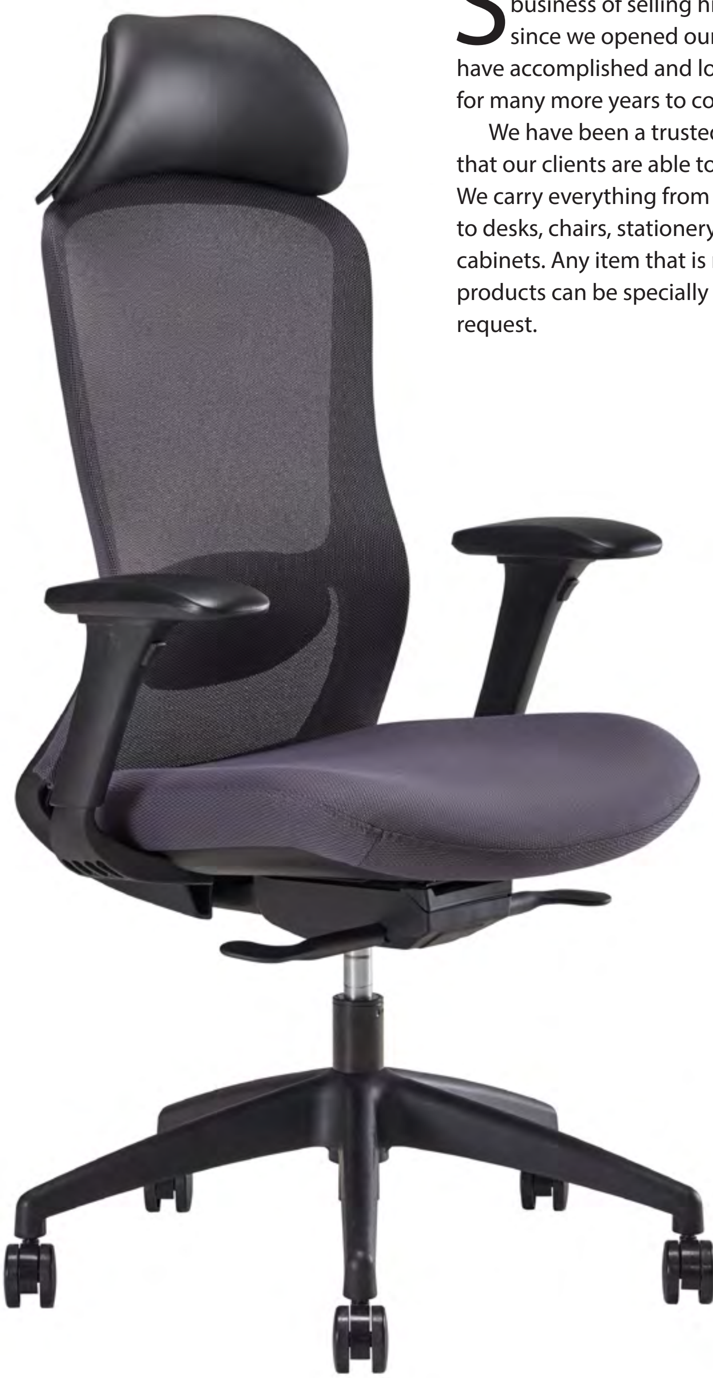
Gross Profit up 52%

Serving you for 58 years

Your trusted partner.

Highlights

For your every office need, for every kind of office…



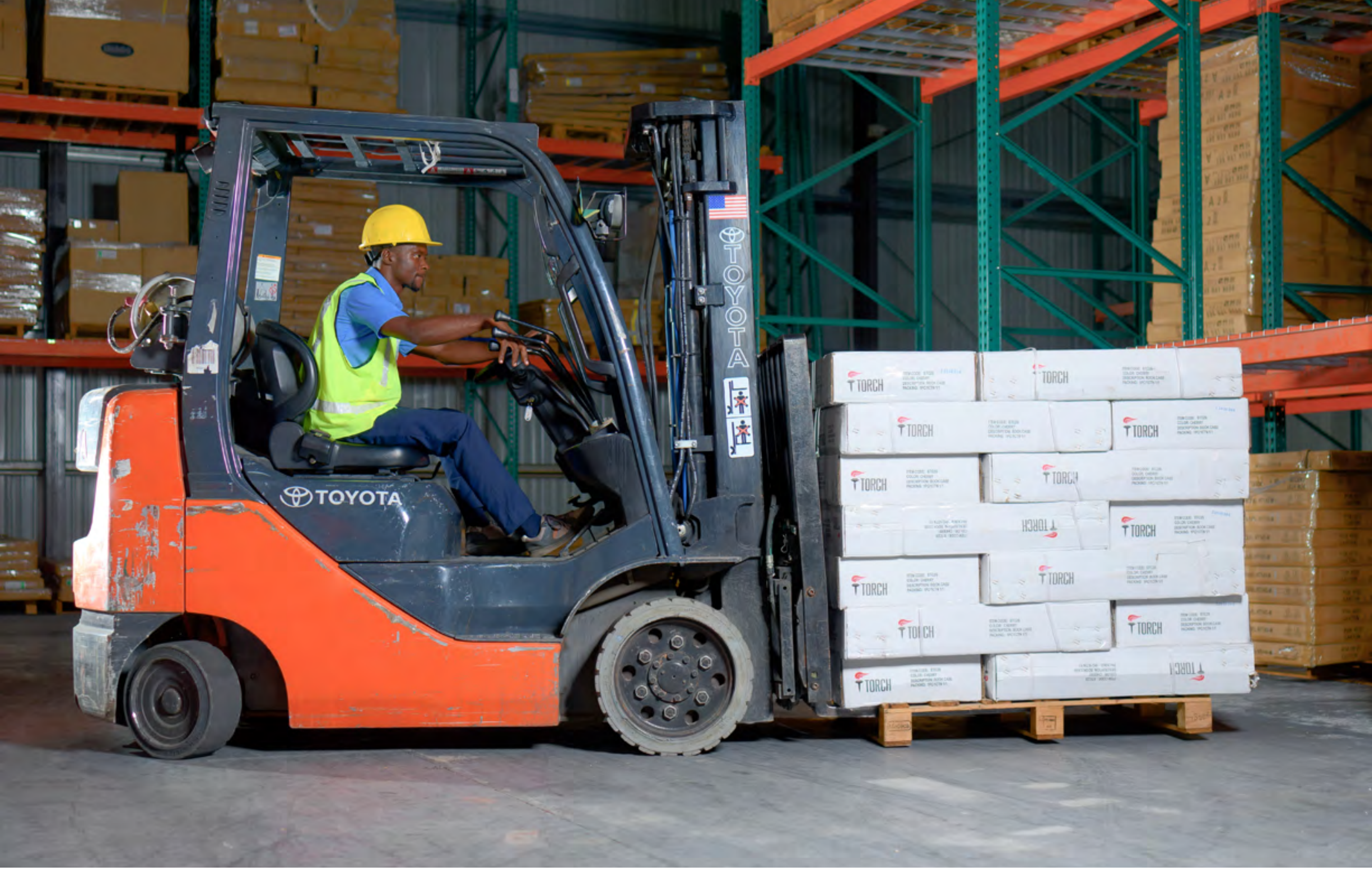
Stationery and Office Supplies Ltd. (SOS) has been in the business of selling high quality stationery and office furniture since we opened our doors in 1965. We are proud of what we have accomplished and look forward to serving the Jamaican public for many more years to come.

We have been a trusted distributor for all office needs, ensuring that our clients are able to run an efficient and organized operation. We carry everything from pens, pencils, erasers and post-it pads to desks, chairs, stationery cupboards, shredders and fire-resistant cabinets. Any item that is not in stock from our large inventory of products can be specially ordered and shipped in at the customer's request.

SOS is the sole distributor in Jamaica for Fursys Systems Office Furniture (one of its leading lines of modular office furniture systems), Boss Chairs, Smart Office Furniture, Hi-Top Case Goods, Torch Furniture, Image Furniture, Evolve Furniture line, Sentry Safes, Gardex Fire Resistant Cabinets and Safes and is the only authorized service agent for Fellowes Shredders. In May 2018, SOS acquired the manufacturing assets of Book Empire Limited, which produces SEEK notebooks, quire books, and writing pads.

We invite you to call or visit our offices at any time to request a free consultation from one of our experienced sales executives who will help you to select products best suited for your business.

SOS is located at 21 - 25 Beechwood Avenue, Kingston 5 and boasts a 3,000 sq. ft. showroom filled with samples of the various furniture and stationery items available in stock. Our Montego Bay office is located at Unit #8, Fairview Office Park, Montego Bay, with a new show room displaying



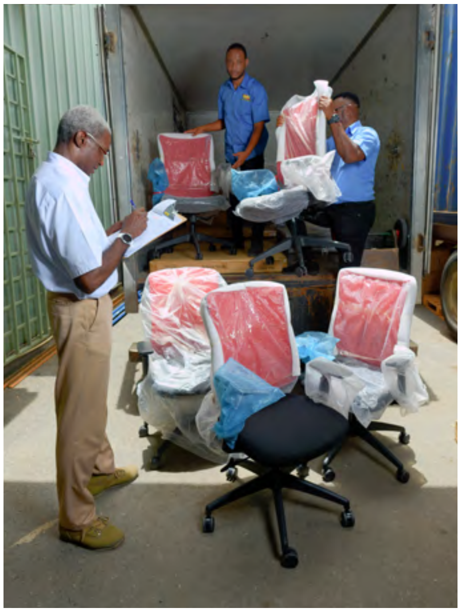
furniture and stationery supported by qualified staff waiting to assist you with your every need.

The in-house support staff is always ready to assist. If you need stationery, furniture or repairs to office furniture give us a call at our offices today in Kingston (876) 926-5688 / 926-2649 or Montego Bay (876) 953-6351 / 979-8635 or email us at mail@sosjm.com

Our sales executives are equipped with a full range of catalogues, samples and prices to make your decisions as fast and as easy as possible. Our staff is all about personal service that makes the everyday business of buying stationery and office furniture just a little more enjoyable and stress free for you.

Sustainability and Green Solutions

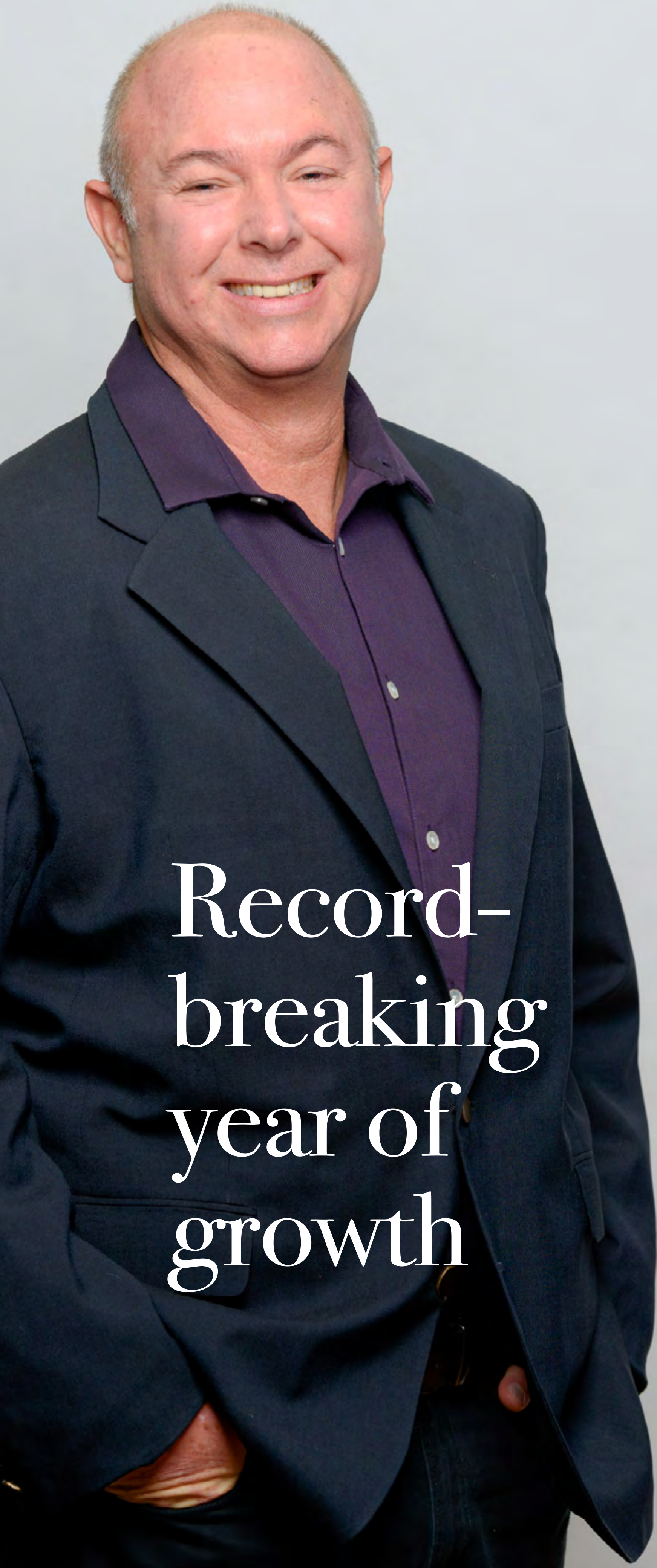
In 2011, the Company decided to play its part in protecting our environment by introducing shredding services to the general public. This endeavour has grown rapidly over time as companies have become more aware of the hazards



of disposing old office documents and sensitive data incorrectly. Housed in its own secure storage facility on the compound, this addition to the Company's service offerings meets all international best practice standards, including banking best practice standards, as they apply to shredding and the destruction of material that contain confidential information.

All of the shredded paper products are exported to various mills overseas where the shredded paper is recycled. Customers are able to relax in the comfort of their offices and view the shredding process being undertaken at the Company's premises with SOS' online real-time viewing capabilities. Alternatively, customers may also be present at the Company's premises to observe the process. We are currently able to process up to 10,000 pounds of paper on a daily basis and have the ability to shred tapes, hard drives, CDs and other media storage devices in compliance with international best practice standards. In addition, we offer pickup and delivery service options to clients who require door to door service.

In December 2014, SOS installed a 75kw solar (photovoltaic) system at its head office at Beechwood Avenue. This includes 292, 255-watt solar panels mounted on the roof and 9,7000-watt inverters installed in a secure location. We are very proud of our contribution to the preservation of the environment and will continue to exercise this policy in the foreseeable future.



Record-breaking year of growth

THE CHAIRMAN'S REPORT

On behalf of the Board of Directors, it is with great pride that I present to you Stationery and Office Supplies Limited's (SOS') Annual Report for Financial Year 2022 (FY 2022). It has been a year of remarkable performance, paralleled to none, that has affirmed our ability to advance the company come what may.

The company ended the year with a record-breaking 56% revenue growth, increasing from $1.12 billion in 2021 to $1.75 billion in 2022. Its pre-tax profit rose by 169%, from $105 million to $283 million and gross profit grew by 52%, from $551 million to $836 million. We are pleased to note that our shareholders closed the year in a better position with EPS increasing by $.60, from $.43 in 2021 to $1.03 in the corresponding period.

Altogether, all of SOS' lines of businesses increased, led by the SEEK portfolio which is up in revenues by 73% from the previous year.

Developing a Habit of Excellence

Our profound growth would not have been possible without an investment in the sustainment of our culture of excellence. Throughout the year, SOS kept its standards high in the areas of performance, product quality, and service. We developed strategies that enabled the company to achieve the highest inventory levels in its 58-year history while other companies wrestled with the consequences of insufficient products and cash flow. SOS strategized to infiltrate additional local markets through the acquisition of a competitor and made headway regionally through distribution partnerships and the fulfilment of international export orders.

To support an uninterrupted flow of operations, the company expanded its managerial team and infrastructure, foreseeing that these would be critical to support the experienced increase in business. We also worked on finding workarounds to shipping constraints and a surge in paper costs. Our proactive approach undoubtedly set us up for success and enabled the company and stakeholders to feel a sense of pride in our leadership.

The successes of 2022 are many and also include the outstanding performance of the company's newest line, EVOLVE, which brought in $28 million in additional revenue in just five months. There was also the tremendous bounce back of the Montego Bay branch following the broad reopening of the tourism sector, which resulted in a 70% increase in revenues. The SEEK portfolio continues to set new records as we expanded its offerings, increased production, and boosted profits.

The key challenge we faced in our drive for excellence was meeting the management needs of our growing team. We tackled this head on by appointing new managers to support the executive team, creating new organisation levels, and formalising various internal processes and procedures.

Our Drivers of Success

SOS, in its 58 years of history, has weathered many storms. From our inception, our people—resilient, creative, and strong—have been the central drivers of our success and the backbone of our operations. Our record-breaking achievements in 2022 would not have been possible without the extraordinary dedication and commitment of our team, which enabled us to emerge stronger and more sturdy than ever before.

Furthermore, the confidence of our customers and their trust and belief in our company has propelled us to new heights as we seek to supply their needs. In many ways, SOS is much more than a stationery and office supplies distributor, but a strong contributor to the local economy and a helping hand to communities. As we etch closer to the celebration of our 60th year in business, we are even more committed to embodying love, care, passion, and compassion as we serve our people.

A Bright Future Ahead

SOS believes that true growth in a company can only come through creating value for customers and stakeholders, building a strong, dedicated team, continuously innovating and adapting to changes in the market, and making sound business decisions based on reliable data. For us, growth requires a culture of learning and improvement, a commitment to excellence and a willingness to take calculated risks to seize new opportunities.

Therefore, as the company moves rapidly towards a new year with plans for further transformation, we are eager to contribute to the improvement of standards for doing business in Jamaica, even as we seek to increase our profits and expand our market share.

According to the World Bank, the Government of Jamaica is targeting growth of between 1.0% to 3.0% in 2023, which reflects a cooling down of activity when compared with growth levels in 2022 or 2021. However, SOS' growth has always outpaced the wider economy as we assist fast-growth sectors such as tourism and BPO outsourcing. Both sectors are sensitive to the vicissitudes in the global economy.

Furthermore, with the International Monetary Fund (IMF) downgrading its initial forecast for global growth from 3.4% in 2022 to 2.9% in 2023, and increased volatility in financial markets due to the tightening of monetary policy amidst rising inflation, a recession appears to be looming in certain major markets. Thus far, we are not seeing the negative effects of a looming recession locally. Our clients still expect a recession sometime, but they are not postponing their purchases.

The company is optimistic that it can achieve $2 billion in annual revenue in 2023. We currently conduct approximately $145 million per month on revenue and require that figure to be increased to $165 million or about 14% growth.

Expansion

As such, several key projects are slated for 2023, which will support new regional partnerships; the expansion of our locations; the growth of our team; additions to offerings within our furniture lines and technological improvements to our operations for overall efficiency. SOS will continue to innovate and improve our products and services to meet the evolving needs of our customers wherever they are. We will invest in research and development, and will listen closely to feedback from our customers to ensure that we are providing value and exceeding their expectations.

Our all-time-high performance has motivated us to prioritise even further the development of our team members, as we plan to provide regular training and support to help them reach their full potential. Our goal is to create a culture that values diversity, inclusivity and collaboration.

Meanwhile, the new financial year would not be sufficiently mapped out without the pledge of our company to continue its ethical and sustainable business practices, prioritising environmental sustainability, social responsibility and ethical conduct in all aspects of our operations.

Re-energised for the months and years ahead, SOS eagerly looks forward, once again, to hitting expectations out of the park. Though challenges will always arise, we are committed to maintaining our guiding principles and to serving our customers and stakeholders with passion, integrity, and dedication in 2023 and beyond.

Stephen Todd
Chairman

Altogether, all of SOS' lines of businesses increased, led by the SEEK portfolio which is up in revenues by 73% from the previous year

OUR CUSTOMERS

The Company provides its products and services to many blue-chip companies and businesses in Jamaica. Some of the Company's customers are set out below:

Notice of AGM

NOTICE IS HEREBY GIVEN that the 2023 Annual General Meeting ("AGM") of Stationery & Office Supplies Limited (the "Company") will be held in a fully electronic format on a date to be confirmed in accordance with the Jamaican Companies Act to consider and if thought fit pass the following resolutions:

1. To receive the Company's Audited Accounts and the Reports of the Directors and the Auditors for the year ended December 31, 2022. To consider and (if thought fit) pass the following resolution:

   Resolution No. 1: "THAT the Directors' Report, the Auditor's Report and the Statements of Account of the Company for the year ended December 31, 2022, be approved."

2. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors. To consider and (if thought fit) pass the following resolution:

   Resolution No. 2: "THAT HBL Mair Russell, Chartered Accountants be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

3. To approve a dividend and pass the following resolution:

   Resolution No. 3: THAT a dividend payment of $0.18c per ordinary stock unit paid on September 14, 2022, to the ordinary shareholders on record as at August 31, 2022 be and is hereby approved.

4. The Directors to retire from office pursuant to the Articles of Incorporation are Kerri Todd, Jermaine Deans and Stephen Todd.

   Resolution No. 4: To approve the re-election of Directors recommended for appointment to the Board of Directors of the Company. To consider and (if thought fit) pass the following resolutions:

   a) "THAT retiring Director Kerri Todd be and is hereby re-elected a Director of the Company,"

   b) "THAT retiring Director Jermaine Deans be and is hereby re-elected a Director of the Company," and

   c) "THAT retiring Director Stephen Todd be and is hereby re-elected a Director of the Company."

Dated this 29th day of March 2023

BY ORDER OF THE BOARD

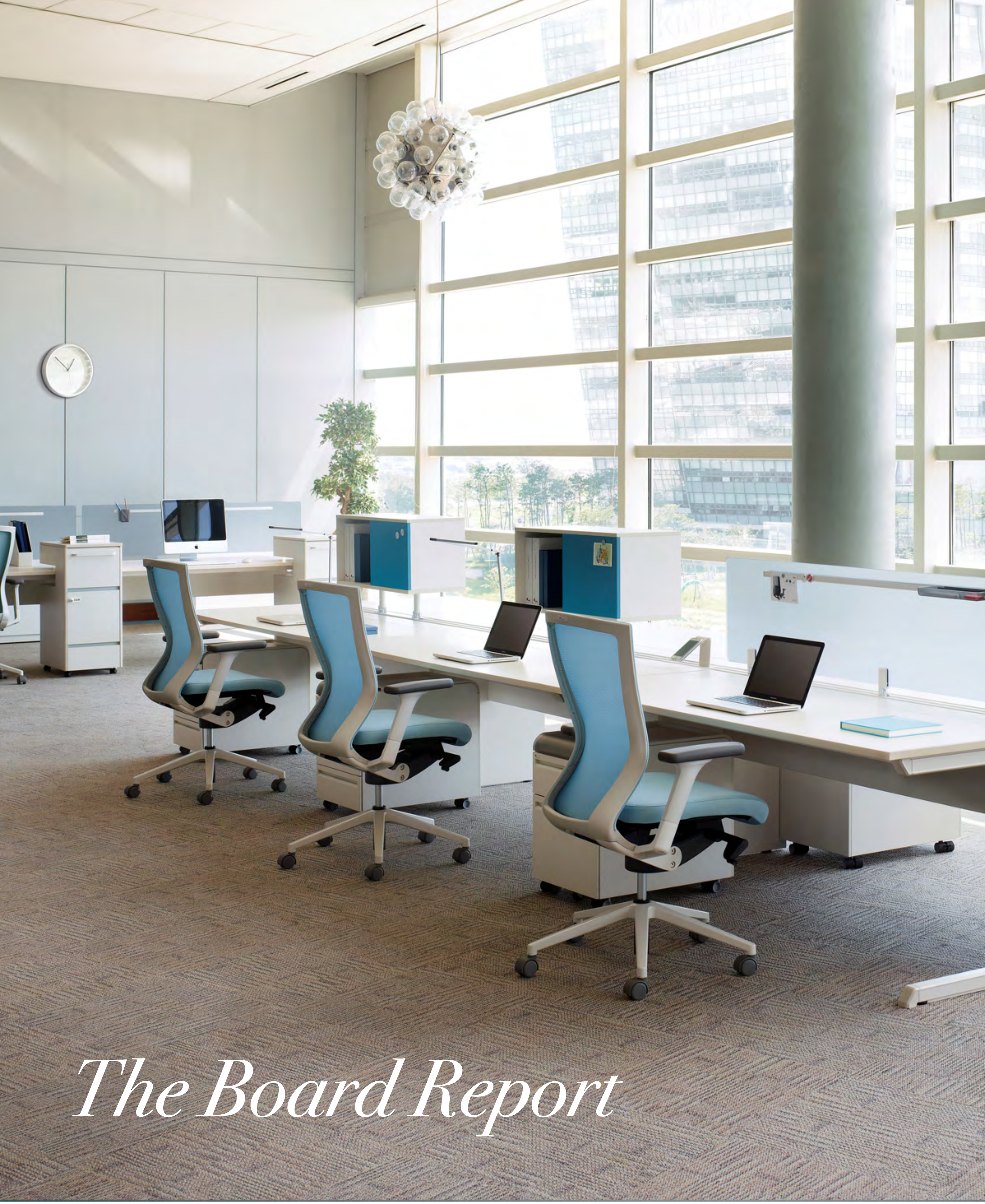
Marjorie E. McDaniel

Marjorie McDaniel
Secretary

REGISTERED OFFICE
23 Beechwood Avenue,
Kingston

STATIONERY & OFFICE SUPPLIES LTD.

A Member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a Member of the Company. A Proxy Form is enclosed for your convenience. Completed Proxy Forms must be lodged at the Company's Registered Office at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of $100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.



The Board Report

The Stationery and Office Supplies' Board of Directors is pleased to present another year of record-breaking results to investors, with all areas on an upward trajectory.

Performance Highlights

	2022 *$'000*	**2021** *$'000*
Sales	1,748,142,622	1,124,846,375
Profit After Tax	256,507,647	105,509,381
Current Ratio	4.06:1	3.57:1
Earnings per Share	$1.03	$.43

Directors

The Directors as at December 31, 2022 are as follows:

Chairman

Stephen Todd

Managing Director

Allan McDaniel

Executive Directors

Marjorie McDaniel
Kelli (McDaniel) Muschett
Kerri (McDaniel) Todd
David McDaniel

Non-Executive Directors

Jermaine Deans
Anthony J.A. Bell
R. Evan D. Thwaites

Auditors

HLB Mair Russell is an independent member of HLB the global advisory and accounting network, and have indicated their willingness to continue in office as Auditors and offer themselves for re-appointment.

Operational Highlights

The acquisition of D&K's Printing and Office Supplies to expand our SEEK product portfolio.

Management Moves

Mr. David McDaniel stepped down as Managing Director and Allan McDaniel was appointed as his successor. Kelli Muschett moved into the role of Deputy Managing Director.

New Lines/Suppliers

During the year we brought in our first shipment of our new sleek and affordable furniture line, Evolve, and launched printed products through SEEK after the acquisition of D&K's Printing and Office Supplies.

The Directors wish to express their appreciation to the dedicated team and management of Stationery and Office Supplies Ltd. for their stellar performance during the year.

Stephen Todd
Chairman

BOARD OF DIRECTORS

Stephen Todd

Chairman and Director of Sales & Marketing

Mr. Stephen Todd was appointed to Chairman of the Board of Directors in August 2021. Prior to this Mr. Todd was the Director - Sales & Marketing of the Company and has been employed to the Company since 1995.

Mr. Todd was educated at Munroe College and Florida International University, Florida, U.S.A. He is certified in Autocad 12 (Graphic Design Program), trained and equipped to technically and administratively supply and install Fursys Systems Furniture.

Marjorie McDaniel

Director, Chief Administrative Officer & Company Secretary

Mrs. Marjorie McDaniel has been employed from 1968 to present and has been instrumental in the Company's operations and its administration ensuring that the Company operates as optimally as possible. Mrs. McDaniel was educated at Saint Andrew High School for Girls, Alpha Commercial Academy and is also trained and equipped technically and administratively to supply and install Fursys Systems Furniture.

Allan McDaniel

Managing Director & Director of Warehousing & Logistics

Mr. Allan McDaniel has been employed to the Company from 1996 to present having worked in the Sales, Design, Installation, Warehouse and Accounts Departments of the Company over the years. Mr. McDaniel assumed the Managing Director role in October 2021, succeeding his father, Mr. David McDaniel, to lead the Company into the future and as it moves to enter into the next phase of its existence as a listed company.

Mr. Allan McDaniel was educated at Campion College, University of Western Ontario, London, Canada, is certified in AutoCAD 12 (Graphic Design Program), trained and certified By Fellowes Inc. in Shredder maintenance and repairs, trained and equipped technically and administratively to supply and install Fursys Systems Furniture.

BOARD OF DIRECTORS

Kerri (McDaniel) Todd

Director Special Projects, BBM

Mrs. Kerri Todd has been employed to the Company since 1992 to present and was the first of the member of the second generation of McDaniels to join the Company. Mrs. Todd was educated at Hillel Academy, Ryerson University (Bachelor of Business Management) Toronto, Canada. She is certified in Autocad 12 (Technical Drawing Programme) and trained and equipped to technically and administratively supply and install Fursys Systems Furniture.

Kelli (McDaniel) Muschett

Deputy Managing Director and Director of Purchasing & Administration, BBM, MBA

Mrs. Kelli Muschett has been employed to the Company from 2000 to present and was appointed to the Deputy Managing Director Role in October 2021.

She was educated at Hillel Academy and Ryerson University, Toronto, Ontario (Bachelor of Business Management) and the European University, Spain, Madrid - MBA (International Business)

Mrs. Muschett is also trained and equipped technically and administratively to supply and install Fursys Systems Furniture.

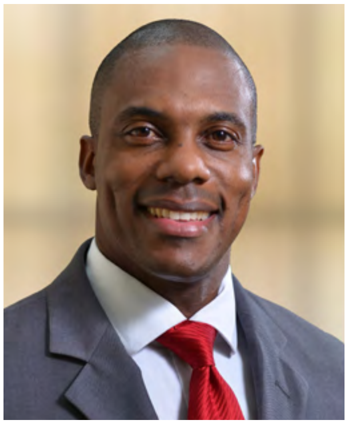
David McDaniel

Director

Mr. David McDaniel is a Director and one of the founders of the Company, having worked there from its incorporation. Having steered the Company for over 50 years, Mr. McDaniel stepped down as Chairman and Managing Director in 2021 handing over to Mr. Stephen Todd and Mr. Allan McDaniel respectively.

It is through his stewardship that the Company has attained and sustained its success over the years. His vision is to import the skills and expertise of the second generation of his family into the business

Mr. McDaniel was educated at Saint Paul's Elementary School – Manchester, Jamaica and is trained and equipped to technically and administratively supply and install Fursys Systems Furniture.



Jermaine Deans

Non-Executive Director

Mr. Deans is the Managing Director of JN Cayman with extensive experience in Global Financial Markets, Capital Markets, Credit, Commercial Banking, Treasury Management, FX Trading, Bond Trading, Company Financial Analysis and Corporate Strategy Reengineering, Balance Sheet Restructuring, Monetary and Fiscal Policies, Economics and Central Government Management, Supervision of Financial Institutions, Market Risk Assessment.

He has also structured balance sheet solutions for various entities via Financial Advisory, Business Process ReTooling, Debt, Equity, Acquisitions and IPOs. He is a director of Peak Bottling Company Limited and Spike Industries Limited and lectures in Portfolio Management and Financial Markets.

He holds a BSc. in Business Administration, Finance Major and an MBA, Finance Major, with concentration in Investment Management, from Villanova School of Business, Villanova University, Pennsylvania, USA. Mr. Deans is the Chairman for the Remuneration Committee and a member of the Audit and Corporate Governance Committees.

Anthony J.A. Bell, J.P.

Non-Executive Director & Chairman of the Audit Committee

Mr. Bell brings to the Board of Directors his experience in management gained at a senior level in many prominent local companies. Mr. Bell is a graduate of Jamaica College and South West London College, and he has worked as an accountant and financial controller over his career. He served as Managing Director of J. Wray and Nephew Ltd. and Chief Financial Officer of the Lascelles de Mercado group of companies for over thirty (30) years, retiring in 2011. Mr. Bell is a current director of Jamaica College Foundation, First Caribbean International Bank (Jamaica) Limited and First Caribbean International Securities Limited, and IronRock Insurance Company Limited. Mr. Bell is also a member of the Company's Remuneration Committee.

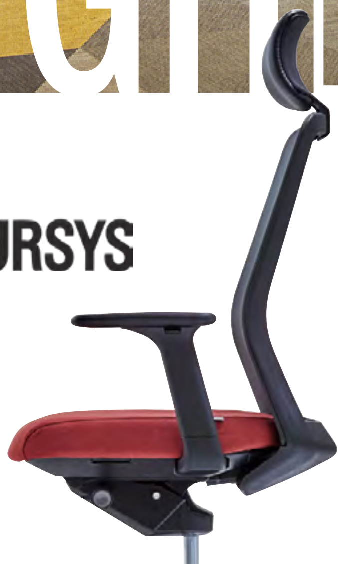
R. Evan D. Thwaites

Non-Executive Director & Chairman of the Corporate Governance Committee

Evan Thwaites is a Chartered Insurer and an Associate of the Chartered Insurance Institute. He is the Managing Director of IronRock Insurance Company Limited. Mr. Thwaites was educated at Wolmer's Boys' School and completed management training courses in the U.S.A., the United Kingdom and Germany for the purposes of his professional development in the insurance and reinsurance industry. He spent over thirty (30) years with Globe Insurance Company of Jamaica Ltd. (and its predecessor entity, Globe Insurance Company of the West Indies Ltd.), prior to its acquisition by Guardian Group, where he was Managing Director. He subsequently was a consultant and director, of Grace Kennedy Financial Services Ltd. and Jamaica International Insurance Company Ltd., respectively, prior to forming the Company. Mr. Thwaites is also a member of the Company's Audit Committee.

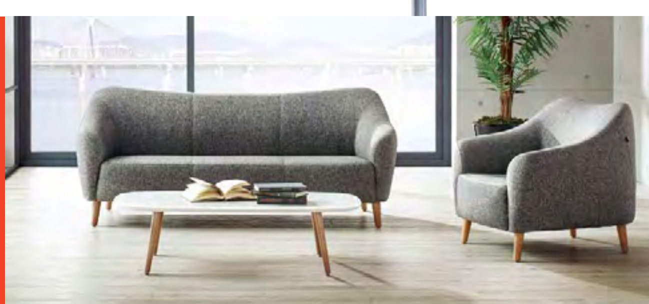
HIGH DESIGN

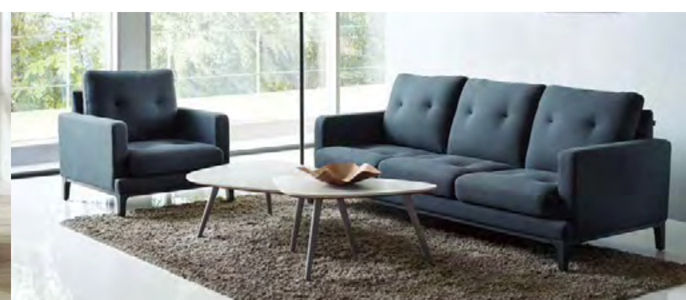
FURSYS

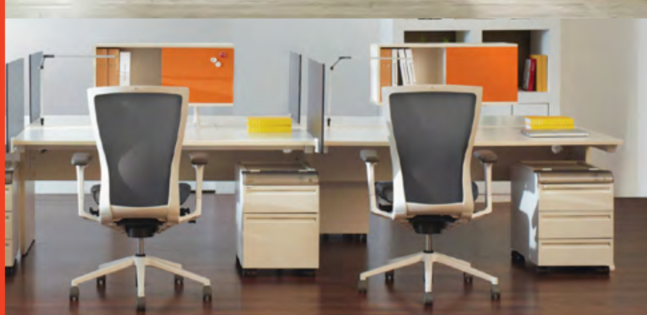


Never compromise style for functionality.

With the FURSYS line from SOS, create a smart, stylish work environment that will inspire and motivate success, and satisfy your personal and professional needs.







We offer completely customizable workstations with ergonomic design, convenient storage systems and unrestricted layout that provides style, space and work efficiency.

MANAGEMENT TEAM

David Charles Plant

Financial Controller

Mr. David Plant has been employed to the Company as its Financial Controller from 2006 to present. Before working with the Company Mr. Plant had a long and distinguished career at KPMG from 1979 to 1999, and which included a posting in London as Senior Accountant and was employed at Chas E. Ramson Limited as its Financial Controller from 2000 to 2006. Mr. Plant was educated at Wolmers Boys School and London School of Accountancy & Accountancy Tutors Ltd. He is a Fellow of the Institute of Chartered Accountants of Jamaica and a Fellow of the Association of Chartered & Certified Accountants.

Denise Hope McIntosh

Montego Bay Branch Manager

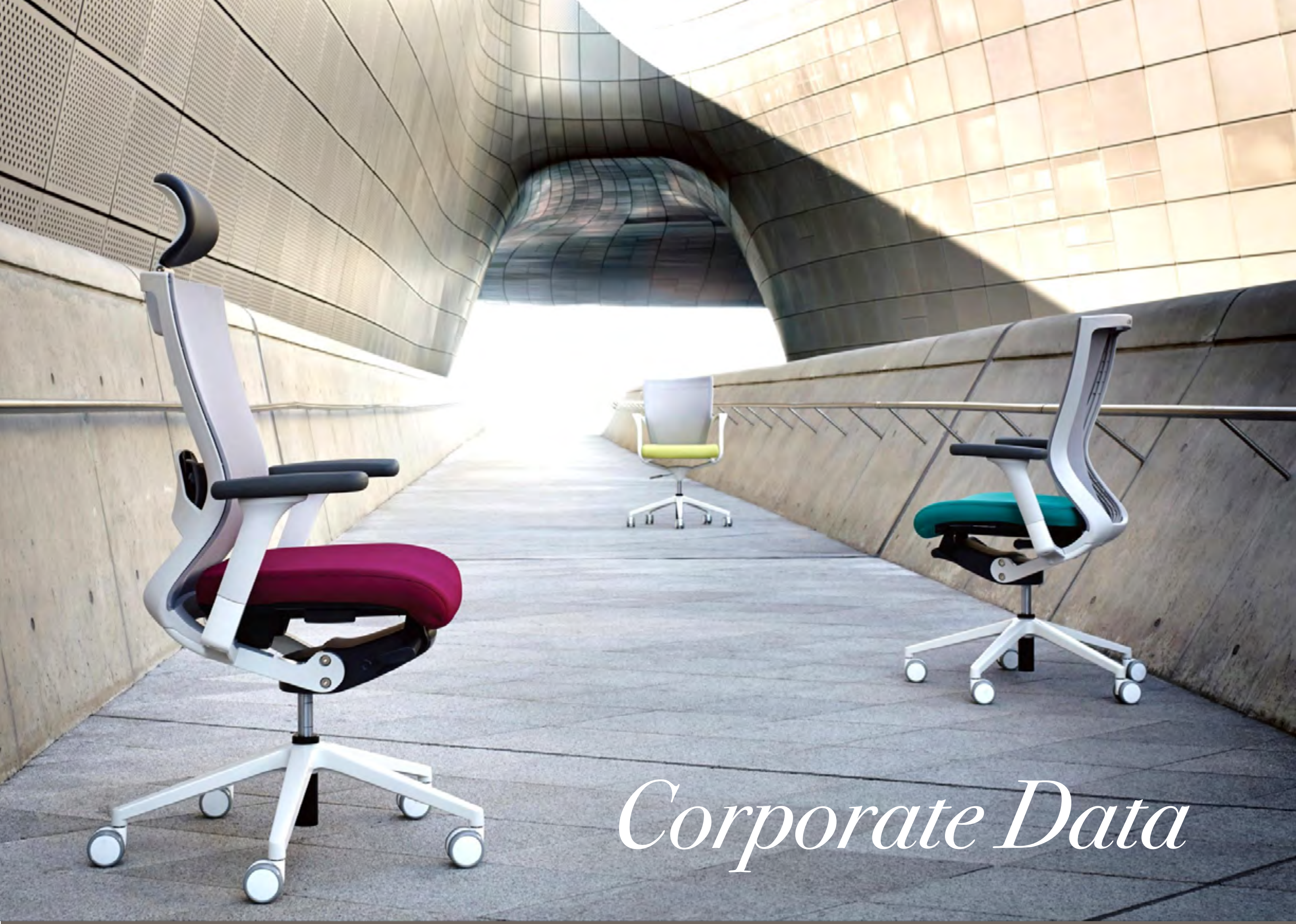
Ms. Denise McIntosh has been employed to the Company since 2011 to present as the Manager of its Montego Bay Branch. Before working with the Company, she held posts as Brand Manager, Indies Pharma Jamaica Ltd. in Montego Bay, Station Manager, Delta Airlines (Kingston & Montego Bay) and General Manager Caribbean, Northwest Airlines.

Ms. McIntosh was educated at Montego Bay High School, Montego Bay Community College, University of New Orleans (B.Sc in Business Administration) and University of Liverpool (MBA, Marketing).

Bruce Baylis

Manager Manufacturing Division - SEEK Productss

Mr. Baylis joined Stationery and Office Supplies after the acquisition of his book empire, SEEK Exercise and Note books. He came to the company with over 30 years' experience in the manufacturing sector, successfully building the Jamaican manufactured brand and developing a solid distribution network islandwide. Mr. Baylis currently manages the production and sales of the SEEK portfolio.



Corporate Data

EXECUTIVE DIRECTORS

Chairman and Director of Sales & Marketing: Stephen Todd

Managing Director and Director of Warehousing & Logistics: Allan McDaniel

Director, Company Sercretary, Chief Administrative Officer: Marjorie McDaniel

Deputy Managing Director & Director of Purchasing & Administration: Kelli Muschett

Director, Special Projects: Kerri Todd

NON-EXECUTIVE DIRECTORS

Anthony J. A. Bell, J.P.
Jermaine Deans
R. Evan D. Thwaites

REGISTERED HEAD OFFICE

Stationery & Office Supplies Limited
21 - 25 Beechwood Avenue
Kingston 5
Tel: (876) 926-5688
Fax: (876) 968-8200
WebsIte: www.sosjm.com

ATTORNEY

MH&CO Attorneys-at-Law
7 Barbados Avenue
(Second Floor)
Kingston 5

AUDITORS

HLB Mair Russell
3 Haughton Avenue
Kingston 10

BANKERS

First Caribbean International Bank (Jamaica) Limited
23-27 Knutsford Boulevard
Kingston 5

National Commercial Bank Jamaica Limited
37 Duke Street
Kingston

JN Bank Limited
10-12 Grenada Crescent
Kingston 5

CORPORATE GOVERNANCE

Owed to the stewardship of the Board of Directors, Stationery & Office Supplies Limited ("SOS" or "the Company") maintains the highest standards of business integrity and corporate governance best practices in keeping with the Corporate Governance Guidelines of the Jamaica Stock Exchange. In doing so, the Board ensures the long term viability, profitability and overall wellbeing of the Company in the interest of its valued shareholders.

The Corporate Governance Committee is tasked with assisting the Board of Directors of SOS in ensuring that its composition, structure, policies and processes for managing the Company are in keeping with good corporate governance standards and adhere to the relevant regulatory framework. Thus, its members are independent non-executive directors appointed by the Board for their competence and understanding of issues core to the business.

The Board consists of nine (9) members with provisions in the Articles of the Company to increase the size of the Board, if necessary. The current members of the Board of Directors are: Stephen Todd (Chairman), Allan McDaniel, David McDaniel, Anthony Bell, Richard Evan Thwaites, Jermaine Deans, Kerri Todd, Kelli Muschett and Marjorie McDaniel, who is also the Company Secretary.

As at August 10, 2022, the members of the Corporate Governance Committee, the Audit Committee and the Remuneration Committee are:

Audit Committee

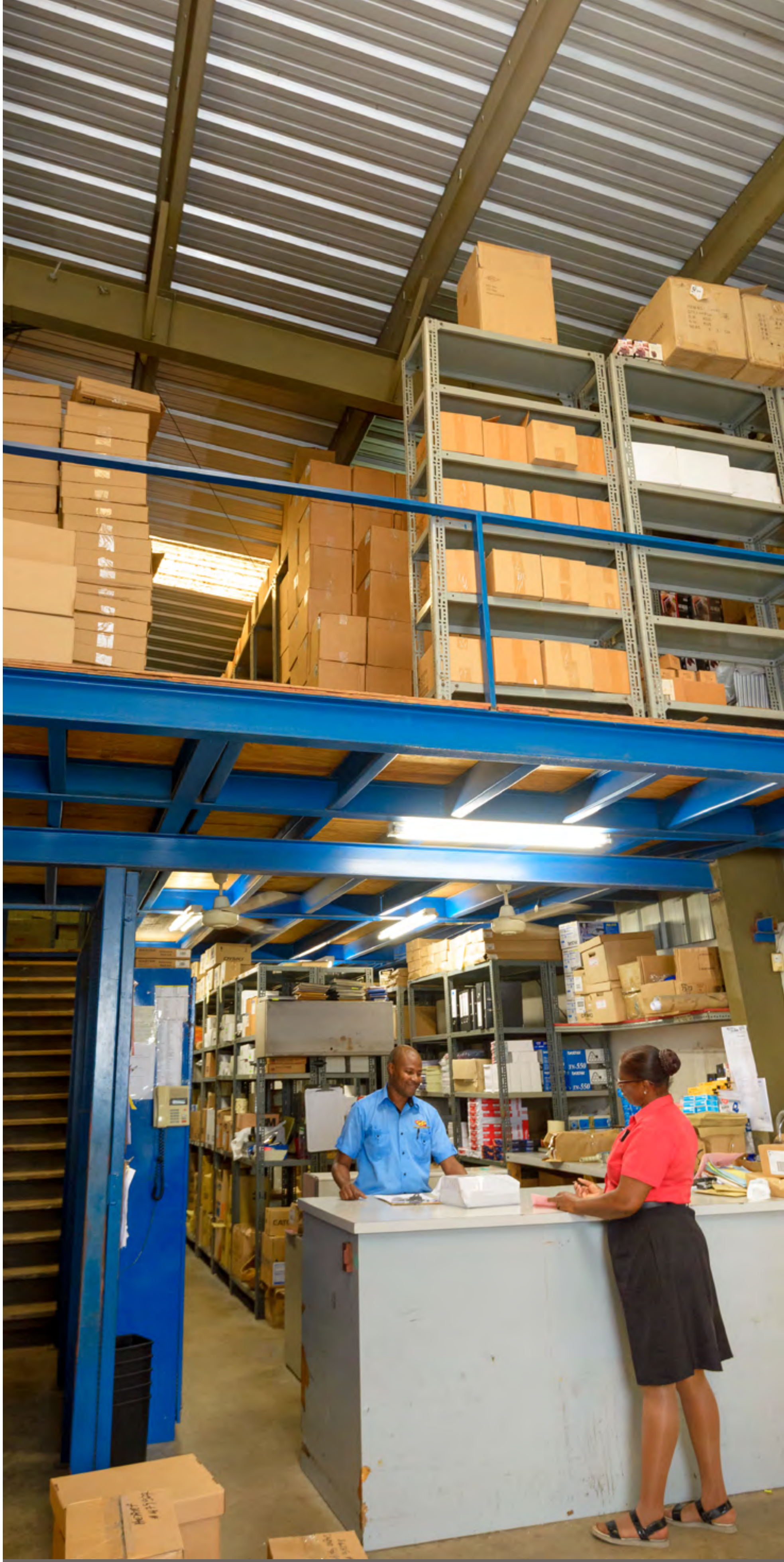
Mr. Anthony Bell, Chairman
Mr. R. Evan Thwaites
Mr. Jermaine Deans

Corporate Governance Committee

Mr. R. Evan Thwaites, Chairman
Mr. Anthony Bell
Mr. Jermaine Deans

Remuneration Committee

Mr. Jermaine Deans, Chairman
Mr. Anthony Bell
Mr. R. Evan Thwaites



Corporate Governance

Quarterly Board and Audit Committee Meetings were scheduled during the year. The recorded attendance at the scheduled meetings are reflected in the tables below:

Board Meeting Attendance

DIRECTORS ATTENDING	Virtual Meeting February 22, 2022	Virtual Meeting May 4, 2022	Virtual Meeting August 9, 2022	Virtual Special Meeting Oct. 11, 2022	Virtual Meeting Nov. 1, 2022
Stephen Todd, Chairman	Y	N	Y	Y	Y
David McDaniel, Director	Y	N	Y	Y	Y
Marjorie McDaniel, Director/Company Secretary	Y	Y	Y	Y	Y
Allan McDaniel, Director	Y	Y	Y	Y	Y
Kerri Todd, Director	Y	Y	Y	Y	Y
Kelli Muschett, Director	Y	Y	Y	Y	Y
Anthony Bell, Independent Director	Y	Y	Y	Y	Y
Jermaine Deans, Independent Director	Y	Y	Y	Y	Y
Richard Evan Thwaites, Independent Director	Y	Y	Y	Y	Y

Annual General Meeting: The Annual General Meeting of the Company was held on September 13, 2022.

Audit Committee

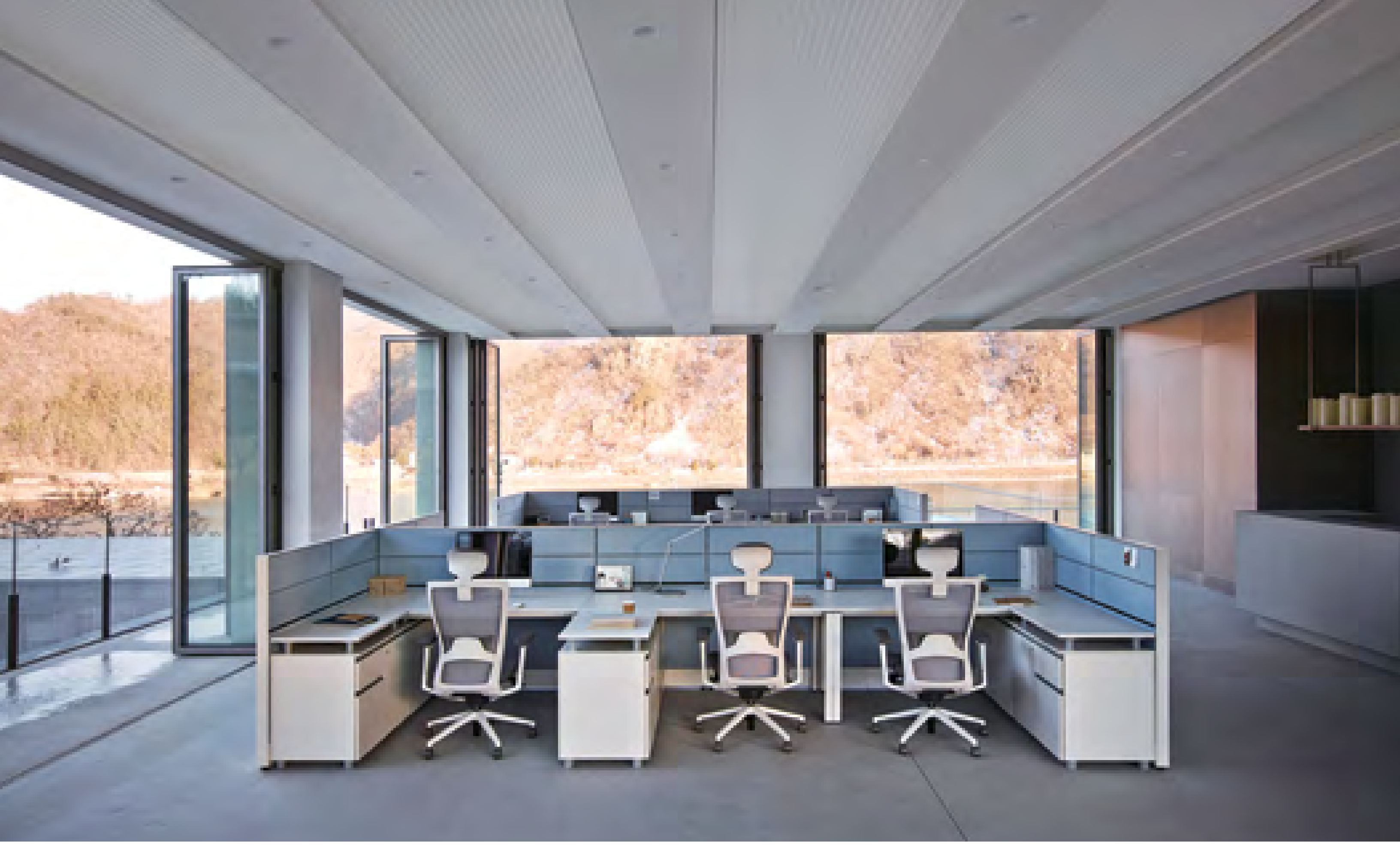
MEMBERS ATTENDING	Virtual Meeting February 22, 2022	Virtual Meeting May 4, 2022	Virtual Meeting August 9, 2022	Virtual Meeting November 1, 2022
Mr. Anthony Bell, Chairman/Independent Director	Y	Y	Y	Y
Mr. Jermaine Deans, Independent Director	Y	Y	Y	Y
Mr. Richard Evan Thwaites, Independent Director	Y	Y	Y	Y

Invitees: Mr. Allan McDaniel, Director

Mr. Charles Plant, Financial Controller

Remuneration Committee

MEMBERS ATTENDING	Virtual Meeting Feb. 22, 2022
Mr. Jermaine Deans, Chairman/Independent Director	Y
Mr. Richard Evan Thwaites, Independent Director	Y
Mr. Anthony Bell, Chairman/Independent Director	Y
Invitees:	
Mr. Allan McDaniel, Director	Y
Ms. Kelli Muchett, Director	Y
Ms. Kerri Todd, Director	Y



CORPORATE
GOVERNANCE

Corporate Governance Committee

MEMBERS ATTENDING	Virtual Meeting Feb. 22, 2022
Mr. Richard Evan Thwaites, Chairman/Independent Director	Y
Mr. Jermaine Deans, Independent Director	Y
Mr. Anthony Bell, Chairman/Independent Director	Y
Invitees:	
Mr. Allan McDaniel, Director	Y
Ms. Kelli Muchett, Director	Y

The Corporate Governance Guidelines (CGG) for Stationery and Office Supplies Ltd. are available on our website: www.sosjm.com/corporate-governance-2022

2022 Annual General Meeting

MEMBERS ATTENDING	Hybrid Meeting Nov. 8, 2022
Stephen Todd, Chairman	Y
David McDaniel, Director	Y
Marjorie McDaniel, Director/Company Secretary	Y
Allan McDaniel, Director	Y
Kerri Todd, Director	Y
Kelli Muschett, Director	Y
Anthony Bell, Independent Director	Y
Jermaine Deans, Independent Director	Y
Richard Evan Thwaites, Independent Director	Y

Shareholders

TOP 10 SHAREHOLDERS *As of December 31, 2022*

SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
OUTLOOK LIMITED	200,096,400.	80.0
QWI INVESTMENTS LIMITED	5,896,672.	2.3
ANJANETTE MARIANNA MCDANIEL	5,427,926.	2.2
JASON CARL CARBY	4,201,435.	1.7
JNBS PENSION TRUSTEES NOMINEE LTD.	2,337,495.	1.0
KENDALL MARIE TODD	1,784,900.	0.7
BRIDGETOWN MANAGEMENT SERVICES LTD	1,389,802.	0.6
JCDC TRUTEE SERVICES LTD	1,285,053.	0.5
NIGEL COKE	1,188,179.	0.5
DAVID ANTHONY STEPHENS	1,000,000.	0.4

DIRECTORS' SHAREHOLDINGS *As of December 31, 2022*

DIRECTORS NAMES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
DAVID MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
MARJORIE MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
ALLAN MCDANIEL	NIL		
KELLI MUSCHETT	NIL	OUTLOOK LTD	200,096,400.
STEPHEN TODD	NIL	OUTLOOK LTD	200,096,400.
KERRI TODD	NIL	OUTLOOK LTD	200,096,400.
ANTHONY BELL	NIL	-	
JERMAINE DEANS	NIL	-	
R. EVAN D. THWAITES	28,165.	-	

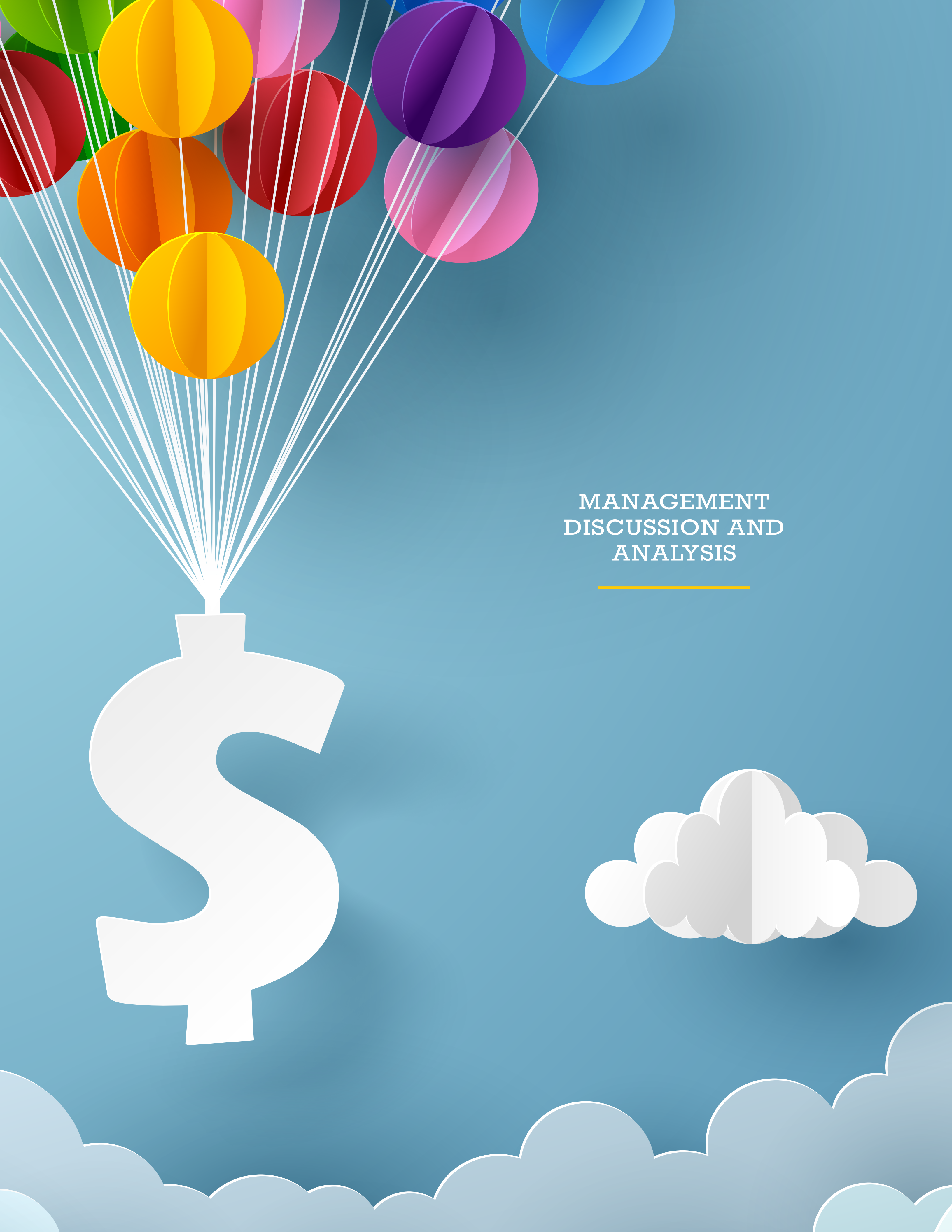
SENIOR MANAGERS SHAREHOLDINGS *As of December 31, 2022*

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

All-time HIGH

In a year categorised in several industries by market uncertainties, Stationery and Office Supplies Limited's (SOS') unprecedented and outstanding performance in Financial Year 2022 (FY 2022) is credit to the quality of the company's history of strategic investments in people and assets.

Despite global ongoing challenges, SOS embarked on an ambitious, uncharted journey which culminated with a historic year of all-time highs, as the company recorded significant increases across the board in revenues and profits.



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

During the year, the company paid its borrowing and other loans, reducing the total from $93 million to $49.5 million.

Heading into the year, there were high expectations for the Jamaican distributor as it proved in 2021, its exceptional ability to rebound from economic setbacks owed to the pandemic to favourable growth and profitability. The year 2022 turned out to be the company's most profitable in its 58-year history as all lines of businesses increased by double digit percentages with total assets growing by 55% from $901 million to $1.39 billion by the end of 2022.

The company's unparalleled achievements were not without their challenges. However, the foundation of SOS' success has been fortified over decades through its dedicated team and the vigour of all stakeholders to go above and beyond in the company's best interest.

A Historic Year of Financial Growth

In 2022, there were historic highs in revenue, gross profit, and pre-tax profit, which more than doubled. Revenue totalled $1.74 billion from $1.12 billion a year earlier, outpacing expenses at 52% to 29% respectively. Gross profit totalled $836.2 million compared to $551.1 million in 2021, while pre-tax profit rose to $283.8 million from $105.5 million a year earlier.

All lines of business increased, with SEEK leading the way with revenues up 73%. Meanwhile, SOS Montego Bay also had a successful year, with a 70% increase in revenue and a 160% increase in pre-tax profit.

Ultimately, SOS increased total assets by 55% from $901 million to $1.39 billion at the end of 2022 due mainly to a revaluation of properties owned. The revaluation increased property to $623 million from $389 million a year earlier. Other factors that increased assets were the rise in inventory, which resulted in a 24% increase. Though the company spent more than the previous year to grow its inventory, there was a definite refinement in its purchases. Inventory closed the year $368.6 million from $296 million a year earlier. During the year, the company paid its borrowing and other loans, reducing the total from $93 million to $49.5 million.

August 2022 marked the fifth anniversary of SOS' listing on the Jamaica Stock Exchange (JSE) and the company will continue to benefit from the 50% tax-free listing for the next 5 years. The company's revenue has more than doubled since listing in 2016, reaching $1.75 billion by the end of 2022. This signals that listing created value for shareholders and Jamaica.

Earnings per share increased to $1.03 in 2022 from $0.43 in 2021 and $0.23 in 2016 upon listing.

Operations

SOS continues to be guided by industry standards in its management and operations. As revenue increased in 2022, all departments were expanded to match the company's growth.

In particular, the company established a Human Resources (HR) department, resulting in a new HR manager post, which now spearheads recruitment, retention and improved management of the employee life cycle even as the SOS team expands. Through the department, new policies are gradually being established as part of an employee handbook, which will improve clarity and structure, guide employee conduct, outline conditions for employment and employee benefits, and help to foster a healthy working environment.

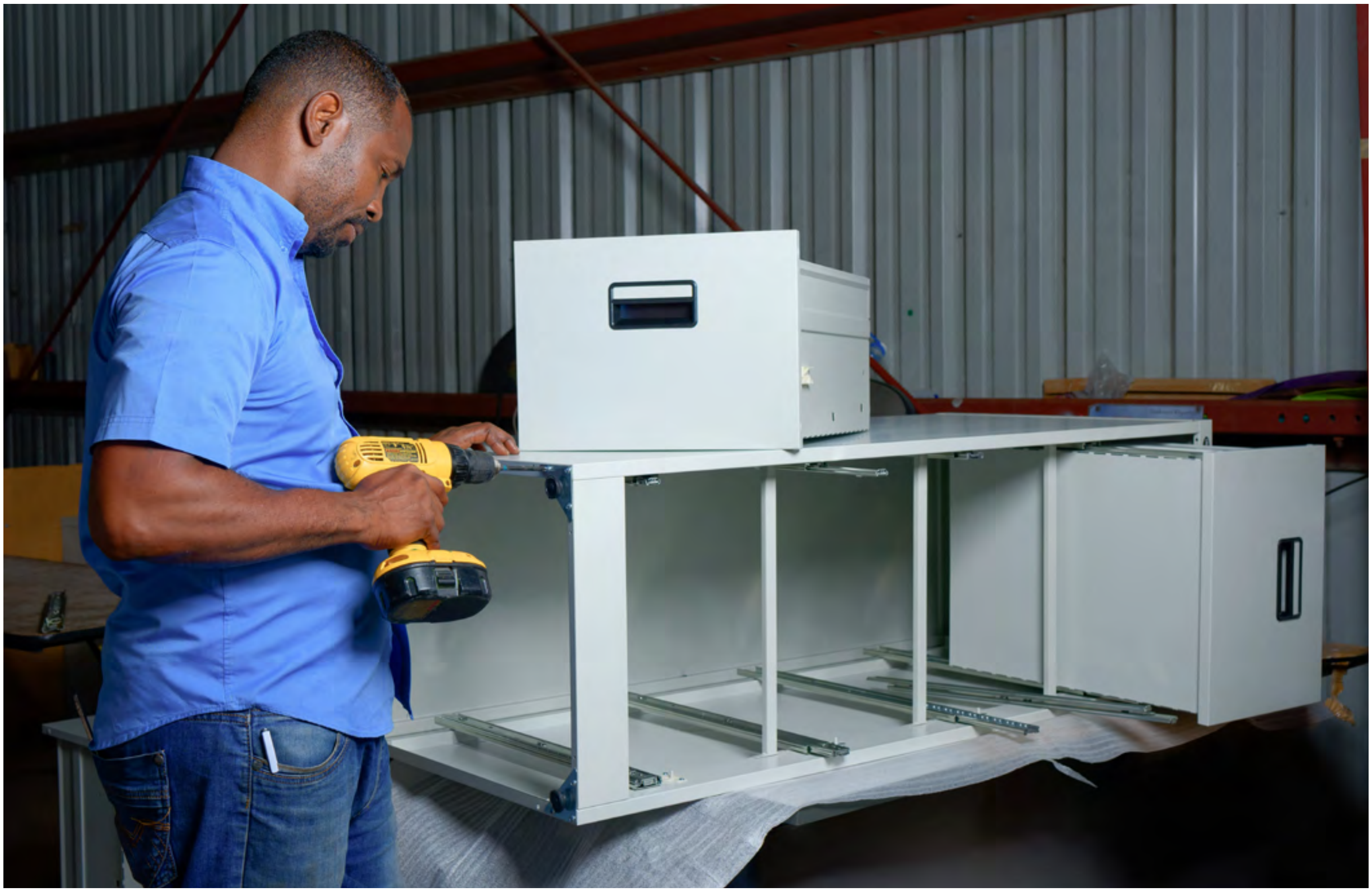
The SOS team itself grew from the previous year by approximately 8% with 149 team members currently on board. The company continues to be driven by its desire to foster a workplace culture that values teamwork and equips employees with the resources needed to grow and function effectively in their roles. With a strong team, SOS believes that no challenge is insurmountable.

A Cutting-Edge Approach

Consistent with its core vision, SOS implemented several strategies throughout the year that resulted in increased shareholder value, profit growth, expansion, and long-term business sustainability.

Among the main drivers of success was prudent inventory management. Though the pandemic derailed solid growth plans in 2020, the following years presented vital opportunities for the company to reexamine its inventory management strategy towards developing a new approach that would insulate it from being significantly impacted by future shipping bottlenecks. In 2022, with each department's help to refine the inventory processes, the company gained added clarity on its needs and was able to improve storage facilities to meet the market demand.

By achieving a well-stocked inventory, SOS was able to supply its own needs and that of many local distributors impacted by insufficient



cash flow coming out of the pandemic. The company quickly became the preferred choice for local distributors in need of readily available products, which turned these distributors into additional sales agents for the company. To support the smooth operations of these developments, additional layers of management were implemented with the promotion of team members to the posts of inventory manager and warehouse manager. SOS' forward-thinking approach to inventory management enabled the company to reap great benefits in 2022, with inventory levels at an all-time high by the end of the year.

Having experienced supply challenges with paper in 2021 because of worldwide shipping backlogs, in 2022 the company was judicious in their paper sourcing and ordering ahead of time to support the production of SEEK products in 2023.

Noticing a scarcity in the local market of affordable but stylish furniture, the company launched its newest furniture line, EVOLVE, in 2022, designed to revolutionise office spaces with a modern look and feel. The line was extremely well-received, raking in $28 million in revenue after being on the market for just five months. Meanwhile, its additional lines within the company's impressive catalogue continued to perform acceptably.

The company's overall approach to strategy is about using its resources to break new ground and to tackle issues with well-grounded, long-term solutions.

Reaching New Heights

Year after year, SOS continues to exceed performance expectations by pushing against boundaries and seeking out opportunities to remain competitive in an ever-changing business environment.

In 2022, one of the main rewards of this approach was realised in the SEEK portfolio, which became the company's best performing line of business, experiencing a 73% increase in revenues. This was owed partially to the

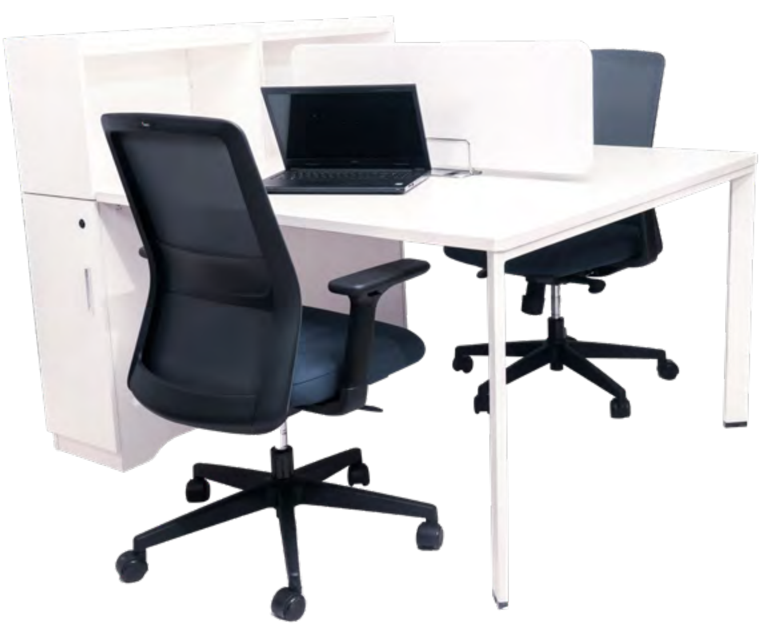
SOS continues to exceed performance expectations by pushing against boundaries and seeking out opportunities.

Financial Review

BALANCE SHEET	2022	2021	2020	2019	2018	2017
Total Assets	1,385,148,994	928,019,172	888,015,577	907,044,937	853,335,321	655,203,852
Current Liabilities	181,325,974	146,568,179	133,712,828	130,477,888	169,439,033	121,449,992
Shareholder's Equity	1,103,224,378	676,830,966	609,730,442	596,648,590	494,599,266	413,754,682

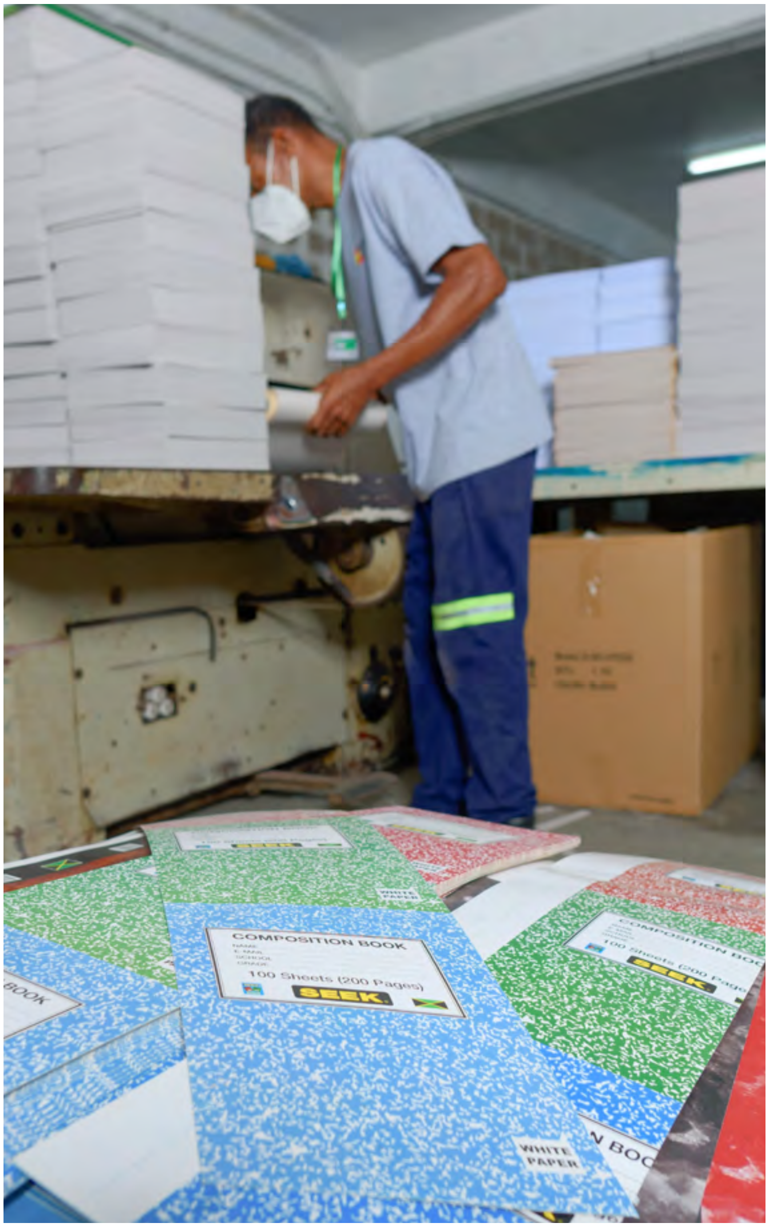
PROFIT & LOSS	2022	2021	2020	2019	2018	2017
Sales	1,748,142,622	1,124,846,375	972,310,382	1,217,983,130	1,064,360,671	906,505,818
Gross Profits & Other Income	836,225,978	551,147,160	448,983,844	584,269,841	529,685,319	423,471,020
Expenses	552,401,840	445,813,088	413,737,845	447,571,160	444,704,461	341,189,442
Profit Before Tax	283,842,703	105,509,381	35,248,989	136,698,681	84,980,859	82,281,578
Profit After Tax	256,507,647	105,509,381	35,248,989	136,698,681	84,980,859	82,281,578

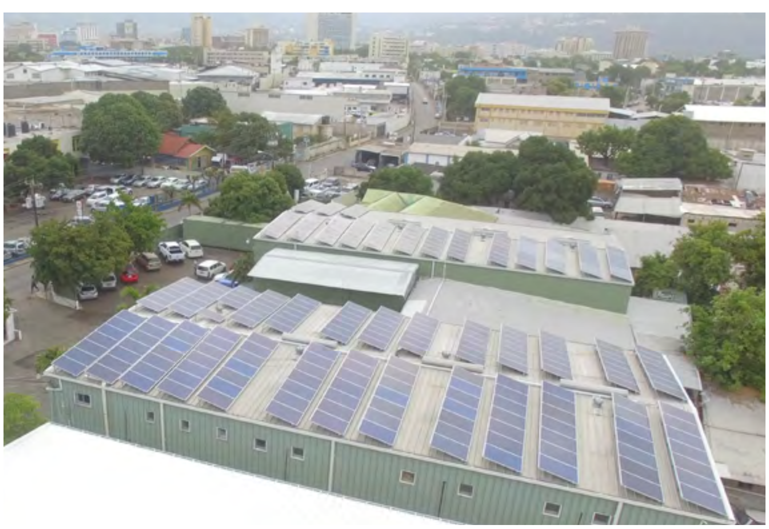
IMPORTANT RATIOS	2022	2021	2020	2019	2018	2017
Current Ratio	4.06:1	3.57:1	3.44:1	3.74	2.64	2.68
Liquidity Ratio	1.83:1	1.07	1.46	1.55	1.19	1.14
Debt to Equity Ratio	0.25	0.37	0.45	0.52	0.72	0.58
Earnings Per Share	1.03	0.43	0.13	0.54	0.37	0.38



acquisition of former competitor, D&K's Printing and Office Supplies, which allowed SEEK to expand its offerings by approximately 30 new items. This was inclusive of invoice books, receipt books, delivery books, graph paper and more. Initially, the SEEK factory was only able to print lines on exercise books; now it is capable of printing text and pictures. The investment supported the creation of approximately 15 additional jobs; allowed the SEEK factory to operate at maximum capacity to produce its highest output, and created the opportunity for SOS to produce books for other local companies, reducing their need to outsource internationally.

Meanwhile, with the strong recovery of Jamaica's tourism sector in 2022, SOS' Montego Bay branch experienced a major comeback as many hotels and resorts reopened their doors and tapped into SOS' products and services. Revenues at the branch grew 70% from 130 million in 2021 to 220 million in 2022, while pre-tax profits increased by 160% rising from $19.2 million to $50.5 million. The return to normalcy also led to a rise in Business Process Outsourcing (BPO)





call centres in the Western region, which provided the opportunity for SOS to supply their office supplies and furniture needs.

Additionally, in 2022, SOS increased its fleet capacity to 16 vehicles for daily deliveries in Kingston and Montego Bay. Its staff complement was also expanded to meet the company's commitment of a 24-48 hr delivery time frame.

Profitable Partnerships

Approaching the end of 2022, the company was successful in securing a partnership with The Office Authority, a large office supplies dealer in Trinidad and Tobago that manufactures and distributes various brands of stationery products. The partnership will see SOS exclusively distributing certain products manufactured by The Office Authority in Jamaica in return for the distribution of SOS's furniture lines, namely IMAGE, TORCH, and EVOLVE, in Trinidad.

The joint venture forms part of SOS' vision to expand beyond its home territory to countries within the region. It is evidence of the current drive for growth through partnership, which can have multiple positive ripple effects for years to come.

During FY 2022, SOS also secured several international export orders. An increase in requests for the same is expected in 2023.

A Focus On Impact

Investment in human capital is important as it will ultimately lead to economic growth, increased innovation and the social well-being of a nation. With this in mind, SOS' involvement in Corporate Social Responsibility (CSR) remains a top priority for the company as it seeks to empower the communities it serves through various means.

In the area of education, the company continued its support of Creative Language-Based Learning (CLBL), a local programme working to support the education of children with language-based learning disabilities. SOS also continued its support of students at Campion College through the SOS Scholarship Program established in 2017. The program has since been extended to sixth-form students.

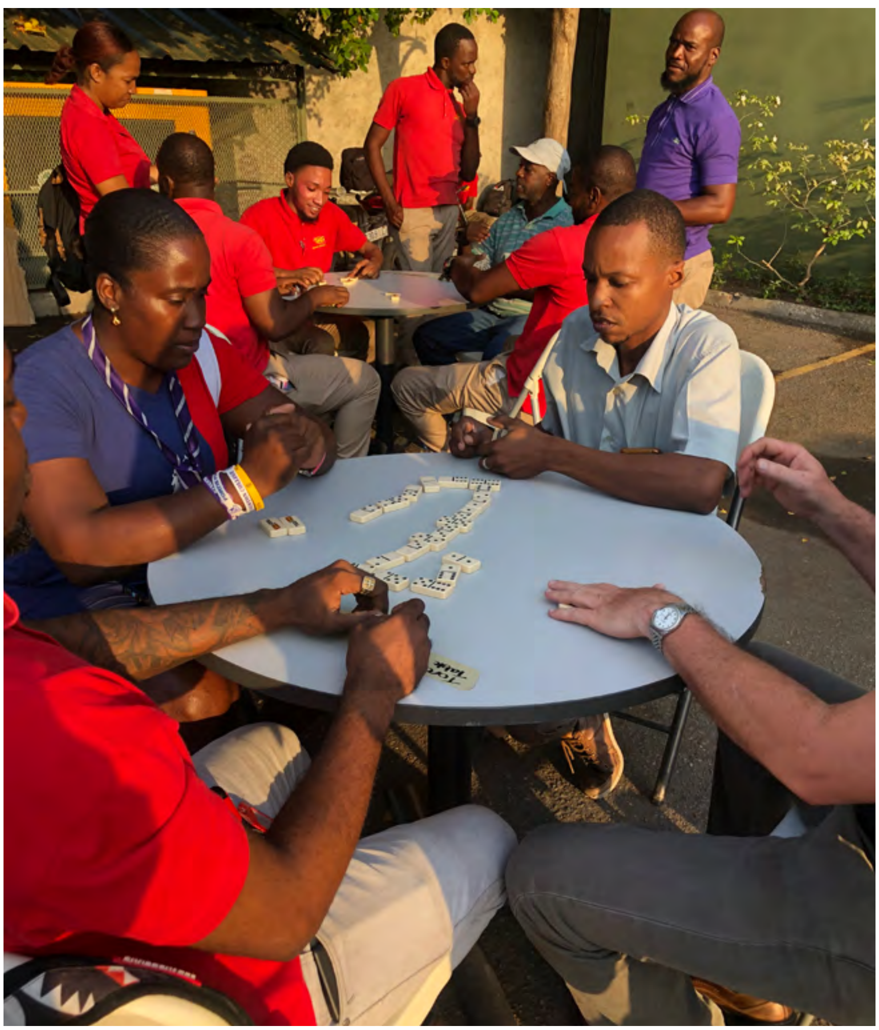
Overall, as it regards donations, subscriptions and the scholarship program, in 2022, the company was pleased to increase its contribution from $600,000 in 2021 to $2 million in 2022.

...due to the increase in demand in the Western region, a new 3,000 sq. ft warehouse will be acquired.

On To The Next Level

SOS is indeed proud of its achievements but fully cognisant that there is much more to do to realise its full potential and build on its legacy. With the company's strategic ambitions for 2023 being fully mapped out, it will continue to make investments to execute improvement and expansion projects which drive value creation and growth.

The company expects a robust demand for its products in 2023 even as it will strive to navigate global supply chains challenges with the backing of a well-managed inventory system. It intends to inject over $50 million into the expansion of its warehouse at Beechwood Avenue, Kingston, bringing an additional 7,000 square feet (sq. ft) into play. The expansion is projected to be completed by the end of Q3 and will support a host of new projects in the pipeline.



The increase in inventory will also support SOS' plan to establish additional distribution agreements with Caribbean businesses–similar to that of The Office Authority partnership–towards regional expansion. Additional local expansion will take place in 2023 as the company will be scouting for an additional property in Kingston to support its projected growth. Meanwhile, due to the increase in demand in the Western region, a new 3,000 sq. ft warehouse will be acquired off-site the Montego Bay location, doubling its current capacity.

With the SEEK factory now operating at maximum capacity, management will explore various options to continue its promotion of the brand with the goal of it becoming the number one book manufactured in Jamaica. Employees will also receive additional benefits and incentives with the ongoing development of the HR department, while additional managerial positions will be created and filled.

In March 2023, SOS expects to receive its first batch of supplies from American office supply provider, AIS Incorporation, which will allow for the provision of a wider range of high-quality products within a shorter delivery time. It also plans to move into e-commerce and invest in technological expansion by mid-year.

Though the World Bank has predicted a global recession for 2023 that could result in staggering worldwide economic output, SOS is focused on its commitment to drive optimal results by leveraging its strengths and expertise. Like other companies around the world, it has had to pivot over the last two years to develop new approaches to satisfying its customer needs. The performance of FY 2022 is evidence that these challenges have only served to make the company stronger and more determined in its mission to become a leading local and regional supplier of stationery and office supplies.

The company, through its Board of Directors, looks forward to continued growth in 2023 as it sets its sights on excellence in all areas of business.

ESG

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

As a locally owned and grown company and long-trusted distributor for operations island-wide, we take pride in delivering on the responsibility to serve in the best interest of our people. Committedly addressing environmental, social and governance ills in our society shapes the way we operate and how we seek to advance the interests of those we work with, to support our team, supply our customers, and better our nation.

ESG Report

SUSTAINABLE DEVELOPMENT GOALS	INITIATIVE	IMPACT
Our Environmental Commitment		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Playing our part in the protection of the environment for the next generation, the Company began offering shredding services in 2011 as an option for companies to properly prepare and dispose of paper products. This service also supports international best practice standards for ensuring the responsible destruction of confidential information.	"The shredded paper is then in a better state to be recycled. The company works with local and internal recycling entities. In 2022 we processed just under 100,000 lbs of shredded paper plus an additional 20,000 lbs of cardboard"
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	In 2014 we installed a 75KW solar (photovoltaic) system at the head office, inclusive of 292, 255-watt solar panels and nine (9) 7000-watt inverters.	At the time this produced enough energy to sustain 75% of operations. However with the continued growth of the business, the system currently produces enough energy to sustain 60% of total power needs. Plans to expand the system are in the works.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We have implemented company-wide recycling and waste reduction policies from the assembly floor to the administrative offices, enforcing separation protocols for shredded paper, cardboard from product packaging, plastic bottles and various other waste, furthering the impact of our environmental efforts.	We encourage these habits and hope that our employees take them home with them resulting in a trickle-down effect of environmental consciousness stemming from being employed with SOS.
13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS	We have become more conscious of our partnerships and as a result we partner with suppliers who take pride in upholding the highest standards of care to consider the harmfulness, degradability, and recyclability of the products they produce, as well as the energy efficiency of their production. Some of our suppliers have gone as far as earning 'GREENGUARD' certification from U.S. non-profit organisation GreenGuard Environmental Institute, which metes out the industry's strictest assessment standards for the emission of harmful pollutants. Others have secured MAS Green certification amongst other evaluations.	We will continue to support and partner with companies who are conscious of the environment and seek to encourage our customers to do the same.
Our Social Commitment		
3 GOOD HEALTH AND WELL-BEING	There would be no success to celebrate without the consistent drive of our people. Thus, we put the health, safety and satisfaction of our people first, from protecting the wellness of our team by creating well-ventilated working environments, ensuring safety protocols are adhered to and prioritizing the interests of the end users by distributing products manufactured by responsible suppliers.	We maintain regular team meetings to ensure that we receive timely and consistent feedback so that issues can be resolved with alacrity and successes can be shared in a timely manner. We have recently instituted employee satisfaction surveys and look forward reporting on same next year.
5 GENDER EQUALITY	We firmly believe in providing equal opportunities for equal effort as such there are no gender specific roles within the company. We are proud to have men and women working alongside each other on the factory floor, all towards the common goal.	We have an overall staff count of 70 women and 86 men. This includes six (6) of the twelve (12) leadership positions being held by powerful women.
10 REDUCED INEQUALITIES	As a business in the business of listening to our people, we schedule regular meetings allowing employees to voice their opinions to ensure alignment in decision-making. Our leaders invest time in seeking to understand the priorities of our people and have implemented incentivized reward and recognition programs in response.	These allows persons to maximize their earning and learning potential by working to achieve agreed targets.

SUSTAINABLE DEVELOPMENT GOALS	INITIATIVE	IMPACT
Our Social Commitment		
8 DECENT WORK AND ECONOMIC GROWTH	Another important strategy used to engage and maintain employees is the Company's focus on creating the ideal work environment. The floor plan encourages cross-communication which fosters strong relationships amongst peers, there is a lot to be said about the sense of camaraderie and belonging that is vital to fostering an engaged workforce. Moreover, leadership has long maintained an open door policy, ensuring accessibility to employees whenever needed.	We are proud that our commitment to listening to our people has resulted in an average employee tenure of approximately nine (9) years with our longest standing employee, Dorian Farquharson recently celebrating 39 years, alongside five others celebrating over 30 years with the Company. We have also seen an increase in our staff count from 138 employees to 149 in 2022.
8 DECENT WORK AND ECONOMIC GROWTH	Outside the office, we take pleasure in encouraging the development of a well-rounded team, building strong bonds and networks of trust through recreational activities. As such we hold regular staff gatherings and games evenings as well as participate in the Kingston and St. Andrew Business House Football League.	We are proud to report that the SOS football team made it to the finals of the league. This and similar efforts have resulted in the development of a far more synchronized team, consistently working in the best interest of the unit instead of working to benefit self which has significantly impacted efficiency and productivity levels.
1 NO POVERTY; 4 QUALITY EDUCATION	Now in its sixth year we continue our commitment to accessible education through the SOS Scholarship Program, recently increasing our annual investment from $600,000 to $2 million. Established in 2017, the program seeks to support two incoming Campion College students each year.	The effort has impacted 12 students thus far, providing them each with a personal computer, school supplies, a weekly lunch allowance and the payment of auxiliary fees throughout their academic tenure, now including lower and upper 6th form, provided they maintain their grades and good behaviour.
4 QUALITY EDUCATION	We are also proud to continue our support of the Creative Language-Based Learning (CLBL) Foundation to advance the lives of the youngest Jamaicans. CLBL is a non-profit, educational initiative focused on ensuring quality education for children faced with a series of learning disabilities island-wide by training a number of early childhood and special needs educators in the delivery of differentiated, research validated literacy and numeracy programmes.	Since the foundation's initiation, it has facilitated the training of 274 teachers from 124 Early Childhood, Infant, Primary, Secondary and Special Education schools across 13 parishes, thus impacting an estimated 18,000 students.
Our Governance Commitment		
8 DECENT WORK AND ECONOMIC GROWTH	In response to the needs of our people, we recently recruited a highly trained Human Resource Manager who, since joining the Company, has already gotten into the business of understanding the needs of our people and catering to those needs appropriately.	She has developed an employee handbook inclusive of a number of relevant policies which include the: Employee Cell Phone Policy, Sexual Harassment Policy, Vacation Policy, and Recruitment & Selection Policy. Beyond this there are a number of other policies in the works such as the: Overtime Policy, Whistle blowing Policy, Salary Advance Policy and Employee Loan Policy.
8 DECENT WORK AND ECONOMIC GROWTH	We believe in investing in the development of our employees to ensure they excel in their careers, thus we are in the process of implementing a Learning Management System named EdApp to efficiently facilitate this.	Upon its launch we aim to debut approximately 30 courses to employees enabling them to hone their current skillsets and adopt new ones. The courses will cover Customer Service, Warehouse, Sales, Leadership, and Employee Welfare and Wellbeing, all sought after by members of the team.
8 DECENT WORK AND ECONOMIC GROWTH	Going further, the Company offers loans to employee faced with financial constraints, or in the case of an emergency.	This enables team members to forgo having to navigate the tedious process of seeking support through a traditional financial institutions.
	We want our employees to feel connected to the long term future of the business, made possible through the developmental opportunities we afford them.	By investing in our employees' futures, there is greater respect and development of their attitudes towards the organisation and increased engagement as a by-product.

Independent auditor's report

To the Members of
Stationery and Office Supplies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Stationery and Office Supplies Limited ("the Company") which comprise the statement of financial position as at December 31, 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgement; were of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Allowance for expected credit losses

As at December 31, 2022 expected credit losses amounted to $17,848,285. We consider the measurement of expected credit losses a key audit matter as the determination is highly subjective, is based on significant judgements made by management and subject to significant uncertainty.

hlbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

3 Haughton Avenue, Kingston 10, Jamaica W.I. 56 Market Street, Montego Bay, Jamaica W.I.

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HLB Mair Russell is an independent member of HLB the global advisory and accounting network

Independent auditor's report (cont'd)

To the Members of
Stationery and Office Supplies Limited

Report on the Audit of the Financial Statements (cont'd)

Allowance for expected credit losses (cont'd)

The principles for determining expected credit losses are described in the summary of significant accounting policies. The management of credit risk and the review for impairment have been described in more details in note 27b to the financial statements.

How our audit address the key audit matter

Our audit procedures included, amongst others:

To ensure compliance with IFRS 9, we evaluated the techniques and methodologies used by the Company in order to assess expected credit losses. We assessed and validated the inputs used and assumptions applied in determining the loss rates which are integral to the provision matrix used in determining the expected credit losses for trade receivables. We tested subsequent collections from selected overdue customers and assessed the adequacy of the disclosure in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent auditor's report (cont'd)

To the Members of
Stationery and Office Supplies Limited

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Independent auditor's report (cont'd)

To the Members of
Stationery and Office Supplies Limited

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The Engagement Partner on the audit resulting in this independent auditor's report is Ms. Karen Lewis.

Kingston, Jamaica

March 1, 2023

HLB Mair Russell
Chartered Accountants

Stationery and Office Supplies Limited
Statement of financial position

December 31, 2022

	Note	2022 $	2021 $
Assets			
Non-current assets			
Property, plant and equipment	(5)	623,053,643	389,213,192
Right-of-use-asset	(6)	11,635,861	-
Intangible assets	(7)	9,537,207	10,791,007
Investments	(8)	3,825,362	4,057,960
		648,052,073	**404,062,159**
Current assets			
Inventories	(9)	368,619,712	296,015,672
Trade and other receivables	(10)	200,131,122	123,729,234
Prepayments		36,407,054	68,627,691
Taxation recoverable		-	1,121,564
Cash and cash equivalents	(11)	131,939,033	34,462,852
		737,096,921	**523,957,013**
Total assets		**1,385,148,994**	**928,019,172**
Equity and liabilities			
Equity			
Share capital	(12)	88,151,214	88,151,214
Capital reserve	(13)	327,330,853	112,423,398
Retained profits		687,742,311	476,256,354
Total equity		**1,103,224,378**	**676,830,966**
Liabilities			
Non-current liabilities			
Borrowings	(14)	25,904,186	46,998,750
Other loans	(15)	23,557,636	46,140,801
Lease liability	(6)	7,788,540	-
Deferred tax liability	(16)	43,348,280	11,480,476
		100,598,642	**104,620,027**
Current liabilities			
Trade and other payables	(17)	125,857,814	102,362,167
Owing to Directors	(15)	33,204	33,204
Current portion of borrowings	(14)	33,271,248	37,810,807
Current portion of other loans	(15)	4,567,855	6,362,001
Current portion of lease liability	(6)	4,281,011	-
Taxation payable		13,314,842	-
		181,325,974	**146,568,179**
Total liabilities		**281,924,616**	**251,188,206**
Total equity and liabilities		**1,385,148,994**	**928,019,172**

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on March 1, 2023 and signed on its behalf by:

Marjorie E. McDaniel

________________________) Director ________________________) Director

Allan McDaniel **Marjorie McDaniel**

Stationery and Office Supplies Limited
Statement of profit or loss

Year ended December 31, 2022

	Note	2022 $	2021 $
Revenue	(4c)	**1,748,142,622**	**1,124,846,375**
Cost of sales		(911,916,644)	(573,699,215)
		836,225,978	**551,147,160**
Other income		18,565	-
Administrative and general expenses	(18)	(399,141,415)	(319,533,545)
Selling and promotional costs	(18)	(131,873,350)	(80,263,412)
Impairment loss on financial assets		(11,500,943)	(1,440,604)
Depreciation and amortisation	(18)	(30,080,584)	(26,448,846)
Operating profit		**263,648,251**	**123,460,753**
Finance income	(19)	104,894	1,167,457
Loss on foreign exchange		(1,198,462)	(7,977,940)
Finance costs	(19)	(8,709,885)	(11,140,889)
Gain on disposal of property, plant and equipment		29,997,905	-
Profit before tax		**283,842,703**	**105,509,381**
Income tax (expense)/credit	(20)	(27,335,056)	1,610,423
Profit for the year		**256,507,647**	**107,119,804**
Basic and Diluted Earnings Per Share	(21)	**1.03**	**0.43**

The notes on the accompanying pages form an integral part of these financial statements.

Stationery and Office Supplies Limited
Statement of other comprehensive income
Year ended December 31, 2022

	Note	2022 $	2021 $
Profit for the year		**256,507,647**	**107,119,804**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
Revaluation of land and buildings		233,876,609	-
Deferred taxation		(18,969,154)	-
Other comprehensive income for the year net of tax		**214,907,455**	**-**
Total comprehensive income for the year		**471,415,102**	**107,119,804**

Stationery and Office Supplies Limited
Statement of changes in equity
Year ended December 31, 2022

	Share Capital $	Capital Reserve $	Retained Profits $	Total $
Balance at January 1, 2021	88,151,214	112,423,398	409,155,830	609,730,442
Dividends (22)	-	-	(40,019,280)	(40,019,280)
Transaction with owners	-	-	(40,019,280)	(40,019,280)
Profit for the year being total comprehensive income	-	-	107,119,804	107,119,804
Balance at December 31, 2021	88,151,214	112,423,398	476,256,354	676,830,966
Dividends (22)	-	-	(45,021,690)	(45,021,690)
Transaction with owners	-	-	(45,021,690)	(45,021,690)
Revaluation on land and building	-	214,907,455	-	214,907,455
Profit for the year	**-**	**-**	**256,507,647**	**256,507,647**
Other comprehensive income	-	214,907,455	-	214,907,455
Total comprehensive income	**-**	**214,907,455**	**256,507,647**	**471,415,102**
Balance at December 31, 2022	**88,151,214**	**327,330,853**	**687,742,311**	**1,103,224,378**

The notes on the accompanying pages form an integral part of these financial statements.

Stationery and Office Supplies Limited
Statement of cash flows
Year ended December 31, 2022

	Note	2022 $	2021 $
Cash flows from operating activities:			
Profit before tax		283,842,703	105,509,381
Adjustment for:			
Depreciation and amortisation		35,706,994	32,737,301
Amortisation – right -of-use		1,057,805	-
(Gain)/loss on foreign exchange on other loans	(25)	(719,276)	4,668,439
Gain on disposal of property, plant and equipment		(29,997,905)	-
Loss/(gain) on investments		232,598	(111,438)
Dividend income		-	(78,974)
Interest income	(19)	(104,894)	(977,045)
Interest expense	(19)	8,709,885	11,140,889
		298,727,910	**152,888,553**
Increase in inventories		(72,604,040)	(63,364,843)
Increase in trade and other receivables		(76,401,888)	(24,343,925)
Decrease/(increase) in prepayments		32,220,637	(37,558,471)
Increase in trade and other payables		23,495,647	9,497,884
Cash generated from operations		**205,438,266**	**37,119,198**
Interest paid		(8,709,885)	(11,140,889)
Net cash provided by operating activities		**196,728,381**	**25,978,309**
Cash flows from investing activities:			
Interest received		104,894	773,247
Purchase of property, plant and equipment	(5)	(50,057,040)	(9,515,863)
Proceeds from disposal of property, plant and equipment		45,637,909	-
Net cash used in investing activities		**(4,314,237)**	**(8,742,616)**
Cash flows from financing activities			
Dividends paid		(45,021,690)	(40,019,280)
Repayment of lease liability		(624,115)	-
Proceeds from borrowings	(25)	14,925,397	2,930,000
Repayment of borrowings	(25)	(40,559,520)	(36,584,609)
Repayment of other loans	(25)	(23,658,035)	(5,998,220)
Net cash used in financing activities		**(94,937,963)**	**(79,672,109)**
Net increase/(decrease) in cash and cash equivalents		97,476,181	(62,436,416)
Cash and cash equivalents at beginning of year		34,462,852	96,899,268
Cash and cash equivalents at end of year	(11)	**131,939,033**	**34,462,852**

The notes on the accompanying pages form an integral part of these financial statements.

1. General information and nature of operation

Stationery and Office Supplies Limited is a limited liability Company incorporated under the Laws of Jamaica on July 23, 1965. The Company 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 and the manufacture and sale of books.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on August 10, 2017.

At the reporting date, Outlook Limited, a Company incorporated in St. Lucia, and its directors controlled the Company by virtue of their direct holding of 80% of the issued shares of the Company.

2. Statement of compliance with IFRS and going concern assumptions

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 under the historical convention as modified by the revaluation of certain property, plant and equipment.

3. Changes in accounting policies

New and revised standards that are effective during the current year

Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and determined that the following are relevant to the Company.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16, (effective for annual periods beginning on or after January 1, 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a Company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, a Company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a Company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments and the Illustrative examples accompanying IFRS 16, 'Leases'.

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Company

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Company.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the Company's financial statements.

3. Changes in accounting policies (cont'd)

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Company (cont'd)

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after January 1,2024. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Narrow scope amendments to I AS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after January 1, 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 - deferred tax relates to assets and liabilities arising from a single transaction. (effective for annual periods beginning on or after January 1, 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

a Property, plant and equipment

(i) Property, plant and equipment are carried at revalued amounts or cost less accumulated depreciation and impairment (Note 4j). Cost includes any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

(ii) Land and buildings are carried at revalued amounts being the market value and are performed once every three to five (3 – 5) years, unless market factors indicate a material change in fair value. Any revaluation surplus is recognized in other comprehensive income and credited to capital reserve in equity, unless the carrying amount of that asset has previously suffered a revaluation decrease or impairment loss. To the extent that any decrease has previously been recognized in other comprehensive income, a revaluation increase is credited to profit or loss with the remaining part of the increase recognized in other comprehensive income.

Downward revaluations of land and buildings are recognized upon revaluation or impairment testing, with the decrease being charged to other comprehensive income to the extent of any surplus in equity relating to this asset and any remaining decrease recognized in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

(iii) Depreciation is charged on assets in the month after the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to fifty (50) years for building, twenty-five (25) years for roadway, ten (10) years for machinery, equipment and storage container, computer equipment, furniture and fixtures, five(5) years for motor vehicles and eight (8) years for solar system equipment.

Leasehold improvements are being amortised over five (5) years.

Land is not depreciated.

4. Summary of significant accounting policies (cont'd)

a Property, plant and equipment (cont'd)

(iii) Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(v) Repairs and renewals

The cost of repairs and renewals which do not enhance the value of the existing assets are written off to the profit or loss as they are incurred.

b Inventories

Inventories are stated at the lower of cost, determined on a first in first out (FIFO) basis, and net realisable value. Net realisable value is estimated selling price in the ordinary course of business less estimated costs of completion and any applicable selling expenses.

Cost of finished goods and work-in-progress includes raw materials and labour as well as suitable portions of related production overheads, based on normal operating capacity.

Cost of other inventories comprising raw materials and finished goods (merchandise) comprise of their cost and expenses incurred in acquiring and bringing them to their existing location and condition.

c Revenue recognition

Revenue comprises sales to customers and other income. Sales represent the invoiced value of goods to customers net of General Consumption Tax.

To determine whether to recognise revenue, the Group follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations, and then
5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of goods is recognised at a point in time when the control of the asset is transferred to the customer. Control of the goods is transferred when the physical possession of the good has been transferred to the customer which typically occurs at delivery.

d Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in Jamaican Dollars, which is the functional currency of the Company. Except where otherwise stated, these financial statements are expressed in Jamaican Dollars.

Foreign currency translations and balances

(i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.

(ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.

(iii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

4. Summary of significant accounting policies (cont'd)

e Cash and cash equivalents

Cash and cash equivalents consist of current, savings accounts and fixed deposit held with licensed financial institutions and cash in hand maintained by the Company.

f Income tax

Income tax on profit or loss for the year comprises current and deferred tax.

When applicable, current tax is calculated on taxable profits at current tax rates.

Current tax is the expected tax payable on the taxable profits for the year, using tax rates enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

Deferred tax is accounted for using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. The carrying amounts for deferred tax reviewed at the end of each reporting period and adjusted if needed.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged to profit or loss, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax liabilities are generally recognised in full except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income.

g Financial instrument

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

4. Summary of significant accounting policies (cont'd)

g Financial instruments (cont'd)

In the periods presented the Company does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. The Company's quoted equity securities fall into this category.

The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in quoted equity securities at fair value through other comprehensive income (FVOCI).

In the current financial year, the fair value is determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset. None of the Company's financial assets fall into this category.

4. Summary of significant accounting policies (cont'd)

g Financial instruments (cont'd)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company applies the simplified approach for trade receivables which is permitted by IFRS 9. The simplified approach requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL.

The Company established a provision matrix based on historical credit losses adjusted to reflect forward looking macro economic factors affecting the customers ability to settle the amount outstanding.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due. Refer to Note 27b for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, other loans, trade and other payables and owing to Directors.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

h Owing to Directors

Amounts owing to Directors are carried at amortised cost.

4. Summary of significant accounting policies (cont'd)

i Borrowings

Borrowings comprise loans and capital lease obligations and are classified as financial liabilities measured at amortised cost and are recognised initially at fair value, being their issued proceeds net of transaction costs incurred.

Subsequently, borrowings are measured at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit or loss account over the period of the borrowings using the effective interest method. Interest charges are recognised in profit or loss in the period in which they occur.

j Impairment

The Company's property, plant and equipment and intangible assets are subject to impairment testing.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

k Intangible assets

Initial recognition

Computer software

Computer software is capitalised on the basis of the costs incurred to acquire and install the specific software.

Brand name

Brand name acquired is recognised as an intangible asset at its fair value.

Subsequent measurement

All finite-lived intangible assets, are accounted for using the cost model whereby capitalised costs are amortised in a straight line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 4(j). The useful lives applied are ten (10) years for computer software and fifteen (15) years for brand name.

Amortisation has been included within depreciation and amortisation of assets.
Subsequent expenditures on the maintenance of computer software and brand name are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or expenses.

4. Summary of significant accounting policies (cont'd)

l Leases

At inception of a contract, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

4. Summary of significant accounting policies (cont'd)

m Equity

Share capital is determined using the nominal (par) value of shares that have been issued.

Capital reserve represents gains and losses arising from the revaluation of land and buildings.

Retained profits include all current and prior period results as disclosed in profit or loss.

All transactions with owners of the Company are recorded separately within equity.

Dividends are recognised as a liability in the period in which they are declared.

n Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

o Finance income and costs

Finance income comprise interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowings costs are recognised in profit or loss using the effective interest method.

p 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 management's 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.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Depreciation of property, plant and equipment

Depreciation is provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 4(a).

(ii) Taxation

The Company is required to conduct an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments.

These temporary differences result in deferred tax assets or liabilities which are included in the statement of financial position. Deferred tax assets and liabilities are measured using the enacted tax rate at the end of the reporting period.

If the tax eventually payable or recoverable differs from the amounts originally estimated then the difference will be accounted for in the accounts in the year such determination is made.

4. Summary of significant accounting policies (cont'd)

p Use of estimates and judgements (cont'd)

(iii) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the valuation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

(iv) In determining amounts recorded from impairment of trade receivables, the Company applies a simplified approach in calculating expected credit losses. The Company recognises a loss allowance based on 12 months expected credit losses at each reporting period date and has established a provision matrix based on its historical credit loss experience and adjusted for forward looking microeconomic factors affecting the customers ability to settle the amount outstanding.

q Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

4. Summary of significant accounting policies (cont'd)

q Provisions, contingent liabilities and contingent assets (cont'd)

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time of many is material. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the statement of financial position.

Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

r Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the Chief Operating Decision Makers to make decisions about resources to be allocated to the segments and assess its performance.

The Company has three operating segments, books, furniture and stationery and other supplies.

5. Property, plant and equipment comprise:

The carrying amounts for property, plant and equipment for the years included in these financial statements as at December 31, 2022 can be analysed as follows:

	Freehold Land $	Buildings $	Roadway $	Leasehold improvements $	Motor Vehicles $	Computer Equipment $	Other Equipment $	Solar Equipment $	Total $
Gross carrying amount									
Balance at January 1, 2022	115,640,000	210,938,917	2,062,400	7,234,615	125,000,169	15,275,368	80,995,772	14,600,678	571,747,919
Additions	-	7,529,484	754,416	-	27,138,024	215,280	14,419,836	-	50,057,040
Disposals	(15,640,000)	-	-	-	(17,442,385)	-	-	-	(33,082,385)
Revaluation	158,000,000	53,531,599	-	-	-	-	-	-	211,531,599
Balance at December 31, 2022	**258,000,000**	**272,000,000**	**2,816,816**	**7,234,615**	**134,695,808**	**15,490,648**	**95,415,608**	**14,600,678**	**800,254,173**
Depreciation									
Balance at January 1, 2022	-	(18,080,208)	(391,856)	(7,234,614)	(91,075,520)	(13,640,076)	(39,336,857)	(12,775,596)	(182,534,727)
Charge for the year	-	(4,264,802)	(103,880)	-	(18,908,004)	(1,533,294)	(7,818,133)	(1,825,081)	(34,453,194)
Disposals	-	-	-	-	17,442,381	-	-	-	17,442,381
Revaluation	-	22,345,010	-	-	-	-	-	-	22,345,010
Balance at December 31, 2022	**-**	**(22,345,010)**	**(495,736)**	**(7,234,614)**	**(92,541,143)**	**(15,173,370)**	**(47,154,990)**	**(14,600,677)**	**(177,200,530)**
Carrying amount at December 31, 2022	**258,000,000**	**272,000,000**	**2,321,080**	**1**	**42,154,665**	**317,278**	**48,260,618**	**1**	**623,053,643**

(i) Land and buildings were revalued by independent valuators D.C. Tavares & Finson Realty Ltd. in February 2023. The resulting increase in valuation has been credited to capital reserve. (Note 13).

(ii) Under the cost model, the carrying amount of revalued land and buildings at 21, 23 and 25 Beechwood Avenue, Kingston 5 and 34 Collins Green Avenue, St. Andrew at reporting date would be $120,412,918 (2021 - $115,697,041).

(iii) Land and buildings have been pledged as security for the Company's borrowings (Note 14).

Stationery and Office Supplies Limited
Notes to the Financial Statements
December 31, 2022

5. Property, plant and equipment comprise (cont'd):

	Freehold Land $	Buildings $	Roadway $	Leasehold improvements $	Motor Vehicles $	Computer Equipment $	Other Equipment $	Solar Equipment $	Total $
Gross carrying amount									
Balance at January 1, 2021	115,640,000	209,795,943	2,062,400	7,234,615	119,140,169	15,003,286	78,754,965	14,600,678	562,232,056
Additions	-	1,142,974	-	-	5,860,000	272,082	2,240,807	-	9,515,863
Balance at December 31, 2021	**115,640,000**	**210,938,917**	**2,062,400**	**7,234,615**	**125,000,169**	**15,275,368**	**80,995,772**	**14,600,678**	**571,747,919**
Depreciation									
Balance at January 1, 2021	-	(13,898,290)	(309,360)	(7,234,614)	(74,161,491)	(12,142,810)	(32,354,150)	(10,950,511)	(151,051,226)
Charge for the year	-	(4,181,918)	(82,496)	-	(16,914,029)	(1,497,266)	(6,982,707)	(1,825,085)	(31,483,501)
Balance at December 31, 2021	**-**	**(18,080,208)**	**(391,856)**	**(7,234,614)**	**(91,075,520)**	**(13,640,076)**	**(39,336,857)**	**(12,775,596)**	**(182,534,727)**
Carrying amount at December 31, 2021	**115,640,000**	**192,858,709**	**1,670,544**	**1**	**33,924,649**	**1,635,292**	**41,658,915**	**1,825,082**	**389,213,192**

6. Leases

Right-of-use assets

The carrying amounts for right-of-use assets for the years included in these financial statements can be analysed as follows:

	2022 $
Gross carrying amount	
Balance at January 1, 2022	-
Additions	12,693,666
Balance at December 31, 2022	**12,693,666**
Depreciation	
Balance at January 1, 2022	-
Charge for the year	1,057,805
Balance at December 31, 2022	**1,057,805**
Carrying amount at December 31, 2022	**11,635,861**

The Company leased a motor vehicle under a lease agreement which runs for a period of three (3) years. With the exception of short-term leases and leases of low value underlying assets, the lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset.

Lease liability

Lease liability are presented in the statement of financial position is as follows:

	2022 $	2021 $
Non-current	7,788,540	-
Current	4,281,011	-
	12,069,551	**-**

Future minimum lease payments are as follows:
2022

	Within 1 year $	2 to 5 Years $	Total $
Lease payments	5,202,950	8,404,766	13,607,716
Finance charges	(921,939)	(616,226)	(1,538,165)
Net present values	**4,281,011**	**7,788,540**	**12,069,551**

Lease payment not recognised as a liability

The Company leases an office, warehouse and storage buildings. The lease agreement expired on December 31, 2015. The Company has an option to renew, however, at the reporting date the documentation to give effect to the terms of the new lease agreement had not been finalised. The company has therefore elected not to recognise a lease liability. In addition, during the year the Company leased warehouse space for a period of two (2) months. Payments made under such leases are expensed on a straight -line basis.

6. Leases (cont'd)

Lease payment not recognised as a liability (cont'd)

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2022 $	2021 $
Short-term leases	7,255,715	7,112,223
Total	**7,255,715**	**7,112,223**

At December 31, 2022 the Company was committed to short – term leases and the total commitment at that date was $6,034,241 (2021 - $7,112,223).

(b) Amounts recognised in the profit or loss

	$
Depreciation charged on right-of-use assets	1,057,805
Interest expense on lease liability	176,338
	1,234,143

(c) Amounts recognised in the statement of cash flows

	$
Total cash out flow for leases	800,453
Total	**800,453**

7. Intangible assets

Details of intangible assets and their carrying amounts are as follows:

	Acquired Software $	Brand Name $	Total $
Gross carrying amount			
Balance at January 1, 2022	5,661,552	10,325,000	15,986,552
Balance at December 31, 2022	**5,661,552**	**10,325,000**	**15,986,552**
Amortisation			
Balance at January 1, 2022	(3,131,922)	(2,063,623)	(5,195,545)
Charge for the year	(566,155)	(687,645)	(1,253,800)
Balance at December 31, 2022	**(3,698,077)**	**(2,751,268)**	**(6,449,345)**
Carrying amount at December 31, 2022	**1,963,475**	**7,573,732**	**9,537,207**

7. Intangible assets (cont'd)

	Acquired Software $	Brand Name $	Total $
Gross carrying amount			
Balance at January 1, 2021	5,661,552	10,325,000	15,986,552
Balance at December 31, 2021	**5,661,552**	**10,325,000**	**15,986,552**
Amortisation			
Balance at January 1, 2021	(2,565,767)	(1,375,978)	(3,941,745)
Charge for the year	(566,155)	(687,645)	(1,253,800)
Balance at December 31, 2021	**(3,131,922)**	**(2,063,623)**	**(5,195,545)**
Carrying amount at December 31, 2021	**(2,529,630)**	**(8,261,377)**	**10,791,007**

8. Investments

The Company accounted for its equity securities at FVTPL.

	2022 $
Fair value through profit or loss:	
Quoted equity securities	3,668,737
Amortised cost:	
Cash	156,625
	3,825,362

	2021 $
Fair value through profit or loss:	
Quoted equity securities	3,729,450
Amortised cost:	
Cash	328,510
	4,057,960

9. Inventories

	2022 $	2021 $
Finished goods	351,158,219	276,413,239
Work-in-progress	-	330,387
Raw materials	17,461,493	19,272,046
Total	**368,619,712**	**296,015,672**

The cost of inventories recognised as an expense during the year was $911,916,644 (2021 -$573,699,215).

10. Trade and other receivables

	2022 $	2021 $
Trade	215,093,957	124,588,907
Less: Allowance for expected credit loss	(17,848,285)	(6,347,342)
	197,245,672	118,241,565
Staff loans	3,984	1,083,236
Other receivables	2,881,466	4,404,433
Total	**200,131,122**	**123,729,234**

All amounts are short-term and the carrying value is considered a reasonable approximation of fair value.

The age of trade receivables and other receivables past due but not impaired is as follows:

	2022 $	2021 $
Not more than 3 months	187,542,502	107,153,129
More than 3 months but not more than I year	9,703,170	11,088,436
Total	**197,245,672**	**118,241,565**

11. Cash and cash equivalents

	Interest Rate % p.a.	2022 $	2021 $
Cash at bank and in hand:			
Petty cash		438,219	368,219
J$ savings account	0.05-0.25	46,765,336	665,932
J$ current accounts		83,300,834	24,625,996
US$ current account (US$6,679) (2021 – US$57,550)		1,001,312	8,802,705
		131,505,701	**34,462,852**
Short -term deposits	2.25	433,332	-
Total cash and cash equivalents		**131,939,033**	**34,462,852**

12. Share capital

	2022 $	2021 $
Authorised:		
500,000,000 ordinary shares (2021 – 500,000,000)		
Issued:		
250,120,500 ordinary shares (2021 – 250,120,500)		
Stated capital		
Issued and fully paid:		
Balance at beginning of the year	88,151,214	88,151,214
Balance at end of the year	**88,151,214**	**88,151,214**

13. Capital reserve

Capital reserve represents gains and losses arising from the revaluation of land and buildings.

	2022 $	2021 $
Balance at January 1	**112,423,398**	**112,423,398**
Surplus on arising on revaluation of land and building	233,876,609	-
	346,300,007	**112,423,398**
Deferred tax related to revaluation	(18,969,154)	-
Balance at end of year	**327,330,853**	**112,423,398**

14. Borrowings

	2022 $	2021 $
Loans –		
(a) Cornerstone Trust & Merchant Bank Limited (formerly MF&G Trust & Finance Limited)	14,767,054	12,689,577
(b) JN Fund Managers Ltd.	44,408,380	72,119,980
	59,175,434	84,809,557
Less: Current portion	(33,271,248)	(37,810,807)
Total	**25,904,186**	**46,998,750**

(a) Cornerstone Trust & Merchant Bank Limited

This loan was repaid during the year.

i A loan of $5 million was received May 2019 to purchase motor vehicles. The loan is to be repaid over thirty-six (36) monthly payments and matures September 2022. Interest is charged at a rate of eight point five percent (8.5%) per annum which is subject to change from time to time depending on money market conditions.

The loan is secured by:

- Chattel Mortgage over one (1) 2019 Mitsubishi Fuso Canter, comprehensively insured with interest duly noted for value.
- Personal Guarantee of Directors David McDaniel and Marjorie McDaniel.
- Promissory Note signed by Stationery and Office Supplies Limited for JA $5,000,000.

This loan was repaid during the year.

ii A loan of $8.75 million was received July 2019 to purchase motor vehicles. The loan is to be repaid over thirty-six (36) monthly payments commencing one month after the date of disbursement and matures July 2022. Interest is charged at a rate of seven percent (7%) per annum which is subject to change from time to time depending on money market conditions.

The loan is secured by:

- Chattel Mortgage over one (1) 2021 Ford Ranger, comprehensively insured with interest duly noted for value.
- Personal Guarantee of Directors David and Marjorie McDaniel.

14. Borrowings (cont'd)

(a) Cornerstone Trust & Merchant Bank Limited (cont'd)

- Promissory Note signed by Stationery and Office Supplies Limited for $8,750,000.

This loan was repaid during the year.

iii A loan of $2.55 million was received November 2019 to purchase motor vehicles. The loan is to be repaid over thirty-six (36) monthly payments commencing one month after the date of disbursement and matures November 2022. Interest is charged at a rate of seven percent (7%) per annum which is subject to change from time to time depending on money market conditions.

The loan is secured by:

- Chattel Mortgage over one (1) 2021 JAC Truck, comprehensively insured with interest duly noted for value.
- The joint and Personal Guarantee of Directors David McDaniel and Marjorie McDaniel.
- Promissory Note signed by Stationery and Office Supplies Limited for JA $2,550,000.

This loan was repaid during the year.

iv A loan of $6,692,000 million was received November 2019 to purchase motor vehicles. The loan is to be repaid over thirty six (36) monthly payments commencing one month after the date of disbursement and matures November 2022. Interest is charged at a rate of seven percent (7%) per annum which is subject to change from time to time depending on money market conditions.

The loan is secured by:

- Chattel Mortgage over one (1) 2021 Mitsubishi Fuso, comprehensively insured with interest duly noted for value.
- Personal Guarantee of Directors David McDaniel and Marjorie McDaniel.
- Promissory Note signed by Stationery and Office Supplies Limited for JA $6,692,000.

This loan was repaid during the year.

v This represents a demand loan of $5.65 million that was received September 2021 to purchase a motor vehicle. The loan is to be repaid over thirty-six (36) monthly payments and interest is charged at a variable rate of seven percent (7%) per annum.

The loan is secured by:

- Limited Guarantee of Marjorie McDaniel and David McDaniel.
- Chattel Mortgage over 2022 Mitsubishi L200 Sportero AT.

vi A loan of $2,930,000 was received in November 2021 to purchase a motor vehicle. The loan is to be repaid over thirty-six (36) monthly payments and matures November 2024.

Interest is charged at a rate of 7% per annum which is subject to change depending on money market conditions.

14. Borrowings (cont'd)

(a) Cornerstone Trust & Merchant Bank Limited (cont'd)

The loan is secured by:

- Chattel Mortgage over one (1) 2016 Nissan Caravan and one (1) 2016 Nissan NV350.
- Personal Guarantee of Directors Marjorie McDaniel and Allan McDaniel.
- Promissory Note signed by Stationery and Office Supplies Limited for J$2,930,000.

vii A loan of $13,495,000 was received in February 2022 to purchase a motor vehicle. The loan is to be repaid over sixty (60) monthly payments and matures August 2026.

Interest is charged at a variable rate of 6.5% percent per annum which is subject to change depending on money market conditions.

The loan is secured by:

- Chattel Mortgage over one (1) 2022 BMW x3.
- Personal Guarantee of Directors Marjorie McDaniel and Allan McDaniel.
- Promissory Note signed by Stationery and Office Supplies Limited for J$13,495,000.

(a) JN Fund Managers Ltd.

i A loan of $37million was received October 2017 towards the purchase of property and is to be repaid over a period of eighty-four (84) months. Interest is at a rate of eight point five percent (8.5%) per annum, subject to change depending on market conditions with repayment commencing thirty (30) days following the date on which the loan was disbursed.

The loan is secured by:

- First legal mortgage over the Duplicate Certificate of Title to commercial property at 23 Beechwood Avenue, Kingston 5.
- Assignment of all Risk Peril Insurance, to the order of JN Fund Managers Limited, over the 10,958 square feet office building at 23 Beechwood Avenue, Kingston 5 for its full replacement cost minimum interest cover ratio 2:1.

ii A bond of $80M was issued April 2018 towards the purchase of equipment and the SEEK brand. The bond is to be repaid over six (6) years and bears interest at a rate of eight percent (8%) per annum. There will be a two year moratorium on principal repayment from April 25, 2018 through April 25, 2021. There after principal will be amortized equally over the remaining four years as detailed below:

- Year 3 - $16 million in total with quarterly payments of $4 million.
- Year 4 - $20 million in total with quarterly payments of $5 million.
- Year 5 - $24 million in total with quarterly payments of $6 million.
- Year 6 - $20 million in total with quarterly payments of $5 million.

14. Borrowings (cont'd)

(a) Cornerstone Trust & Merchant Bank Limited (cont'd)

The bond is secured by:

- Real estate property located at 34 Collins Green Avenue, with last valuation of J$63,000,000.
- Floating charge over the equivalent of J$85,000,000 of the Company's receivables at 33% LTV ratio.
- The LTV of the collateral package will be tested on an annual basis and should be maintained at aforementioned LTV levels.
- In lieu of receivables, the Company can opt. to use cash in debt service reserve account at a LTV of 100%.

The Company is required to maintain a debt service reserve account with a minimum balance at all times to be equivalent to three months interest payments on the Notes, approximately J$1.7million. The cash requirement was met, however, at year end this was not placed in a reserve account.

15. (i) Other loans

	2022 $	2021 $
Loan: (a) Director's long term loan	28,125,491	31,972,899
(b) Outlook Ltd long term loan	-	20,529,903
	28,125,491	52,502,802
Less: current portion	(4,567,855)	(6,362,001)
Total	**23,557,636**	**46,140,801**

(a) As of March 2018, this loan attracted interest of five point five percent (5.5%) per annum and is repayable on a quarterly basis.

(b) The loan was received on September 1, 2015 for a period of six (6) years with a moratorium on principal payments for the first four (4) years. Interest is fixed at a rate of nine percent (9%) per annum and is payable on a quarterly basis. Effective June 2021 interest payments became due biannually and the rate of interest reduced from nine percent (9%) to six percent (6%) per annum. The loan was repaid during the year.

(ii) Owing to Directors

	2022 $	2021 $
Advances	33,204	33,204
Total	**33,204**	**33,204**

These amounts are unsecured, interest free and have no fixed repayment terms (Note 24(i)).

16. Deferred tax liability

Deferred tax is calculated on all temporary differences under the liability method using a tax rate of 12.5% (2021 - 12.5%). The movement on the deferred tax account is as follows:

	2022 $	2021 $
Balance at beginning of year	(11,480,476)	(13,090,899)
Deferred tax (expense)/credit (Note 20)	(12,898,650)	1,610,423
Income tax attributable to revaluation	(18,969,154)	-
Balance at end of year	**(43,348,280)**	**(11,480,476)**

Deferred tax balance arose on temporary differences in respect of the following:

	2022 $	2021 $
Deferred tax liability on:		
Property, plant and equipment	(43,456,699)	(11,480,476)
Other	108,419	-
Deferred tax liability	**(43,348,280)**	**(11,480,476)**

17. Trade and other payables

	2022 $	2021 $
Trade	32,613,445	28,734,615
Customer deposits	19,723,105	18,656,903
Statutory deductions	11,125,723	5,571,623
Accruals	2,018,799	2,927,673
Other	60,376,742	46,471,353
Total	**125,857,814**	**102,362,167**

18. Expenses by nature

Total direct, administrative and other overhead expenses:

	2022 $	2021 $
Cost of inventories recognised as an expense	911,916,644	573,699,215
Administrative and general expenses		
Directors' emoluments –		
- Management remuneration	64,960,608	52,031,955
- Fees	625,000	625,000
Employee benefits (Note 26)	213,218,702	175,056,585
Rent	7,255,715	7,112,223
Utilities	8,439,256	5,910,721
Auditor's remuneration	2,257,500	2,150,000
Motor vehicle expense	29,719,518	19,736,795
Repairs and maintenance	37,029,833	26,037,213
Legal and professional fees	5,095,832	8,214,368
Security	1,980,685	1,597,760
Insurance	5,982,816	5,349,655
Donations and subscriptions	453,371	371,998
Bank charges	8,992,999	7,010,793
Other administrative expenses	13,129,580	8,328,479
Total	**399,141,415**	**319,533,545**
Selling and promotional costs		
Advertising	26,070,754	19,905,887
Commission	86,404,908	48,381,951
Travelling and entertainment	17,383,373	11,975,574
Other	2,014,315	-
Total	**131,873,350**	**80,263,412**
Depreciation and amortisation		
Depreciation – Administrative and general expense	27,768,978	25,195,046
- Right -of- use asset	1,057,806	-
Amortisation – Intangible assets	1,253,800	1,253,800
	30,080,584	**26,448,846**
Depreciation included in cost of sales	**6,684,216**	**6,288,455**

19. Finance income and finance cost

Finance income includes all income from short – term deposits and cash at bank:

	2022 $	2021 $
Gain on investment	-	111,438
Dividend income	-	78,974
Interest income	104,894	977,045
Total finance income	**104,894**	**1,167,457**

19. Finance income and finance cost (cont'd)

Finance costs for the years presented comprise:

	2022 $	2021 $
Interest expense for borrowings at amortised cost	8,300,949	11,140,889
Interest on lease	176,338	-
Loss on investment	232,598	-
Total finance costs	**8,709,885**	**11,140,889**

20. Income tax

The Company's shares were listed on the Jamaica Stock Exchange Junior Market (JSE Junior Market) on August 10, 2017. As a result, the Company is entitled to a remission of taxes for an allowable period not exceeding ten (10) years from the date of the listing on the JSE Junior Market, provided the shares remain listed for at least fifteen (15) years. The remissions of taxes are applicable as follows:

Years 1 to 5	100%
Years 6 to 10	50%

The Company is now in its sixth year since listing on the Jamaica Stock Exchange Junior Market and is now subject to 50% tax remission as of August 10, 2017.

i Income tax based on profit for the year, adjusted for tax purposes and computed at the tax rate of 25% comprise:

	2022 $	2021 $
Current tax	14,436,406	-
Deferred tax (credit) expense (note 16)	12,898,650	(1,610,423)
Total	**27,335,056**	**(1,610,423)**

ii Reconciliation of theoretical tax expenses to effective tax expenses:

	2022 $	2021 $
Profit before tax	**283,842,703**	**105,509,381**
Tax at the applicable tax rate of 25%.	70,960,676	26,377,345
Tax effect of expenses not deductible for tax purposes	3,678,430	10,285,770
Tax effect of other charges and allowances	7,554,289	(7,763,627)
Remission of tax	(54,856,339)	(30,509,911)
Income tax expense/(credit) for the year	**27,335,056**	**(1,610,423)**

21. Basic and diluted earnings per share

Basic and diluted earnings per share are both calculated using the profit attributed to equity shareholders as the numerator:

	2022 $	2021 $
Profit attributable to shareholders	256,507,647	107,119,804
Weighted average number of ordinary shares	250,120,500	250,120,500
Basic and diluted earnings per share	1.03	0.43

22. Dividends

During the year the Company paid final dividends for the financial year 2022 of $45,021,690 (2021 - $40,019,280) to its equity shareholders. This represents a payment of $0.18 (2021 - $0.16) per share in December.

23. Segment reporting

Segment information for the reporting period are as follows:

December 31, 2022

	Books $	Furniture $	Stationery and Others $	Total $
Revenue	83,501,069	847,576,914	817,064,639	1,748,142,622
Less: Cost of sales	(40,262,202)	(598,299,329)	(273,355,113)	(911,916,644)
Gross profit	**43,238,867**	**249,277,585**	**543,709,526**	**836,225,978**

December 31, 2021

	Books $	Furniture $	Stationery and Others $	Total $
Revenue	48,237,544	462,179,768	614,429,063	1,124,846,375
Less: Cost of sales	(45,647,457)	(222,464,120)	(305,587,638)	(573,699,215)
Gross profit	**2,590,087**	**239,715,648**	**308,841,425**	**551,147,160**

24. Balances and transactions with related parties

i At the end of the reporting period trade and non-trade balances with related parties were as follows:

	2022 **$**	**2021** **$**
Other loans (Note 15)	28,125,491	52,502,802
Owing to Directors (Note 15)	33,204	33,204
	28,158,695	**52,536,006**

ii Transactions with key management personnel

The compensation of key management for services is shown below:

	2022 **$**	**2021** **$**
Short-term employee benefits – Management remuneration	64,960,608	52,031,955
Fees paid to directors	625,000	625,000
Total	**65,585,608**	**52,656,955**

25. Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Borrowings $	Other loans $	Total $
January 1, 2022	84,809,557	52,502,802	137,312,359
Cash flows:			
Repayment	(40,559,520)	(23,658,035)	(64,217,555)
Proceeds	14,925,397	-	14,925,397
Noncash:			
Gain on foreign exchange	-	(719,276)	(719,276)
December 31, 2022	**59,175,434**	**28,125,491**	**87,300,925**

	Borrowings $	Other loans $	Total $
January 1, 2021	118,464,166	53,832,583	172,296,749
Cash flows:			
Repayment	(36,584,609)	(5,998,220)	(42,582,828)
Proceeds	2,930,000	-	2,930,000
Noncash:			
Loss on foreign exchange	-	4,668,439	4,668,439
December 31, 2021	**84,809,557**	**52,502,802**	**137,312,360**

26. Employee benefits

	2022 $	2021 $
Salaries and wages	165,875,876	142,614,293
Statutory contributions	34,538,303	23,950,640
Staff benefits	12,804,523	8,491,652
Total	**213,218,702**	**175,056,585**

There were one hundred and forty seven (147), (2021 – one hundred and sixty-eight (168)) employees at year end.

27. Risk management policies

The Company's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Foreign currency risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US$) the Company however, maintains US$ bank account in an attempt to minimise this risk.

At the end of the reporting period there were net liabilities of approximately US$270,062 (2021 - US$359,109) which were subject to foreign exchange rate changes as follows:

Concentrations of currency risk

	2022 US$	2021 US$
Financial assets		
- Cash and cash equivalents	6,679	57,550
Financial liabilities		
- Other loans	(91,768)	(78,123)
- Trade and other payables	(184,973)	(338,536)
Total	**(270,062)**	**(359,109)**

The above assets/(liabilities) are receivables/(payables) in United States Dollars (US$). The exchange rate applicable at date is J$152.05 to US$1 (2021 - J$155.09 to US$1).

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result for the year end and equity with regards to the Company's financial assets and financial liabilities and US Dollar to Jamaican (JA) Dollar exchange rate. Only movements between the Jamaican Dollar and US Dollars are considered, as these are the two major currencies of the Company.

The sensitivity analysis is based on the Company's United States Dollar financial instruments at the end of the reporting period.

27. Risk management policies (cont'd)

a Market risk (cont'd)

i Currency risk (cont'd)

Concentrations of currency risk (cont'd)

Effect on results of operations:

If the JA Dollar weakens by 4% (2021 – 8%) against the US Dollar then this would have the effect of the amounts shown below on the basis that all other variables remain constant.

	Rate %	Weakens $
2022	4	(1,642,537)
2021	8	(4,455,469)

If the JA Dollar strengthens against the US Dollar by 1% (2021 – 2%) this would have the following impact:

	Rate %	Strengthens $
2022	1	410,634
2021	2	1,113,867

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and cash equivalents are subject to interest rate risk. However, the Company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The Company maintains interest-earning bank accounts with licensed financial institutions. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.

The Company's interest rate risk arises mainly from its borrowings.

Interest rate sensitivity

Due to the fact that interest earned from the Company's interest-earning bank accounts is immaterial, there would be no material impact on the results of the Company's operations as a result of fluctuations in interest rates. However, the Company is exposed to changes in market interest rates through its borrowings.

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates.

27. Risk management policies (cont'd)

b Market risk (cont'd)

ii Interest rate risk (cont'd)

Effects on results of operations:

If the interest rate increases by 1% (2021 – 1%) according to changes in money market conditions then this would be the effect of the amounts shown on the basis that all other variables remain constant.

	Rate %	$
2022	**1**	**985,025**
2021	1	1,377,654

If the interest rate decrease by 0.5% (2021 – 1%) according to change in money market conditions then this would be the effect of the amounts shown on the basis that all other variables remain constant.

	Rate %	$
2022	**0.5**	**(492,513)**
2021	1	(1,377,654)

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

Credit risk management

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with reputable financial institutions.

The Company continuously monitors the credit quality of customers. The Company's policy is to deal with only credit worthy counterparties. The credit terms range between 15 and 30 days. The credit terms for customers are subject to an internal approval process which considers the credit rating scorecard. The on going credit risk is managed through regular review of aging analysis together with credit limit per customer.

Trade receivables consists of a large number of customers. The Company does not require collateral or other credit enhancements in respect of its trade and other receivables.

27. Risk management policies (cont'd)

b Credit risk (cont'd)

Credit risk management (cont'd)

The maximum credit risk faced by the Company is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	2022 $	2021 $
Investments	3,825,362	4,057,960
Trade and other receivables	200,131,122	123,729,234
Bank balances	131,500,814	34,094,633
Total	**335,457,298**	**161,881,827**

Trade receivables

The Company applies IFRS 9 simplified model of recognising lifetime estimate credit losses, for all trade receivables as these items do not have significant financing component.

In measuring the expected credit losses the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. The expected loss rates are based on the payment profile for sales over the last 24 months before December 31, 2022 and January 1, respectively as well as the corresponding historical losses during the period. The historical rates are adjusted to reflect forward looking macro economic factors affecting the customers ability to settle the amount outstanding. The Company has identified gross domestic product (GDP) and inflation rates to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, failure to make payments within 365 days from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

December 31, 2022

	Trade receivables days past due					
	Current	More than 30 days	More than 60 days	More than 90 days	365 days and over	Total
Expected credit loss rate	0.30%	1.11%	12.883%	-	58.24%	
Gross carrying amount	89,507,067	77,612,615	24,741,055	-	23,233,220	215,093,957
Lifetime expected credit loss	268,521	861,500	3,187,237	-	13,531,027	17,848,285

27. Risk management policies (cont'd)

b Credit risk (cont'd)

Trade receivables (cont'd)

December 31, 2021

	Trade receivables days past due					
	Current	More than 30 days	More than 60 days	More than 90 days	365 days and over	Total
Expected credit loss rate	0.25%	0.70%	6%	10%	100%	
Gross carrying amount	65,281,200	33,138,254	9711,538	12,320,484	4,137431	124,588,907
Lifetime expected credit loss	163,203	231,968	582,692	1,232,048	4,137,431	6,347,342

The closing balance of the trade and other receivables as at December 31, 2022 reconciles with the trade receivables loss allowance opening balance as follows:

	2022 $	2021 $
Opening loss allowance at January 1	6,347,342	4,902,468
Loss allowance recognised during the year	11,500,943	1,444,874
Loss allowance at December 31	**17,848,285**	**6,347,342**

c Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its commitments associated with financial liabilities.

The Company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The Company maintains cash to meet its liquidity requirements.

As at December 31, 2022, the Company's non-derivative financial liabilities have contractual maturities (including interest payment where applicable) as summarised below:

	Current Within 12 Months $	Non-current 2 to 5 years $	Non-current Over 5 years $
Borrowings	36,652,791	27,188,713	-
Other loans	5,960,923	23,843,482	1,490,090
Lease liability	5,202,950	8,404,766	-
Owing to directors	33,204	-	-
Trade and other payables	125,857,814	-	-
Total	**173,707,682**	**59,436,961**	**1,490,090**

27. Risk management policies (cont'd)

c Liquidity risk (cont'd)

This compares to the maturity of the Company's financial liabilities in the previous reporting period as follows:

	Current Within 12 Months $	Non-current 2 to 5 years $	Non-current Over 5 years $
Borrowings	42,416,191	50,711,224	-
Other loans	9,119,901	36,479,603	18,239,806
Owing to directors	33,204	-	-
Trade and other payables	102,362,167	-	-
Total	**153,931,463**	**87,190,827**	**18,239,806**

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the end of the reporting period.

28. Fair value measurement

(i) Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

December 31, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Quoted equity securities	3,825,362	-	-	3,825,362
Total	**3,825,362**	**-**	**-**	**3,825,362**

December 31, 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Quoted equity securities	4,057,960	-	-	4,057,960
Total	**4,057,960**	**-**	**-**	**4,057,960**

There were no transfers between level 1 and level 2 in 2022 and 2021.

The Company's other financial assets and financial liabilities are measured at amortised cost, and the fair values for these are disclosed at Note 29.

28. Fair value measurement (cont'd)

(ii) Fair value measurement of non-financial assets.

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at December 31, 2022:

	Level 1 $	Level 2 $	Level 3 $	Total $
Property, plant and equipment				
Land and buildings	-	-	530,000,000	530,000,000
Total	**-**	**-**	**530,000,000**	**530,000,000**

Fair value of the Company's land and buildings is estimated based on appraisal by a professionally qualified valuator. The significant inputs and assumptions are developed in close consultation with management.

Land and Buildings (Level 3)

The appraisal was carried out using a market approach that reflects observed prices for market transactions and incorporates adjustments for factors specific to the Company's property, including size, location, encumbrances and current use of the property. Land and buildings at 34 Collins Green Avenue, St. Andrew, were revalued November 2017.

Reconciliation of the opening and closing balances of the Company's land and buildings:

	2022 $
Balance at January 1, 2022	308,498,709
Additions	7,529,484
Disposal	(15,640,000)
Depreciation	(4,264,802)
Revaluation increase	233,876,609
Balance at December 31, 2022	**530,000,000**

2021

	Level 1 $	Level 2 $	Level 3 $	Total $
Property, plant and equipment				
Land and buildings	-	-	308,498,709	308,498,709
Total	**-**	**-**	**308,498,709**	**308,498,709**

Fair value of the Company's land and buildings is estimated based on appraisal by a professionally qualified valuator. The significant inputs and assumptions are developed in close consultation with management.

Land and Buildings (Level 3)

The appraisal was carried out using a market approach that reflects observed prices for market transactions and incorporates adjustments for factors specific to the Company's property, including size, location, encumbrances and current use of the property. Land and buildings were revalued in February 2023.

28. Fair value measurement (cont'd)

Reconciliation of the opening and closing balances of the Company's land and buildings:

	2021 $
Balance at January 1, 2021	311,537,653
Additions	1,142,974
Depreciation	(4,181,918)
Balance at December 31, 2021	**308,498,709**

29. Summary of financial assets and liabilities by category

The carrying amount of the Company's financial assets and liabilities recognised at the end of the reporting periods under review may also be categorised as follows:

	2022 $	2021 $
Financial assets		
Fair value through profit or loss		
Investments	3,825,362	4,057,960
Financial assets		
Amortised cost		
Trade and other receivables	200,131,122	123,729,234
Cash and cash equivalents	131,939,033	34,462,852
Total	**335,895,517**	**162,250,046**
Financial liabilities measured at amortised cost		
Borrowings	25,904,186	46,998,750
Other loans	23,557,636	46,140,801
Financial liabilities measured at amortised cost		
Trade and other payables	125,857,814	102,362,167
Owing to directors	33,204	33,024
Current portion of borrowings	33,271,248	37,810,807
Current portion of other loans	4,567,855	6,362,001
Total	**213,191,943**	**239,707,550**

30. Capital management, policies and procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to sustain future development of the business. The Company's Board of Directors review the financial position of the Company at regular meetings.

The Company is not subject to externally imposed capital requirements. The Company did not change its approach to capital management policies during the year.

STATIONERY & OFFICE SUPPLIES LTD.

Form of Proxy

I/We ____ of

____ (address)

being a shareholder(s) of Stationery & Office Supplies Limited ("the Company"), hereby appoint:

____ (name of proxy)

of ____ (address)

or failing him/her, ____ (name of alternate proxy)

of ____ (address)

Signed this __________ day of ____ 2022

Signature: ____ (Signature of primary shareholder)

Name: ____ (Name of primary shareholder)

Signature: ____ (Signature of secondary shareholder)

Name: ____ (Name of secondary shareholder)

Notes:

1. *If the appointer is a Corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised.*

2. *A Member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a Member of the Company. A Proxy Form is enclosed for your convenience. Completed Proxy Forms must be lodged at the Company's Registered Office, 23 Beechwood Avenue, Kingston 5 at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of $100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.*

Annual Report design by Heather Kong-Smith

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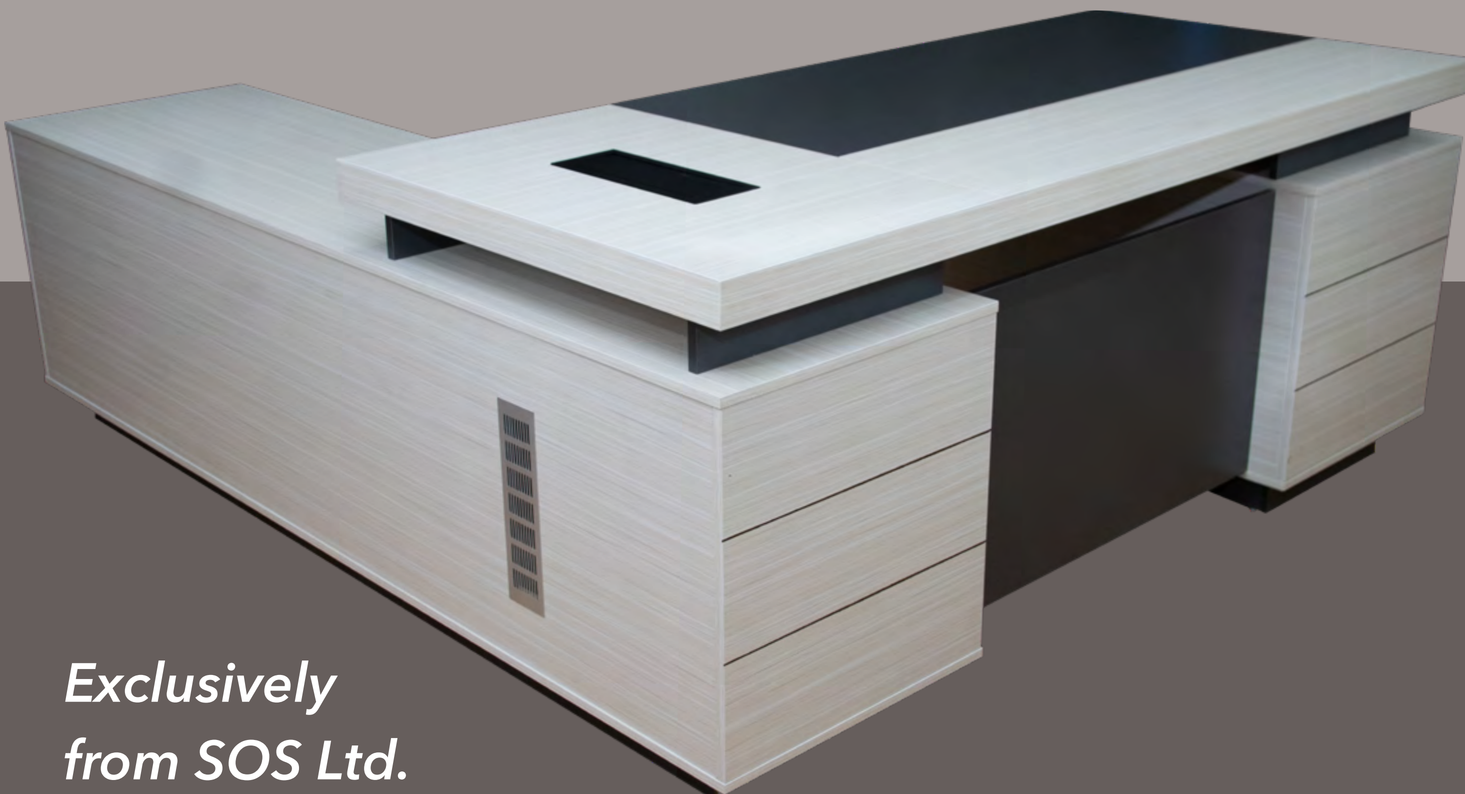

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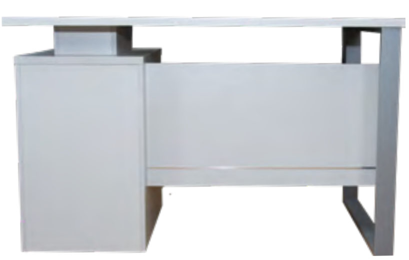

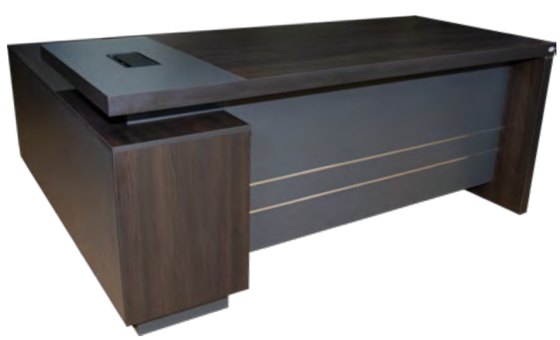

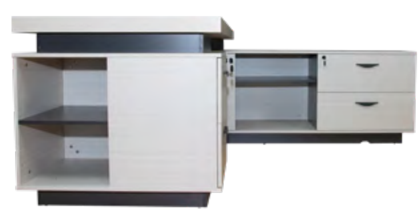

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