



**STATIONERY &  
OFFICE SUPPLIES  
LTD.**



Agents for



**Kingston:** 23 Beechwood Avenue, Kingston 5, Jamaica, West Indies. Tel: (876) 926-5688, 926-2649 Fax: (876) 968-8200  
**Montego Bay:** Unit #8, Fairview Office Park, Alice Eldermire Drive. Tel: (876) 953-6351 Fax: (876) 953-6386  
Website: [www.sosjm.com](http://www.sosjm.com) Email: [mail@sosjm.com](mailto:mail@sosjm.com)

# UNAUDITED FINANCIAL STATEMENTS:

## 1<sup>st</sup> QUARTER 2023 & 3 MONTHS ENDED MARCH 31, 2023





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## **UNAUDITED FINANCIAL STATEMENTS FOR THE 1st QUARTER & 3 MONTHS ENDED MARCH 31<sup>ST</sup> 2023**

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 1<sup>ST</sup> Quarter ended March 31<sup>st</sup>, 2023.

2022 was a historic year for Stationery & Office Supplies Ltd as it recorded all times highs in its 57-year history, most notably its highest revenues in a year (\$1.75B) as well as pre-tax profit in a year (\$283M). Coming off a year in which the increase in revenues in 2022 compared to 2021 was as high as 56%, can be daunting as we begin to plan how to navigate 2023 and the direction, we want to head in.

As we enter into 2023, the management team remains focused and committed to continue to grow all aspects of the business. Plans and ideas were initiated to not only replicate what we did in 2022 but to surpass our company's best financial year and we believe we are on the right track to do so. We have reviewed every aspect of the business and in doing so we have put ourselves in a better position to succeed than ever before. During the first quarter we signed an agreement to build another 5,000 square foot warehouse on the Beechwood Avenue property, that once completed, will create additional storage space for up to 200 pallets of inventory. With this expansion we will also be creating a new holding area for our clients as well as additional space in the SEEK factory. We upgraded our delivery fleet and plan to add an additional 3 delivery vehicles throughout the year in both Kingston and Montego Bay. Our Montego branch will also get some needed upgrades as we have signed an agreement to double our storage capabilities, resulting in increased inventory for Montego Bay. This is a necessity with Montego Bay experiencing an uptake in tourist arrivals allowing hotels, restaurant and several other businesses to once again have an opportunity to flourish.

The first quarter of 2023 has turned out once again to be our best quarter in the history of the company and noted below are some of the highlights that we have experienced year over year:

1. **SEEK** – The SEEK brand continues to grow as revenues increased by 60% from \$15.5M - \$24.6M.
2. **EVOLVE** - Revenues from our newest furniture line have increased by 30%
3. **DOCUMENT DESTRUCTION** – Revenues for this service have increased by 48%
4. **SENTRY SAFES** – The revenues generated by the sale of home/office fireproof safes continue to grow with an increase of 51%.



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5. **MOBAY BRANCH SALES** – Our Montego Bay branch sales have increased by 50% from \$44M - \$66M.
6. **CARIBBEAN SALES** – With Trinidad based “The Office Authority” purchasing 2 containers of goods this quarter and another 2 islands scheduled to begin distribution for SOS in the second quarter, in addition to other projects being undertaken throughout the Caribbean, this sector of business is finally beginning to flourish.

With the above increases, SOS can proudly say that for the 1<sup>st</sup> Quarter of 2023 the following milestones have been achieved:

1. Highest revenues in a quarter - \$519M
2. Highest revenues in a month (March) - \$207M
3. Highest Pre-tax profit in a quarter - \$108M
4. Highest Pre-tax profit in a month (March) - \$47.2M

The following chart will show the comparisons between the 1<sup>st</sup> Quarter of 2022 and 2023.

<b>1<sup>st</sup> QUARTER &amp; 3 MONTH COMPARISON OF RESULTS 2022 &amp; 2023</b>			
	<b>2022</b>	<b>2023</b>	<b>% INCREASE</b>
<b>REVENUES</b>	\$ 427,623,937.00	\$ 519,184,395.00	22%
<b>EXPENSES</b>	\$ 136,836,045.00	\$ 162,054,447.00	19%
<b>GROSS PROFIT %</b>	52%	52%	0
<b>PRE-TAX PROFIT</b>	\$ 104,885,731.00	\$ 108,124,773.00	4%

**Revenues**

As noted previously, we experienced our highest quarterly revenue figure in the history of SOS as this rose by 22%, making it the first time that SOS has surpassed \$500M in revenues in a quarter. March has historically been one of SOS’s best months as this coincides with the end of the government’s financial year.



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## Expenses

It can be seen in the above chart that company expenses rose by 19%. This was expected as there was a salary increase given to the staff in February in recognition for their hard work and outstanding efforts, together with the fact that increased sales result in additional commissions being paid to the sales team. It was also during this quarter that SOS expanded its internal staffing and hired a new marketing officer and additional members to the accounting staff to manage the continued growth of the business.

## Gross profit

The gross profit remained solid and consistent at 52% which is in the range where we need to be to operate as a company.

## Pre-tax Profit

With all the growth in the business it would normally look disappointing to see that the pre-tax profit only increased by 4%, but this can be explained as during the 1<sup>st</sup> quarter of 2022, SOS realized a capital gain of \$23M based on the sale of its Collins Green property. Without the benefit of this one-time sale included, the profit year over year would have been 34%.

## FINANCIAL POSITION

At the end of the 1st Quarter, SOS had increased its total assets by 37% (\$1.1B - \$1.51B). This change was mainly due to an increase in fixed assets which saw a significant change due to the properties being revalued for the first time in 5 years (\$382M - \$641M) as well as receivables and prepayments rising 63% (\$158M - \$257M), and a 150% increase in bank & cash equivalents (\$119M - \$296M).

Earnings per share at the end of the 1<sup>st</sup> Quarter 2023 was \$.38 a decrease of \$.04 compared to the \$.42 seen at the end of the 1<sup>st</sup> Quarter of 2022. This fall in EPS is a direct result of SOS no longer benefitting from the tax exemption given upon listing on the JSE.

Allan McDaniel  
Managing Director

Marjorie McDaniel  
Chief Administrative officer & Company Secretary



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## SOS TOP 10 SHAREHOLDERS AS OF MARCH 31<sup>ST</sup>, 2023

#	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	OUTLOOK LIMITED	200,096,400.	80.0
2	QWI INVESTMENTS LIMITED	5,896,672.	2.3
3	ANJANETTE MARIANNA MCDANIEL	5,427,926.	2.2
4	JASON CARL CARBY	4,201,435.	1.7
5	KENDALL MARIE TODD	1,784,900	0.7
6	JN FUND MANAGERS LTD	1,447,289.	0.6
7	BRIDGETON MANAGEMENT SERVICES LTD	1,391,959.	0.6
8	NCB CAPITAL MARKETS	1,306,210.	0.5
9	NIGEL COKE	1,188,223.	0.5
10	JCSD TRUSTEE SERVICESLTD	1,185,053.	0.5

## DIRECTORS SHARE HOLDINGS AS OF MARCH 31<sup>ST</sup>, 2023

#	<u>DIRECTORS NAMES</u>	<u>SHAREHOLDING</u>	<u>CONNECTED PARTY</u>	<u>SHAREHOLDING</u>
1	DAVID MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
2	MARJORIE MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
3	ALLAN MCDANIEL	NIL		
4	KELLI MUSCHETT	NIL	OUTLOOK LTD	200,096,400.
5	STEPHEN TODD	NIL	OUTLOOK LTD	200,096,400.
6	KERRI TODD	NIL	OUTLOOK LTD	200,096,400.
7	ANTHONY BELL	NIL	-	
9	JERMAINE DEANS	NIL	-	
10	R. EVAN D. THWAITES	28,165.	-	

## SENIOR MANAGERS SHARE HOLDING AS OF MARCH 31<sup>ST</sup>, 2023

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

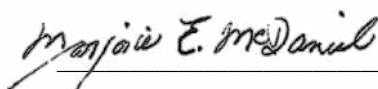
# Stationery & Office Supplies Limited

## Statement of financial position

March 31, 2023

	March 31, 2023	March 31, 2022	December 31, 2022
	3 Months Unaudited	3 Months Unaudited	Audited
<b>Assets</b>	\$	\$	\$
<b>Non-current assets</b>			
Property, plant and equipment	627,432,325	380,369,102	623,053,643
Right-of use-asset	11,635,861	-	11,635,861
Intangible asset	9,422,585	10,420,254	9,537,207
Investments	3,540,584	4,599,694	3,825,362
	<u>652,031,355</u>	<u>395,389,050</u>	<u>648,052,073</u>
<b>Current assets</b>			
Inventories	308,890,036	338,181,475	368,619,712
Trade and other receivables	175,455,784	136,861,089	200,131,122
Prepayments	89,431,471	32,854,019	36,407,054
Taxation recoverable	523,633	1,121,564	-
Bank and cash	296,071,581	119,277,365	131,939,033
	<u>870,372,505</u>	<u>628,295,512</u>	<u>737,096,921</u>
<b>Total assets</b>	<u>1,522,403,860</u>	<u>1,023,684,562</u>	<u>1,385,148,994</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	88,151,214	88,151,214	88,151,214
Capital reserve	327,330,853	112,423,398	327,330,853
Retained profits	781,867,084	581,142,085	687,742,311
<b>Total equity</b>	<u>1,197,349,151</u>	<u>781,716,697</u>	<u>1,103,224,378</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	18,109,998	53,538,364	25,904,186
Other loans	22,223,650	44,109,866	23,557,636
Lease liability	6,546,430	-	7,788,540
Deferred tax liability	43,348,277	11,480,476	43,348,280
	<u>90,228,355</u>	<u>109,128,706</u>	<u>100,598,642</u>
<b>Current liabilities</b>			
Trade and other payables	180,478,648	91,649,977	125,857,814
Owing to Directors	33,204	33,204	33,204
Current portion of borrowings	30,793,432	34,760,917	33,271,248
Current portion of other loans	4,595,881	6,395,061	4,567,855
Current portion of lease liability	5,523,120	-	4,281,011
Taxation payable	13,402,069	-	13,314,842
	<u>234,826,354</u>	<u>132,839,159</u>	<u>181,325,974</u>
<b>Total liabilities</b>	<u>325,054,709</u>	<u>241,967,865</u>	<u>281,924,616</u>
<b>Total equity and liabilities</b>	<u>1,522,403,860</u>	<u>1,023,684,562</u>	<u>1,385,148,994</u>

 Director

 Maire E. McDaniel Director

# Stationery & Office Supplies Limited

## Statement of profit or loss and other comprehensive income

Period ended March 31, 2023

	Quarter to March 31, 2023 Unaudited	Quarter to March 31, 2022 Unaudited	Year End December 31, 2022 Audited
	\$	\$	\$
<b>Revenue</b>	519,184,395	427,623,937	1,748,142,622
Cost of sales	(248,718,750)	(209,816,678)	(911,916,644)
Gross Profit	270,465,645	217,807,259	836,225,978
Other (expense) income	(286,425)	537,890	18,565
Administrative and general expenses	(115,367,093)	(97,191,787)	(399,141,415)
Selling and promotional costs	(34,430,409)	(28,711,228)	(131,873,350)
Impairment loss on financial assets	-	-	(11,500,943)
Depreciation amortisation & impairment	(8,977,905)	(8,272,981)	(30,080,584)
Operating profit	111,403,813	84,169,153	263,648,251
Finance income	-	-	104,894
Loss on foreign exchange	(1,216,798)	(35,515)	(1,198,462)
Finance costs	(2,062,242)	(2,624,534)	(8,709,885)
Profit / (Loss) on disposal of property plant and equipment	-	23,376,627	29,997,905
Profit before tax	108,124,773	104,885,731	283,842,703
Income tax (expense) / credit	(14,000,000)	0	(27,305,056)
<b>Profit for the period, total comprehensive income for the period / year</b>	<b>94,124,773</b>	<b>104,885,731</b>	<b>256,507,647</b>
Basic earnings per share	<u>0.38</u>	<u>0.42</u>	<u>1.03</u>

# Stationery & Office Supplies Limited

## Statement of changes in equity

### 3 months ended March 31, 2023

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2021	88,151,214	112,423,398	476,256,354	676,830,966
Transaction with owners:				
Dividend Paid	0	0	(45,021,690)	(45,021,690)
Revaluation on land and buildings		214,907,455		214,907,455
Profit for the year being total comprehensive income	0	0	256,507,647	256,507,647
<b>Balance at December 31, 2022</b>	88,151,214	327,330,853	687,742,311	1,103,224,378
Profit for the period being total comprehensive income	0	0	94,124,773	94,124,773
Balance March 31 2023	88,151,214	327,330,853	781,867,084	1,197,349,151
Balance at December 31, 2021	88,151,214	112,423,398	476,256,354	676,830,966
Profit for the period being total comprehensive income	0	0	104,885,731	104,885,731
Balance March 31, 2022	88,151,214	112,423,398	581,142,085	781,716,697



# Stationery & Office Supplies Limited

## Statement of cash flows

### 3 months ended March 31, 2023

	March 31, 2023	March 31, 2022	December 31 2022
	Unaudited	Unaudited	Audited
	\$	\$	\$
<b>Cash flows from operating activities:</b>			
Profit before tax	108,124,773	104,855,731	283,842,703
Adjustments for:			
Depreciation amortisation	8,977,905	8,272,981	35,706,994
Amortisation right-of-use	-	-	1,057,805
Loss/ (profit) on foreign exchange on foreign currency loans	214,576	(440,697)	(719,276)
Profit on disposal of property, plant and equipment	-	(23,376,627)	(29,997,905)
Loss/(gain) on investments	-	(537,890)	232,598
Interest income	-	-	(104,894)
Interest expense	2,062,242	2,624,534	8,709,885
	119,379,496	91,398,032	298,727,910
( Increase) /decrease in inventories	59,729,676	(42,165,803)	(72,604,040)
Decrease / ( Increase) in trade and other receivables	24,675,338	(13,131,855)	(76,401,888)
Decrease/( Increase) in prepayments	(53,025,417)	35,773,672	32,220,637
( Decrease) / increase in trade and other payables	54,620,834	(10,712,190)	23,495,647
<b>Cash generated from operations</b>	205,379,927	61,161,856	205,438,266
Taxation Paid	(13,838,475)	-	-
Interest paid	(2,062,242)	(2,624,534)	(8,709,885)
<b>Net cash provided by operating activities</b>	189,479,210	58,537,322	196,728,381
<b>Cash flows from investing activities:</b>			
Interest received	-	-	104,894
Purchase of property, plant and equipment	(13,237,872)	(14,698,137)	(50,057,040)
Proceeds from sale of fixed assets.	-	40,000,000	45,637,909
<b>Net cash used in investing activities</b>	(13,237,872)	25,301,863	(4,314,237)
<b>Cash flows from financing activities</b>			
Dividends Paid	-	-	(45,021,690)
Repayment of lease liability	(951,532)	-	(624,115)
Proceeds from Borrowings	-	13,495,000	14,925,397
Repayment of borrowings	(10,034,585)	(10,992,494)	(40,559,520)
Repayment of other loans	(1,122,673)	(1,557,178)	(23,658,035)
<b>Net cash provided by financing activities</b>	(12,108,790)	945,328	(94,937,963)
<b>Net increase/(decrease) in cash and cash equivalents</b>	164,132,548	84,814,513	97,476,181
<b>Cash and cash equivalents at beginning of period</b>	131,939,033	34,462,852	34,462,852
<b>Cash and cash equivalents at end of period</b>	296,071,581	119,277,365	131,939,033



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## Notes to the Unaudited Financial Statements

**March 31, 2023**

### 1. **Identification and activities**

Stationery and Office Supplies Limited is a limited liability company incorporated under the Laws of Jamaica on July 23, 1965. The company became a subsidiary of Outlook Limited ( see note 3) and is domiciled in Jamaica with registered offices located at 23 Beechwood Avenue, Kingston 5, Jamaica, West Indies.

The main activity of the company is the sale of office furniture, fixtures, stationery and other office supplies.

These financial statements are presented in Jamaica Dollars.

### 2. **Articles Of Incorporation**

At an Extraordinary General Meeting held on March 29, 2017 the company approved the adoption of new Articles of Incorporation to replace the existing Articles and Memorandum of Association; as is necessary for the transition to a public company. The Articles of Incorporation were amended in order to make them complaint with the requirements of a public company pursuant to the Companies Act of Jamaica, and to also make the Articles compliant with the requirements of a public listed company pursuant to the rules of the Junior Market of the Jamaica Stock Exchange.

### 3. **Share Capital**

Following a Directors Meeting and an Extraordinary General Meeting held on March 29, 2017 approval was given to restructure the share capital of the company. The authorised ordinary share capital moved from 2,000 shares without par value to 10,000,000 ordinary shares without par value. The Company's ordinary share capital was then sub divided with each ordinary share being divided into 50 ordinary shares. Under a scheme of reorganisation Outlook Limited were allotted 199,996,400 shares; the shares held by David & Marjorie McDaniel (100,000) were also transferred to Outlook Limited.



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**4 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared on the accruals and under the historical cost convention as modified by the revaluation of properties.

5. These unaudited financial financials are consistent with the accounting policies of the most recent Audited Financial Statements.

**6. Use of estimates and judgements**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and managements best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.