



**STATIONERY &
OFFICE SUPPLIES
LTD.**



Agents for



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

UNAUDITED FINANCIAL STATEMENTS

3RD QUARTER ENDED SEPTEMBER 30TH, 2023



EVOLVE





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UNAUDITED FINANCIAL STATEMENTS FOR THE 3rd QUARTER & 9 MONTHS ENDED SEPTEMBER 30TH, 2023

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 3RD Quarter & 9 months ended September 30th, 2023.

The 3rd quarter of 2023 was again another fantastic three months in the on-going banner year for Stationery & Office Supplies Ltd. During this quarter the following accomplishments were seen:

1. In the 3rd quarter of 2023, SOS continued to listen to its shareholders and created a resolution to propose that the company do a stock split to increase the liquidity of shares in the market. Upon the news SOS soared to new heights as its share price rose over \$34 per share. An AGM was held on July 25th, and the resolution was unanimously approved to do a 9 to 1 split which increased SOS's ordinary shares from 250,120,000 to 2,251,080,000.
2. The **EVOLVE** line of furniture continues to exceed expectations as average monthly sales has risen to just under \$10M per month. To continue the growth of this line of furniture, SOS has introduced additional items to the product line including Meeting tables, Podiums, Reception furniture and Credenzas as well as an increased options for the **EVOLVE** line of chairs.
3. The new warehouse located on the 25 Beechwood Ave property was finished and the additional 5,000 sq. feet of space is now available to be used. With the building now completed this will allow for a larger quantity of products to be assembled and available for immediate delivery. Even with this though SOS will continue to look for additional storage facilities to house our ever-expanding lines of products that we provide to the Jamaican and Caribbean markets.
4. The new warehouse in Montego Bay is 90% ready, and is on the verge of being available to double the available storage of products for the western side of the island. To go along with the new warehouse SOS will also be expanding its delivery fleet to continue to grow its market share in Montego Bay and surrounding areas.

With all of the above positive accomplishments experienced during the 3rd quarter, SOS was able to continue to grow all aspects of the business. The below chart shows the notable changes in the business over the comparative time in 2022. It should be noted that the 3rd quarter of 2022 was the best quarter experienced in that year, and yet we were still able to improve year over year. The biggest improvements seen were in:



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1. The performance of the SEEK manufacturing division that saw a 39% increase in revenues. This increase was a direct result of planning and preparing for the back-to-school period and making sure the SEEK books were accessible to all. It was during this quarter that SEEK had its highest revenues in any one month in its history totalling just under \$17M in the month of August. Through the first nine months of 2023, SEEK has surpassed its total revenues achieved in the entire year of 2022.
2. Gross profit percentage that saw a 5% rise. As SOS continues to grow, one of the advantages we gain is the ability to purchase in larger volumes and with these larger volumes comes better pricing for products by being able to go directly to the source. As well we are receiving lower shipping rates with an increased number of containers being shipped to us from the far east. Although we pass on these savings to the end user in the form of discounts, SOS will also continue to benefit from the lower costs.
3. Pre-tax profit for the quarter rose by 24% showing that the plans and systems that we have implemented over the years continue to work. Even with only a marginal increase in revenues for the quarter it can be seen with all the other rises such as GP%, revenues, and a small increase in overall expenses the earnings continue to improve.

3RD QUARTER 2022 vs. 2023			
	2022	2023	% INCREASE/DECREASE
REVENUES	\$473,106,145	\$487,900,602	3%
EXPENSES	\$158,853,119	\$172,620,124	9%
SEEK REVENUES	\$27,069,622	\$37,491,321	39%
GROSS PROFIT %	51.4%	54.1%	5%
PRE-TAX-PROFIT	\$87,222,286	\$107,994,664	24%



STATIONERY & OFFICE SUPPLIES LTD.



FURSYS
OFFICE FURNITURE SYSTEMS

Agents for



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For the first 9 months of 2023, SOS has continued to set historically high results and is headed towards its best year in its 58-year history. During the year, the following revenue segments have continued to grow year over year leading to an increase in pre-tax profit of 39% and our highest revenues over the first 9 months of a year to date:

1. **MONTEGO BAY Branch** – Revenues up 11% - \$174M - \$193M
2. **Document Destruction Services** – Revenues up 25%
3. **SEEK** – Revenues up 35%
4. **Warehouse Equipment** – Our warehousing equipment sales including Racking, Mobile Ladders and Hand Trolleys have increased by 40% during 2023.
5. **BOSS CHAIRS** – Revenues up 27%

The increases seen above are directly related to SOS's commitment to continue to grow the business by increasing our level of inventory to match the growing demand for our products and our commitment to service by acquiring an additional 3 delivery vehicles. With the above increases SOS has had continuous, steady growth throughout 2023, achieving all time highs in the history of the company. Through the first 9 months of this year, we have seen revenues grow by 16% (over our previous high in 2022) as well as gross profit percentage rising by 4%. All of this has led to a 29% increase in per-tax profit.

9 MONTHS 2022 & 2023			
	2022	2023	% INCREASE/DECREASE
REVENUES	\$1,320,810,385	\$1,532,319,748	16%
EXPENSES	\$443,896,865	\$501,963,853	13%
SEEK REVENUES	\$61,553,506	\$83,073,650	35%
GROSS PROFIT %	51.1%	53%	4%
PRE-TAX-PROFIT	\$260,890,860	\$337,337,757	29%



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

FINANCIAL POSITION

At the end of the 3rd Quarter, SOS's total assets increased year on year by 55% (\$1.1B - \$1.7B). This increase in total assets was due to a 30% increase in inventory (\$280.5M - \$356M), Bank & Cash rose by 222% (\$99.3M - \$320.8M) and Receivables and Prepayments rose by 46% (\$244.6M - \$357.4M).

Earnings per share for the 3rd Quarter of 2023 was \$.04, based on the new share quantity after the recently completed stock split. Included in this EPS was a \$50M payout of dividends. This is an increase (based on the 9-1 stock split, the previous shareholdings EPS would have been \$.36) compared to the \$.27 at the end of the 3rd Quarter of 2022. For the 9 months ended September 30, 2023 earnings per share now stands at \$.13 (or \$1.17 for comparison), up \$.15 from \$1.02 seen at this time in 2022.

Allan McDaniel
Managing Director

Marjorie McDaniel
Chief Administrative Officer & Company Secretary



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SOS TOP 10 SHAREHOLDERS AS OF SEPTEMBER 30TH, 2023

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	OUTLOOK LIMITED	1,800,867,600	80.0
2	QWI INVESTMENTS LIMITED	66,510,000	3.0
3	ANJANETTE MARIANNA MCDANIEL	48,851,334	2.2
4	JASON CARL CARBY	37,812,91	1.7
5	KENDALL MARIE TODD	16,064,100	0.7
6	NIGEL COKE	15,892,077	0.7
7	BARITA INVESTMENTS LTD	13,997,203	0.6
8	BRIDGETOWN MANAGEMENT SERVICES LTD	13,274,944	0.6
9	JCDC TRUTEE SERVICES LTD	9,381,717	0.4
10	DAVID ANTHONY STEPHENS	9,000,000.	0.4

DIRECTORS SHARE HOLDINGS AS OF SEPTEMBER 30TH, 2023

#	DIRECTORS NAMES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
1	DAVID MCDANIEL	NIL	OUTLOOK LTD	1,800,867,600
2	MARJORIE MCDANIEL	NIL	OUTLOOK LTD	1,800,867,600
3	ALLAN MCDANIEL	NIL		
4	KELLI MUSCHETT	NIL	OUTLOOK LTD	1,800,867,600
5	STEPHEN TODD	NIL	OUTLOOK LTD	1,800,867,600
6	KERRI TODD	NIL	OUTLOOK LTD	1,800,867,600
7	ANTHONY BELL	NIL	-	
9	JERMAINE DEANS	NIL	-	
10	R. EVAN D. THWAITES	253,485	-	

SENIOR MANAGERS SHARE HOLDING AS OF SEPTEMBER 30TH, 2023

#	SHARE HOLDER	SHAREHOLDING	% SHARES ISSUED
1	DENISE MCINTOSH	2,660,850	0.12

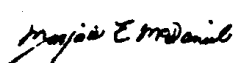
Stationery & Office Supplies Limited

Statement of financial position

September 30, 2023

	September 30, 2023	September 30, 2022	December 31, 2022
	9 Months Unaudited	9 Months Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	669,225,768	395,825,234	623,053,643
Right-of use-asset	11,635,879	0	11,635,861
Intangible asset	8,738,387	9,971,507	9,537,207
Investments	3,264,759	4,069,405	3,825,362
	<u>692,864,793</u>	<u>409,866,146</u>	<u>648,052,073</u>
Current assets			
Inventories	349,225,640	356,059,477	368,619,712
Trade and other receivables	317,310,968	193,688,762	200,131,122
Prepayments	47,766,305	62,921,301	36,407,054
Taxation recoverable	-	523,633	-
Bank and cash	320,837,416	99,327,489	131,939,033
	<u>1,035,140,329</u>	<u>712,520,662</u>	<u>737,096,921</u>
Total assets	<u>1,728,005,122</u>	<u>1,122,386,808</u>	<u>1,385,148,994</u>
Equity and liabilities			
Equity			
Share capital	88,151,214	88,151,214	88,151,214
Capital reserve	327,330,852	112,423,398	327,330,853
Retained profits	932,055,968	683,776,552	687,742,311
Total equity	<u>1,347,538,034</u>	<u>884,351,164</u>	<u>1,103,224,378</u>
Liabilities			
Non-current liabilities			
Borrowings	6,201,232	36,819,064	25,904,186
Other loans	19,191,713	41,685,901	23,557,636
Lease liability	6,241,584	0	7,788,540
Deferred tax liability	43,348,277	11,480,476	43,348,280
	<u>74,982,806</u>	<u>89,985,441</u>	<u>100,598,642</u>
Current liabilities			
Trade and other payables	235,074,223	101,147,699	125,857,814
Owing to Directors	33,284	33,204	33,204
Current portion of borrowings	25,459,926	32,628,043	33,271,248
Current portion of other loans	4,866,168	6,504,189	4,567,855
Current portion of lease liability	3,863,732		4,281,011
Taxation payable	36,186,949	7,737,068	13,314,842
	<u>305,484,282</u>	<u>148,050,203</u>	<u>181,325,974</u>
Total liabilities	<u>380,467,088</u>	<u>238,035,644</u>	<u>281,924,616</u>
Total equity and liabilities	<u>1,728,005,122</u>	<u>1,122,386,808</u>	<u>1,385,148,994</u>

 Director

 Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended September 30, 2023

	Quarter to September 30, 2023 Unaudited	YTD September 30, 2023 Unaudited	Quarter to September 30, 2022 Unaudited	YTD September 30, 2022 Unaudited	Year End December 31, 2022 Audited
	\$		\$		\$
Revenue	487,900,602	1,532,319,748	473,106,145	1,320,810,385	1,748,142,622
Cost of sales	(216,020,053)	(702,518,307)	(230,137,911)	(646,348,175)	(911,916,644)
Gross Profit	271,880,549	829,801,441	242,968,234	674,462,210	836,225,978
Other (expense) income	3,922	417,559	(233,502)	25,639	18,565
Administrative and general expenses	(138,202,654)	(378,237,321)	(111,925,508)	(314,096,398)	(399,141,415)
Selling and promotional costs	(28,785,398)	(97,074,286)	(35,837,492)	(96,395,268)	(131,873,350)
Impairment loss on financial assets	(85,333)	(560,603)	11,445	11,445	(11,500,943)
Depreciation amortisation & impairment	(8,437,175)	(26,445,202)	(8,749,262)	(26,448,446)	(30,080,584)
Operating profit	96,373,911	327,901,588	86,233,915	237,559,182	263,648,251
Finance income	1,371,371	2,532,517	284,553	289,691	104,894
Loss on foreign exchange	4,876,632	5,084,798	(309,640)	(374,130)	(1,198,462)
Finance costs	(1,737,946)	(5,291,842)	(2,045,135)	(6,596,595)	(8,709,885)
Profit / (Loss) on disposal of property plant and equipment	7,110,696	7,110,696	3,044,621	29,998,740	29,997,905
Profit before tax	107,994,664	337,337,757	87,208,314	260,876,888	283,842,703
Income tax (expense) / credit	(12,750,000)	(43,000,000)	(8,335,000)	(8,335,000)	(27,305,056)
Profit for the period, total comprehensive income for the period / year	95,244,664	294,337,757	78,873,314	252,541,888	256,507,647
Basic earnings per share	<u>0.04</u>	<u>0.13</u>	<u>0.32</u>	<u>1.02</u>	<u>1.03</u>

Stationery & Office Supplies Limited

Statement of cash flows

9 months ended September 30, 2023

	September 30, 2023	September 30, 2022	December 31 2022
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	337,337,757	260,876,888	283,842,703
Adjustments for:			
Depreciation amortisation	28,455,202	26,448,446	35,706,994
Amortisation right-of-use	0	0	1,057,805
Loss/ (profit) on foreign exchange on foreign currency loans	469,843	1,573,325	(719,276)
Profit on disposal of property, plant and equipment	(7,110,696)	(29,998,740)	(29,997,905)
Profit / Loss on financial assets recognised in profit or loss	(560,603)	(11,445)	0
Loss/(gain) on investments	0	0	232,598
Interest income	(2,532,517)	(289,691)	(104,894)
Interest expense	5,291,841	6,596,595	8,709,885
	361,350,827	265,195,378	298,727,910
(Increase) /decrease in inventories	6,833,837	(60,043,805)	(72,604,040)
Decrease / (Increase) in trade and other receivables	(123,622,206)	(69,959,528)	(76,401,888)
Decrease/(Increase) in prepayments	(15,154,996)	5,706,390	32,220,637
(Decrease) / increase in trade and other payables	133,926,524	(1,214,468)	23,495,647
Cash generated from operations	363,333,986	139,683,967	205,438,266
Taxation Paid	(14,436,405)	0	0
Interest paid	(5,291,841)	(6,596,595)	(8,709,885)
Net cash provided by operating activities	343,605,740	133,087,372	196,728,381
Cash flows from investing activities:			
Interest received	2,532,517	289,691	104,894
Purchase of property, plant and equipment	(72,471,852)	(47,888,997)	(50,057,040)
Proceeds from sale of fixed assets.	7,381,089	46,121,286	45,637,909
Net cash used in investing activities	(62,558,246)	(1,478,020)	(4,314,237)
Cash flows from financing activities			
Dividends Paid	(50,024,100)	(45,021,690)	(45,021,690)
Repayment of lease liability	(2,588,350)	0	(624,115)
Proceeds from Borrowings	0	13,495,000	14,925,397
Repayment of borrowings / other loans	(39,536,661)	(35,218,025)	(64,217,555)
Net cash provided by financing activities	(92,149,111)	(66,744,715)	(94,937,963)
Net increase in cash and cash equivalents	188,898,383	64,864,637	97,476,181
Cash and cash equivalents at beginning of period	131,939,033	34,462,852	34,462,852
Cash and cash equivalents at end of period	320,837,416	99,327,489	131,939,033

Stationery & Office Supplies Limited

Statement of changes in equity

6 months ended September 30, 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	256,507,646
Balance at December 31, 2022	88,151,214	327,330,853	687,742,311	1,103,224,377
Transactions with owners:				
Dividends Paid			(50,024,100)	
Profit for the period being total comprehensive income	0	0	294,337,757	294,337,757
Balance September 30 2023	88,151,214	327,330,853	932,055,968	1,397,562,134
Balance at December 31, 2021	88,151,214	112,423,398	476,256,354	676,830,966
Transactions with owners:				
Dividends Paid			(45,021,690)	
Profit for the period being total comprehensive income	0	0	252,541,888	104,885,731
Balance September 30, 2022	88,151,214	112,423,398	683,776,552	781,716,697



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Notes to the Unaudited Financial Statements

September 30, 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.

7 Change in quantity of Ordinary Shares

During the year the company had a stock split where 9 shares were allocated for every share held. This is the reason for the lower earnings per share.

