



**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:

1st QUARTER 2022 & 3 MONTHS ENDED MARCH 31, 2022





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UNAUDITED FINANCIAL STATEMENTS FOR THE 1st QUARTER & 3 MONTHS ENDED MARCH 31ST 2022

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 1ST Quarter ended March 31st, 2022.

SOS's management had high expectations coming into 2022 after a strong end to 2021. Covid infections were down to its lowest level since early 2020 and the economy appeared to be getting back on track with new companies opening and existing companies returning to full strength. Based on this, the year 2022 could have the potential to be a very special year for SOS.

The year started on a high note as SOS set a new record for monthly sales, achieving \$140M in February and again beating this record in March with sales of \$173M or 25% higher than February.

We also surpassed our highest ever pre-tax figure in a quarter going from \$57.5M to \$104.9M. Included in this profit figure is \$23M profit earned on the sale of our property at 36 Collins Green Avenue. This profit of \$23M will be used in a future expansion plan for SOS.

These achievements have led to SOS having new all-time highs in the following categories:

1. Revenues in a quarter (\$427.6M - \$343M)
2. Revenues in a month (\$173M - \$140M)
3. Pre-tax profit in a quarter (\$104.9M - \$57.5M)
4. Pre-tax profit in a month (\$39.8M March 2022)

These record sales were as a result of increases in revenues in almost every category including SEEK increasing from \$10.3M - \$18.5M, chair sales increasing by 35%, document destruction services increasing by 60%, as well as our IMAGE & TORCH furniture lines increasing by 50%. These increases are a direct result of planning, and having the additional inventory on hand to be able to supply the market and not have to rely upon shipping schedules that continue to change on a regular basis.

Expenses for the quarter showed a significant increase of 19% as the staff was rewarded with a salary increase for their hard work and dedication over the past 2 years. In addition, there was a corresponding increase in payment of sales commissions due to higher sales revenues.

SOS also purchased 2 new vehicles that increased its delivery fleet to 15 trucks that are now available for delivery throughout Jamaica on a daily basis. SOS was also able to do some necessary



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shifting of containers on the Beechwood property that increased our parking by an additional 10 spaces. This was very important in order to facilitate parking for our customers and to make sure that they continue to have a comfortable and enjoyable shopping experience at SOS.

For the 1st Quarter, the company’s gross profit figure declined by 5% as SOS was forced to absorb some of the additional costs associated with shipping as the prices of products continued to rise throughout the first 3 months of the year. Fortunately, we are seeing signs that these shipping rates will begin to fall during 2022, and this should lead to a reduction in the prices of products for customers in the near future.

The following chart will show the comparisons between the 1st Quarter of 2021 and 2022.

1st QUARTER COMPARISON OF RESULTS 2022 & 2021			
	2022	2021	% INCREASE
REVENUES	\$ 427,623,937.00	\$ 313,315,689.00	36%
EXPENSES	\$ 136,836,045.00	\$ 114,518,482.00	19%
GROSS PROFIT %	52%	55%	-5%
PRE-TAX PROFIT	\$ 104,885,731.00	\$ 55,339,252.00	90%

FINANCIAL POSITION

At the end of the 1st Quarter, SOS had increased its total assets by less than 10% (\$912M - \$1,017M). This change was mainly due to increases in receivables and prepayments (\$128M - \$165M), and a 38% increase in inventory (\$244.8M - \$338.2M).

Earnings per share at the end of the 1st Quarter 2022 was \$.42 an increase of \$.20 compared to the end of the 1st Quarter of 2021.

Allan McDaniel
Managing Director

Marjorie McDaniel
Chief Administrative officer & Company Secretary



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SOS TOP 10 SHAREHOLDERS AS OF MARCH 31ST, 2022

<u>#</u>	<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	5,702,074.	2.3
4	JASON CARL CARBY	4,201,435.	1.7
5	JNBS PENSION TRUSTEES NOMINEE LTD.	2,337,495.	1.0
6	KENDALL MARIE TODD	1,784,900.	0.7
7	MIRAH JESSICA LIM TODD	1,400,000.	0.6
8	BRIDGETOWN MANAGEMENT SERVICES LTD	1,301,210.	0.5
9	JCDC TRUTEE SERVICES LTD	1,285,053.	0.5
10	QWI INVESTMENTS LIMITED	1,000,000.	0.4

DIRECTORS SHARE HOLDINGS AS OF MARCH 31ST, 2022

<u>#</u>	<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 31ST, 2022

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

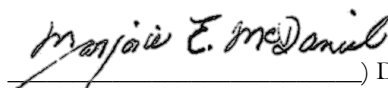
Stationery & Office Supplies Limited

Statement of financial position

March 31, 2022

	March 31, 2022	March 31, 2021	December 31, 2021
	3 Months Unaudited	3 Months Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	380,369,102	402,843,592	389,213,192
Intangible asset	10,420,254	11,915,217	10,791,007
Investments	4,599,694	3,867,548	4,057,960
	<u>395,389,050</u>	<u>418,626,357</u>	<u>404,062,159</u>
Current assets			
Inventories	338,181,475	244,802,566	296,015,672
Trade and other receivables	136,861,089	124,159,713	123,729,234
Prepayments	32,854,019	32,133,101	68,627,691
Taxation recoverable	1,121,564	987,280	1,121,564
Bank and cash	119,277,365	120,544,958	34,462,852
	<u>628,295,512</u>	<u>522,627,618</u>	<u>523,957,013</u>
Total assets	<u>1,023,684,562</u>	<u>941,253,975</u>	<u>928,019,172</u>
Equity and liabilities			
Equity			
Share capital	88,151,214	88,151,214	88,151,214
Capital reserve	112,423,398	112,423,398	112,423,398
Retained profits	581,142,085	464,495,081	476,256,354
Total equity	<u>781,716,697</u>	<u>665,069,693</u>	<u>676,830,966</u>
Liabilities			
Non-current liabilities			
Borrowings	53,538,364	77,973,954	46,998,750
Other loans	44,109,866	48,960,207	46,140,801
Deferred tax liability	11,480,476	13,090,899	11,480,476
	<u>109,128,706</u>	<u>140,025,060</u>	<u>104,620,027</u>
Current liabilities			
Trade and other payables	91,649,977	99,213,757	102,362,167
Owing to Directors	33,204	33,204	33,204
Current portion of borrowings	34,760,917	30,983,541	37,810,807
Current portion of other loans	6,395,061	5,928,720	6,362,001
	<u>132,839,159</u>	<u>136,159,222</u>	<u>146,568,179</u>
Total liabilities	<u>241,967,865</u>	<u>276,184,282</u>	<u>251,188,206</u>
Total equity and liabilities	<u>1,023,684,562</u>	<u>941,253,975</u>	<u>928,019,172</u>


_____) Director


_____) Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended March 31, 2022

	Quarter to March 31, 2022 Unaudited	Quarter to March 31, 2021 Unaudited	Year End December 31, 2021 Audited
	\$	\$	\$
Revenue	427,623,937	313,315,689	1,124,846,375
Cost of sales	(209,816,678)	(143,705,662)	(573,699,215)
Gross Profit	217,807,259	169,610,027	551,147,160
Other income	537,890	1,986	-
Administrative and general expenses	(97,191,787)	(80,583,653)	(319,533,545)
Selling and promotional costs	(28,711,228)	(21,067,246)	(80,263,412)
Gain / (Impairment loss) on financial assets	0	0	(1,440,604)
Depreciation amortisation & impairment	(8,272,981)	(8,245,682)	(26,448,846)
Operating profit	84,169,153	59,715,432	123,460,753
Finance income	0	247,707	1,167,457
(Loss) / gain on foreign exchange	(35,515)	(2,154,815)	(7,977,940)
Finance costs	(2,624,534)	(2,469,073)	(11,140,889)
Profit / (Loss) on disposal of property plant and equipment	23,376,627	0	-
Profit before tax	104,885,731	55,339,251	105,509,381
Income tax (expense) / credit	0	0	1,610,423
Profit for the period, total comprehensive income for the period / year	104,885,731	55,339,251	107,119,804
Basic earnings per share	<u>0.42</u>	<u>0.22</u>	<u>0.43</u>

Stationery & Office Supplies Limited

Statement of changes in equity

3 months ended March 31, 2022

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2020	88,151,214	112,423,398	409,155,830	609,730,442
Transaction with owners:				
Dividend Paid	0	0	(40,019,280)	(40,019,280)
Profit for the year being total comprehensive income	0	0	107,119,804	107,119,804
Balance at December 31, 2021	88,151,214	112,423,398	476,256,354	676,830,966
Profit for the period being total comprehensive income	0	0	104,885,731	104,885,731
Balance March 31 2022	88,151,214	112,423,398	581,142,085	781,716,697
Balance at December 31, 2020	88,151,214	112,423,398	409,155,830	609,730,442
Profit for the period being total comprehensive income	0	0	55,339,251	55,339,251
Balance March 31, 2021	88,151,214	112,423,398	464,495,081	665,069,693

Stationery & Office Supplies Limited

Statement of cash flows

3 months ended March 31, 2022

	March 31, 2022	March 31, 2021	December 31 2021
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	104,885,731	55,339,251	105,509,381
Adjustments for:			
Depreciation amortisation impairment	8,272,981	8,245,682	32,737,301
Loss/ (profit) on foreign exchange on foreign currency loans	(440,697)	1,496,356	4,668,439
Gain on disposal of property	(23,376,627)	0	0
(Gain)/loss on investments	(537,890)	0	(111,438)
Dividend Income	0	0	(78,974)
Interest income	0	(247,707)	(977,045)
Interest expense	2,624,534	2,469,073	11,140,889
	91,428,032	67,302,655	152,888,553
(Increase) /decrease in inventories	(42,165,803)	(12,151,737)	(63,364,843)
Decrease / (Increase) in trade and other receivables	(13,131,855)	(24,473,257)	(24,343,925)
Decrease/(Increase) in prepayments	35,773,672	(1,063,881)	(37,558,471)
(Decrease) / increase in trade and other payables	(10,712,190)	6,349,474	9,497,884
Cash generated from operations	61,191,856	35,963,254	37,119,198
Interest paid	(2,624,534)	(2,469,073)	(11,140,889)
Net cash provided by operating activities	58,567,322	33,494,181	25,978,309
Cash flows from investing activities:			
Interest received net of withholding tax	0	247,707	773,247
Purchase of property, plant and equipment	(14,698,137)	(80,000)	(9,515,863)
Proceeds from sale of fixed assets.	40,000,000	0	0
Net cash used in investing activities	25,301,863	167,707	(8,742,616)
Cash flows from financing activities			
Dividends Paid	0	0	(40,019,280)
Proceeds from Borrowings	13,495,000	0	2,930,000
Repayment of borrowings	(10,992,494)	(9,576,188)	(36,584,609)
Repayment of other loans	(1,557,178)	(440,010)	(5,998,220)
Net cash provided by financing activities	945,328	(10,016,198)	(79,672,109)
Net increase/(decrease) in cash and cash equivalents	84,814,513	23,645,690	(62,436,416)
Cash and cash equivalents at beginning of period	34,462,852	96,899,268	96,899,268
Cash and cash equivalents at end of period	119,277,365	120,544,958	34,462,852



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Notes to the Unaudited Financial Statements

March 31, 2022

1. Identification and activities

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

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

These financial statements are presented in Jamaica Dollars.

2. Articles Of Incorporation

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

3. Share Capital

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

4. Statement of compliance

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



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

6. Use of estimates and judgements
The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and managements best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.
There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.