



**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 – 2nd QUARTER ENDED JUNE 30TH, 2022





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**UNAUDITED FINANCIAL STATEMENTS FOR THE
2nd QUARTER & 6 MONTHS ENDED JUNE 30TH 2022**

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited results for the company for the 2nd Quarter & 6 Months ended June 30th, 2022.

After a record-breaking 1st Quarter in 2022, SOS was able to follow this up in the 2nd Quarter with its second-best quarter in the 57-year history of the company. During the 2nd Quarter we completed the delivery and installation of a new 200 plus seat call centre as well as other projects. The scope of work that was completed during this quarter included industrial racking projects, mobile filing systems, and several new office installations. The majority of these projects were supplied and installed from our everyday inventory, which is important, as shipping timelines for products being delivered to Jamaica are still very unreliable, taking up to as long as 24 weeks to arrive.

Sales of regular SEEK products for the 2nd Quarter increased significantly year on year. However, with the addition of the new products which were produced for the first time during the month of June using the new machinery which we purchased, total SEEK sales more than doubled compared to the same period of the previous year. This showed that there is a need and demand for these new products.

Please see below the comparative results for the 2nd Quarter of 2022 compared to 2021.

2nd Quarter 2022 & 2021			
	2022	2021	% INCREASE
REVENUES	\$420.M	\$238.4M	76%
GROSS PROFIT %	51%	50.3%	1.5%
GROSS-PROFIT	\$213M	\$120.5M	77%
SEEK REVENUES	\$14.4M	\$6.47M	120%
PRE-TAX-PROFIT	\$68.8M	\$3.1M	2,100%

For the first 6 months of 2022, SOS has experienced continued growth over the same period in 2021. All comparative numbers are up in 2022 including the most important,



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profit. The pre-tax profit has risen by over 170% year on year from \$58.4M to \$173.6M as SOS strongly recovers from the effects of Covid. The \$173.6M in net-profit earned in the first two quarters of this year exceeds the highest total profit for a full year period that SOS has ever experienced in its 57-year history.

Gross profit decreased by 3.5% due to larger projects and installations with lower gross margins in 2022 as the economy recovers from Covid.

SOS has been able to adjust to the ever-changing market place and this is a significant reason why we have been able to continue to be profitable in an unpredictable economy.

6 MONTHS ENDED JUNE 30 TH , 2022 & 2021			
	2022	2021	% INCREASE
REVENUES	\$847,704,240	\$550,871,653	54%
EXPENSES	\$285,043,746	\$232,273,763	23%
GROSS PROFIT %	50.9%	52.7%	-3.5%
SEEK REVENUE	\$32,938,157	\$16,816,965	96%
PRE-TAX-PROFIT	\$173,668,574	\$58,428,153	198%

FINANCIAL POSITION

At the end of the 2nd Quarter, SOS increased its total assets year on year by 20% (\$889.5M - \$1.08B). Current assets increased significantly including Bank and Cash rising by 30%, and receivables and prepayments increasing by 133%.

Earnings per share at the end of the 2nd Quarter for 2022 was \$.70, an increase of \$.47 compared to \$.23 the end of the 2nd Quarter of 2021. For the quarter, earnings per share was at \$.27 up from \$.01 for the same period in 2021.

Allan McDaniel
Managing Director

Marjorie McDaniel
Chief Administrative officer & Company Secretary



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SOS TOP 10 SHAREHOLDERS AS OF JUNE 30, 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.	2.4
3	ANJANETTE MARIANNA MCDANIEL	5,705,964.	2.3
4	JASON CARL CARBY	4,201,435.	1.7
5	JN FUND MANAGERS LTD	2,337,495.	1.0
6	KENDALL MARIE TODD	1,784,900.	0.7
7	BRIDGETOWN MANAGEMENT SERVICES LTD	1,328,510.	0.6
8	JCDC TRUTEE SERVICES LTD	1,285,053.	0.5
9	MIRAH JESSICA LIM TODD	1,255,000.	0.5
10	QWI INVESTMENTS LIMITED	1,000,000.	0.4

DIRECTORS SHARE HOLDINGS AS OF JUNE 30, 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 JUNE 30, 2022

<u>#</u>	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	DENISE MCINTOSH	295,650.	0.12
2	DAVID PLANT	14,036.	0.001

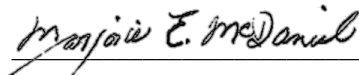
Stationery & Office Supplies Limited

Statement of financial position

June 30, 2022

	June 30 2022	June 30 2021	December 31, 2021
	6 Months Unaudited	6 Months Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	390,887,908	396,386,311	389,213,192
Intangible asset	10,049,500	11,589,115	10,791,007
Investments	4,317,066	3,867,548	4,057,960
	<u>405,254,474</u>	<u>411,842,974</u>	<u>404,062,159</u>
Current assets			
Inventories	283,587,922	276,453,071	296,015,672
Trade and other receivables	163,812,328	102,037,209	123,729,234
Prepayments	119,278,471	38,136,814	68,627,691
Taxation recoverable	1,121,564	1,057,816	1,121,564
Bank and cash	119,640,293	91,242,722	34,462,852
	<u>687,440,578</u>	<u>508,927,632</u>	<u>523,957,013</u>
Total assets	<u>1,092,695,052</u>	<u>920,770,606</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	649,924,928	467,583,983	476,256,354
Total equity	<u>850,499,540</u>	<u>668,158,595</u>	<u>676,830,966</u>
Liabilities			
Non-current liabilities			
Borrowings	44,200,628	64,970,683	46,998,750
Other loans	42,915,721	48,870,376	46,140,801
Deferred tax liability	11,480,476	13,090,899	11,480,476
	<u>98,596,825</u>	<u>126,931,958</u>	<u>104,620,027</u>
Current liabilities			
Trade and other payables	102,541,633	86,326,351	102,362,167
Owing to Directors	33,204	33,204	33,204
Current portion of borrowings	34,634,533	34,904,996	37,810,807
Current portion of other loans	6,389,317	4,415,502	6,362,001
	<u>143,598,687</u>	<u>125,680,053</u>	<u>146,568,179</u>
Total liabilities	<u>242,195,512</u>	<u>252,612,011</u>	<u>251,188,206</u>
Total equity and liabilities	<u>1,092,695,052</u>	<u>920,770,606</u>	<u>928,019,172</u>


) Director


) Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended June 30, 2022

	Quarter to June 30, 2022 Unaudited	YTD June 30, 2022 Unaudited	Quarter to June 30, 2021 Unaudited	YTD June 30 2021 Unaudited	Year End December 31, 2020 Audited
	\$	\$	\$	\$	\$
Revenue	420,080,303	847,704,240	237,555,964	550,871,653	1,124,846,375
Cost of sales	(206,393,606)	(416,210,284)	(117,042,339)	(260,748,001)	(573,699,215)
Gross Profit	213,686,697	431,493,956	120,513,625	290,123,652	551,147,160
Other income	(279,526)	259,107	15,190	22,445	-
Administrative and general expenses	(104,979,051)	(202,170,838)	(82,321,888)	(162,906,541)	(319,533,545)
Selling and promotional costs	(31,846,548)	(60,557,776)	(21,968,231)	(43,035,477)	(80,263,412)
Gain / (Impairment loss) on financial assets		0	0	0	(1,440,604)
Depreciation amortisation & impairment	(9,426,203)	(17,699,184)	(8,217,902)	(16,463,584)	(26,448,846)
Operating profit	67,155,369	151,325,265	8,020,794	67,740,495	123,460,753
Finance income	0	5,137	312,381	560,088	1,167,457
Loss on foreign exchange	(23,094)	(64,490)	(1,717,536)	(3,872,350)	(7,977,940)
Finance costs	(1,926,924)	(4,551,457)	(3,526,737)	(6,000,080)	(11,140,889)
Profit / (Loss) on disposal of property plant and equipment	3,577,492	26,954,119	0	0	-
Profit for the year / period.	68,782,843	173,668,574	3,088,902	58,428,153	105,509,381
Income Tax credit	0	0	0	0	1,610,423
Profit for the period, total comprehensive income for the period/year.	68,782,843	173,668,574	3,088,902	58,428,153	107,119,804
Basic earnings per share	<u>0.27</u>	<u>0.70</u>	<u>0.01</u>	<u>0.23</u>	<u>0.43</u>

Stationery & Office Supplies Limited

Statement of changes in equity

6 months ended June 30, 2022

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at December 31, 2012	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	33,091,492
Balance at December 31, 2020	88,151,214	112,423,398	476,256,354	602,802,654
Profit for the period being total comprehensive income	0	0	173,668,574	58,428,153
Balance June 30, 2021	88,151,214	112,423,398	649,924,928	661,230,807
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	58,428,153	21,831,674
Balance June 30, 2021	88,151,214	112,423,398	467,583,983	631,562,116

Stationery & Office Supplies Limited

Statement of cash flows

6 Months ended 30 June, 2022

	June 30, 2022	June 30, 2021	December 31 2021
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	173,668,574	58,428,153	105,509,381
Adjustments for:			
Depreciation amortisation impairment	17,699,184	16,463,586	32,737,301
(Gain) / Loss on foreign exchange on foreign currency loans	(1,229,764)	2,356,335	4,668,439
Profit on disposal of property, plant and equipment	(26,954,119)	0	0
Gain on Investments	0	0	(111,438)
Dividend Income	0	0	(78,974)
Interest income	(5,137)	(700,137)	(977,045)
Interest expense	4,551,457	6,000,080	11,140,889
	167,730,195	82,548,017	152,888,553
(Increase) /decrease in inventories	12,427,750	(43,802,242)	(63,364,843)
Decrease / (Increase) in trade and other receivables	(40,083,094)	(2,651,900)	(24,343,925)
Decrease/(Increase) in prepayments	(50,650,780)	(7,067,594)	(37,558,471)
(Decrease) / increase in trade and other payables	179,466	(6,537,932)	9,497,884
	89,603,537	22,488,349	37,119,198
Cash generated from operations	89,603,537	22,488,349	37,119,198
Interest paid	(4,551,457)	(6,000,080)	(11,140,889)
	85,052,080	16,488,269	25,978,309
Net cash provided by operating activities	85,052,080	16,488,269	25,978,309
Cash flows from investing activities:			
Interest received net of withholding tax	5,137	560,088	773,247
Purchase of property, plant and equipment	(34,272,401)	(1,514,519)	(9,515,863)
Proceeds from sale of fixed assets.	43,077,500	0	0
Net cash used in investing activities	8,810,236	(954,431)	(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	(20,156,649)	(18,727,010)	(36,584,609)
Repayment of other loans	(2,023,226)	(2,463,374)	(5,998,220)
	(8,684,875)	(21,190,384)	(79,672,109)
Net cash provided by financing activities	(8,684,875)	(21,190,384)	(79,672,109)
Net increase/(decrease) in cash and cash equivalents	85,177,441	(5,656,546)	(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	119,640,293	91,242,722	34,462,852



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Notes to the Unaudited Financial Statements

June 30, 2022

1. Identification and activities

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

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

These financial statements are presented in Jamaica Dollars.

2. Articles Of Incorporation

At an Extraordinary General Meeting held on March 29, 2017 the company approved the adoption of new Articles of Incorporation to replace the existing Articles and Memorandum of Association; as is necessary for the transition to a public company. The Articles of Incorporation were amended in order to make them compliant 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.