



**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 2024 & 3 MONTHS ENDED MARCH 31, 2024





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FURSYS
OFFICE FURNITURE SYSTEMS

Agents for



UNAUDITED FINANCIAL STATEMENTS FOR THE 1st QUARTER & 3 MONTHS ENDED MARCH 31ST 2024

The Board of Directors of Stationery & Office Supplies Limited is pleased to present the unaudited financial results for the company for the 1ST Quarter ended March 31st, 2024.

Entering the year 2024, management faced the uphill task of continuing to maintain the record performance in which Stationery & Office Supplies Ltd. has ended each year with a new all-time high in revenues and net profit. Revenues and net profit for 2022 were \$1.75B and \$257M and at the end of 2023 these figures increased to \$1.94B and \$278M. To ensure that we continued this historic achievement, management had to once again generate new and innovative ways to continue to push SOS forward to new heights.

As we entered into 2024, the management team remained 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 2023 but to surpass our company's best financial year and we believe that we are on the right track to achieve this. During the 1st quarter of 2024 a plan was approved to build a new 8,000 sq. foot warehouse to be constructed on the recently purchased property located at 26 Collins Green Avenue. This warehouse will form an integral part of SOS's expansion plan for 2024 as with the completion of this building, not only will we have additional space to store products but it will also create the additional room to house the planned expansion of the SEEK manufacturing plant.

The SEEK factory is being retooled and additional machinery is being imported to triple the factory's annual output. The arrival of the new machinery is scheduled for the middle of the year and we expect to have everything operational and ready to go by the third quarter of 2024.

Along with SEEK, we will continue to focus on our regional expansion that saw a significant increase in export containers and we will also be looking at appointing new dealers throughout the Caribbean. Other avenues that we intend to focus on to achieve higher revenue figures in 2024 are the continued push of 3M products that we were appointed the local distributor for at the end of 2023, as well as our recent agreement to be the local distributor for PILOT CORPORATION, a company known around the world for the brand "PILOT" which manufactures and distributes top quality pens worldwide. Distribution of both of these brands can and will have a positive affect on the bottom line for SOS.

The first quarter of 2024 has turned out to be one of our best quarters in the history of the company and below are some of the highlights that we have experienced year over year:



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1. **SEEK** – The SEEK brand continues to grow as revenues climbed, up 9% for the quarter.
2. **EVOLVE** - Revenues from our newest furniture line continue to increase as sales jumped 70% quarter over quarter. This rise in sales is mainly due to the increased popularity of the brand due to the price point and quality. With the increased demand for the line, we have also added a number of new products under the **EVOLVE** product line which continue to be well received in the market.
3. **CARIBBEAN SALES** – With another 5 containers being exported in the 1st quarter, our regional sales continue to expand. These containers were sent to 3 different islands with plans for more to follow during the second quarter of 2024.

The following chart will show the comparisons between the 1st Quarter of 2024 and 2023.

1 st QUARTER & 3 MONTH COMPARISON OF RESULTS 2024 & 2023			
	2024	2023	% INCREASE
REVENUES	\$ 524,807,773.00	\$ 519,184,395.00	1%
EXPENSES	\$ 182,524,080.00	\$ 162,054,447.00	13%
GROSS PROFIT %	57.5%	52%	10%
PRE-TAX PROFIT	\$ 109,251,939.00	\$ 108,124,773.00	1%

Revenues

Even though revenues appear to be flat it is worth noting that the rise of 1% meant that SOS had its second highest ever total revenue figure in a quarter in its history, falling just short of the mark hit in the second quarter of 2023 by less than \$500K.

Expenses

It can be seen in the above chart that the company's expenses rose by 13%. This was expected as there was a salary increase given to the staff in February 2024 as a reward for their hard work and outstanding effort seen on a daily basis. In addition, as part of the SOS incentive plan that was established during 2023 the staff was rewarded with additional bonuses based on the audited 2023 results, and this was paid during this quarter.



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Gross profit

The gross profit remained solid and grew by 10% during this quarter. This is a direct result of continued growth of labour-intensive billable work including repairs, job orders and installations.

Pre-tax Profit

Along with the 1% increase in revenues it can be seen that the pre-tax profit also rose by a minimal amount of 1%. It is worth noting that SOS was able to increase its profits while at the same time absorbing additional administrative expenses that comes with additional staff and salary increases. Not with-standing this, SOS still had one of its highest profit figures in its history.

FINANCIAL POSITION

At the end of the 1st Quarter, SOS had increased its total assets by 20% (\$1.8B - \$1.51B). This change was mainly due to an increase in fixed assets (38% increase) which saw a significant change due to the purchase of two new properties and an additional building that was constructed on 25 Beechwood Avenue (\$874M - \$641M) as well as receivables and prepayments rising 14% (\$293M - \$257M).

Earnings per share at the end of the 1st Quarter 2024 was \$.04 equal to the earnings per share at the end of the 1st Quarter of 2023.

Allan McDaniel

Managing Director

Marjorie McDaniel

Chief Administrative officer & Company Secretary



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SOS TOP 10 SHAREHOLDERS AS OF MARCH 31ST, 2024

#	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	OUTLOOK LIMITED	1,800,867,600	80.0
2	QWI INVESTMENTS LIMITED	68,382,963	3.0
3	ANJANETTE MARIANNA MCDANIEL	48,851,334	2.2
4	JASON CARL CARBY	37,812,915	1.7
5	KENDALL MARIE TODD	16,064,100	0.7
6	BARITA INVESTMENTS	15,289,072	0.7
7	BRIDGETOWN MANAGEMENT SERVICES LTD	14,664,463	0.7
8	DAVID ANTHONY STEPHENS	10,000,000	0.4
9	NIGEL COKE	9,513,124	0.4
10	JCDC TRUTEE SERVICES LTD	9,381,717	0.4

DIRECTORS SHARE HOLDINGS AS OF MARCH 31ST, 2024

#	<u>DIRECTORS NAMES</u>	<u>SHAREHOLDING</u>	<u>CONNECTED PARTY</u>	<u>SHAREHOLDING</u>
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 MARCH 31ST, 2024

#	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	DENISE MCINTOSH	2,160,850	0.001

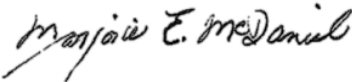
Stationery & Office Supplies Limited

Statement of Financial Position

March 31, 2024

	March 31, 2024	March 31, 2023	December 31, 2023
	3 months	3 months	12 months
	Unaudited	Unaudited	Audited
	\$	\$	\$
Assets			
Non-current assets			
Property, plant and equipment	854,235,229	627,432,325	845,163,884
Right-of-use-assets	18,642,022	11,635,861	18,642,022
Intangible assets	8,141,868	9,422,585	8,283,407
Investments	3,300,537	3,540,584	3,300,537
	884,319,656	652,031,355	875,389,850
Current assets			
Inventories	339,213,582	308,890,036	333,623,650
Trade and other receivables	222,145,920	175,455,784	173,858,211
Prepayments	71,593,289	89,431,471	78,505,143
Owing by Directors	546,796	523,633	546,796
Cash and cash equivalents	282,392,362	296,071,581	268,647,351
	915,891,948	870,372,505	855,181,151
Total assets	1,800,211,604	1,522,403,860	1,730,571,001
Equity and liabilities			
Equity			
Share capital	88,151,214	88,151,214	88,151,214
Capital reserve	327,330,852	327,330,853	327,330,853
Retained profits	1,011,234,966	781,867,084	915,655,885
Total equity	1,426,717,032	1,197,349,151	1,331,137,952
Liabilities			
Non-current liabilities			
Borrowings	6,359,459	18,109,998	6,359,459
Other loan	19,084,998	22,223,650	19,084,998
Lease liabilities	8,311,773	6,546,430	8,311,773
Deferred tax liability	54,406,450	43,348,277	54,406,450
	88,162,680	90,228,355	88,162,680
Current liabilities			
Trade and other payables	254,312,951	180,478,648	244,795,592
Owing to Directors	-	33,204	-
Current portion of borrowings	11,634,661	30,793,432	19,726,929
Current portion of other loans	4,917,849	4,595,881	4,917,849
Current portion of lease liabilities	11,022,064	5,523,120	12,060,283
Taxation payable	3,444,367	13,402,069	29,769,716
	285,331,893	234,826,354	311,270,369
Total liabilities	373,494,573	325,054,709	399,433,049
Total equity and liabilities	1,800,211,604	1,522,403,860	1,730,571,001


Allan McDaniel
Managing Director


Marjorie McDaniel
Chief Administrative officer & Company Secretary

Stationery & Office Supplies Limited

Statement of profit or Loss

Period ended March 31, 2024

	Quarter to March 31, 2024 Unaudited	Quarter to March 31, 2023 Unaudited	Year end December 31, 2023 Audited
	\$	\$	\$
Revenue	524,807,773	519,184,395	1,935,164,646
Cost of sales	-234,077,389	-248,718,750	-953,081,813
	290,730,384	270,465,645	982,082,833
Other income	-	-286,425	132,548
Administrative and general expenses	-132,014,370	-115,367,093	-483,455,516
Selling and promotional costs	-39,814,021	-34,430,409	-132,741,829
Impairment loss on financial assets	-	-	-4,803,084
Depreciation and amortisation	-10,703,820	-8,977,905	-36,832,995
Operating profit	108,198,173	111,403,813	324,381,957
Finance income	1,704,456	-	4,087,068
Gain/(loss) on foreign exchange	57,998	-1,216,798	3,542,332
Finance costs	-708,687	-2,062,242	-6,873,283
Loss on investment	-	-	-524,825
Gain on disposal of property, plant and equipment	-	-	7,110,696
Profit before tax	109,251,939	108,124,773	331,723,945
Income tax expense	-13,672,855	-14,000,000	-53,786,271
Profit for the year	95,579,084	94,124,773	277,937,674
Basic and Diluted Earnings Per Share	0.04	0.04	0.12

Stationery & Office Supplies Limited

Statement of changes in equity

3 Months ended March 31, 2024

	Share Capital \$	Capital Reserve \$	Retained Profits \$	Total \$
Balance at January 1, 2023	88,151,214	327,330,853	687,742,311	1,103,224,378
Dividends (22)	-	-	-50,024,100	-50,024,100
Transaction with owners	-	-	-50,024,100	-50,024,100
Profit for the year	-	-	277,937,674	277,937,674
Balance at December 31, 2023	88,151,214	327,330,853	915,655,885	1,331,137,952
Balance at January 1, 2024	88,151,214	327,330,853	915,655,885	1,331,137,952
Dividends	-	-	-	-
Transaction with owners	-	-	-	-
Profit for the year	-	-	95,579,084	95,579,084
Balance as at March 31, 2023	88,151,214	327,330,852	1,011,234,966	1,426,717,032

Stationery & Office Supplies Limited

Statement of cash flows

3 Months ended March 31, 2024

	March 31, 2024	March 31, 2023	December 31, 2023
	Unaudited	Unaudited	Audited
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	109,251,939	108,124,773	331,723,945
Adjustment for:			
Depreciation and amortisation	10,703,820	8,977,905	36,000,457
Amortisation – right -of-use	-	-	7,977,017
Loss/(gain) on foreign exchange on other loans	-57,998	214,576	469,842
Gain on disposal of property, plant and equipment	-	-	-7,110,696
Loss on investments	-	-	524,825
Interest income	-1,704,456	-	-4,087,068
Interest expense	708,687	2,062,242	6,873,283
	118,901,993	119,379,496	372,371,605
Decrease/(increase) in inventories	-5,589,932	59,729,676	34,996,062
Decrease/(increase) in trade and other receivables	-48,287,709	24,675,338	26,272,911
(Increase)/decrease in prepayments	6,911,854	-53,025,417	-42,098,089
Increase in owing by directors	-	-	-546,796
Decrease in owing to directors	-	-	-33,204
Increase in trade and other payables	9,517,359	54,620,834	118,937,778
Cash generated from operations	81,453,565	205,379,927	509,900,267
Interest paid	-708,687	-13,838,475	-6,873,283
Income tax paid	-39,940,211	-2,062,242	-26,273,227
Net cash provided by operating activities	40,804,667	189,479,210	476,753,757
Cash flows from investing activities:			
Interest received	1,704,456	-	4,087,068
Purchase of property, plant and equipment	-19,633,626	-13,237,872	-257,712,395
Proceeds from disposal of property, plant and equipment	-	-	7,966,193
Net cash used in investing activities	-17,929,170	-13,237,872	-245,659,134
Cash flows from financing activities			
Dividends paid	-	-	-50,024,100
Repayment of lease liabilities	-1,038,219	-951,532	-6,680,673
Proceeds from borrowings	-	-	-
Repayment of borrowings	-8,092,268	-10,034,585	-33,089,046
Repayment of other loans	-	-1,122,673	-4,592,486
Net cash used in financing activities	-9,130,486	-12,108,790	-94,386,305
Net increase in cash and cash equivalents	13,745,011	164,132,548	136,708,318
Cash and cash equivalents at beginning of year	268,647,351	131,939,033	131,939,033
Cash and cash equivalents at end of year	282,392,362	296,071,581	268,647,351



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Notes to the Unaudited Financial Statements

March 31, 2024

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.