

**BLUE POWER GROUP LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**OCTOBER 31, 2010**

# BLUE POWER GROUP LIMITED

OCTOBER 31, 2010

---

## INDEX

### UNAUDITED FINANCIAL STATEMENTS

	Page
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Shareholders' Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6

**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**SIX MONTHS TO OCTOBER 31, 2010**

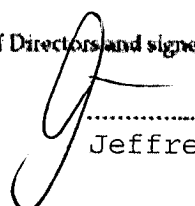
	Note	Three months 31 October 2010 \$	Six months 31 October 2010 \$	Three months 31 October 2009 \$	Six months 31 October 2009 \$
REVENUE		180,443,465	366,111,561	152,295,417	317,105,535
COST OF SALES		<u>(147,613,370)</u>	<u>(302,527,901)</u>	<u>(125,659,387)</u>	<u>(261,541,811)</u>
GROSS PROFIT		32,830,095	63,583,660	26,636,030	55,563,724
ADMINISTRATIVE AND OTHER EXPENSES		<u>(23,570,955)</u>	<u>(44,230,847)</u>	<u>(19,446,219)</u>	<u>(31,794,833)</u>
PROFIT FROM OPERATIONS		<u>9,259,140</u>	<u>19,352,813</u>	<u>7,189,811</u>	<u>23,768,891</u>
OTHER INCOME -					
Interest income		223,181	1,547,290	1,345,695	1,876,448
Rental income		727,885	920,380	431,594	671,191
Other income		-	87,207	31,614	31,614
Exchange gain - realised		<u>-</u>	<u>-</u>	<u>52,995</u>	<u>52,995</u>
		<u>951,066</u>	<u>2,554,877</u>	<u>1,861,898</u>	<u>2,632,248</u>
		10,210,206	21,907,690	9,051,709	26,401,139
FINANCIAL EXPENSES		<u>(1,772,968)</u>	<u>(4,316,520)</u>	<u>(1,941,062)</u>	<u>(4,148,442)</u>
NET PROFIT - before taxation	3	8,437,238	17,591,170	7,110,647	22,252,697
TAXATION	4	<u>-</u>	<u>(990,031)</u>	<u>(2,351,565)</u>	<u>(7,417,566)</u>
NET PROFIT - after taxation		<u>8,437,238</u>	<u>16,601,139</u>	<u>4,759,082</u>	<u>14,835,131</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Stockholders of the company		<u>8,437,238</u>	<u>16,601,139</u>	<u>4,759,082</u>	<u>14,835,131</u>
Number of stock units issued		56,497,800	56,497,800	1,130	1,130
Earnings per stock unit for profit attributable to stockholders of the company during the period -		<u>\$ 0.15</u>	<u>\$ 0.29</u>	<u>\$ 4,211.58</u>	<u>\$ 13,128.43</u>

**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AT OCTOBER 31, 2010**

	31 October 2010 £	30 April 2010 £	31 October 2009 £
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	46,486,095	44,929,052	42,612,106
Deferred tax asset	-	1,354,953	1,855,999
Deferred expense	164,145	164,145	127,545
	<u>46,650,240</u>	<u>46,448,150</u>	<u>44,595,650</u>
<b>Current Assets</b>			
Inventories	121,015,001	99,664,204	97,448,810
Receivables and prepayments	65,247,412	74,340,327	37,411,703
Cash and cash equivalents	31,586,505	47,408,627	30,621,690
	<u>217,848,918</u>	<u>221,413,158</u>	<u>165,482,203</u>
<b>Current Liabilities</b>			
Payables	57,055,979	70,500,001	34,796,655
Director's account	-	-	1,342,278
Current portion of long term liability	3,333,334	3,333,333	5,333,333
Taxation	7,525,751	12,378,351	12,407,708
	<u>67,915,064</u>	<u>86,211,685</u>	<u>53,879,974</u>
<b>Working Capital - surplus</b>	<u>149,933,854</u>	<u>135,201,473</u>	<u>111,602,229</u>
<b>NON-CURRENT LIABILITIES</b>			
Shareholders' advances	18,033	18,033	32,188,811
Related parties advances	99,686	99,686	12,020,862
Director's loan	-	-	23,955,884
Long-term liability	28,666,666	30,333,334	32,043,853
	<u>28,784,385</u>	<u>30,451,053</u>	<u>100,209,410</u>
<b>TOTAL NET ASSETS</b>	<u>167,799,709</u>	<u>151,198,570</u>	<u>55,988,469</u>
<b>EQUITY</b>			
<b>Shareholders' Equity</b>			
(attributable to equity holders of the company)			
Share capital	86,900,147	86,900,147	5,853,395
Retained earnings	80,899,562	64,298,423	50,135,074
	<u>167,799,709</u>	<u>151,198,570</u>	<u>55,988,469</u>

Approved for issue by the Board of Directors and signed on its behalf by:

  
 ..... Director  
 Dr. Dhru Tanna

  
 ..... Director  
 Jeffrey Hall

**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**SIX MONTHS ENDED OCTOBER 31, 2010**

OCTOBER 31, 2010

	Ordinary Shares	Share Capital Shares \$	Retained Earnings \$	Total \$
Balance as at May 1, 2010	56,497,800	86,900,147	64,298,423	151,198,570
Total comprehensive income for the period	-	-	16,601,139	16,601,139
<b>Balance at October 31, 2010</b>	<b>56,497,800</b>	<b>86,900,147</b>	<b>80,899,562</b>	<b>167,799,709</b>

**SIX MONTHS ENDED OCTOBER 31, 2009**

OCTOBER 31, 2009

	Ordinary Shares	Share Capital Shares \$	Retained Earnings \$	Total \$
Balance as at May 1, 2009	1,130	5,853,395	35,299,943	41,153,338
Total comprehensive income for the period	-	-	14,835,131	14,835,131
<b>Balance at October 31, 2009</b>	<b>1,130</b>	<b>5,853,395</b>	<b>50,135,074</b>	<b>55,988,469</b>

**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**SIX MONTHS ENDED OCTOBER 31, 2010**

	Six months 31 October 2010 \$	Six months 31 October 2009 \$
<b>CASH FLOWS WERE PROVIDED BY/ (USED IN):</b>		
<b>Operating Activities</b>		
<b>Net profit</b>	<b>16,601,139</b>	14,835,131
Items not affecting cash resources :		
Deferred tax	1,354,953	(216,891)
Depreciation	2,101,148	2,110,117
	<u>20,057,240</u>	<u>16,728,357</u>
Changes in non-cash working capital components:		
Inventories	(21,350,797)	(12,748,474)
Receivables	9,092,915	(666,750)
Payables	(13,444,022)	(14,927,770)
Director's current account	-	1,342,278
Taxation	(4,852,600)	7,412,374
<b>Cash used in operating activities</b>	<u><b>(10,497,264)</b></u>	<u>(2,859,985)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term loan (repaid)/received	(1,666,667)	(2,828,417)
Shareholders' advances repaid	-	7,043,201
Related party advances	-	35,319
<b>Cash (used in)/provided by financing activities</b>	<u><b>(1,666,667)</b></u>	<u>4,250,103</u>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,658,191)	(1,661,660)
Long-term loan receivables	-	(26,600)
<b>Cash used in investment activities</b>	<u><b>(3,658,191)</b></u>	<u>(1,688,260)</u>
<b>INCREASE IN NET CASH BALANCES</b>	<b>(15,822,122)</b>	(298,142)
<b>NET CASH BALANCES - Beginning of year</b>	<u><b>47,408,627</b></u>	<u>30,919,832</u>
<b>NET CASH BALANCES - End of year</b>	<u><u><b>31,586,505</b></u></u>	<u><u>30,621,690</u></u>
<b>REPRESENTED BY:</b>		
Cash and cash equivalents	31,586,505	30,621,690
	<u><u><b>31,586,505</b></u></u>	<u><u>30,621,690</u></u>

**BLUE POWER GROUP LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**OCTOBER 31, 2010**

---

**1. INCORPORATION AND IDENTITY**

Blue Power Group Limited (formerly Lumber Depot Limited) is incorporated and domiciled in Jamaica. The registered office of the company is located at 4 Victoria Avenue, Kingston CSO. The company changed its name to Blue Power Group Limited on 19th April 2010 and became listed on the Junior Market of the Jamaica Stock Exchange on 22nd. April 2010.

Effective 1st. January 2010 the company amalgamated the operations of its subsidiary, Blue Power Limited with its operations as a *going concern* assuming all its assets and liabilities at that date.

The main activities carried out by the company during the period under review include the manufacture and sale of laundry soaps and the sale of lumber, hardware supplies and related products from distribution outlets located at 4 Victoria Avenue and Papine in Kingston and St. Andrew.

**2. ACCOUNTING POLICIES****Basis of preparation**

The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with those used in the audited financial statements for the year ended April 30, 2010 and comply with the requirements of the International Financial Reporting Standards (IAS 34, Interim Financial Reporting).

**3. FINANCIAL EXPENSE**

	<b>October 31, 2010</b>	October 31, 2009
	<b>\$</b>	<b>\$</b>
Interest expense	<b>2,288,774</b>	3,138,070
Bank charges and fees	<b>844,166</b>	1,010,372
Exchange loss	<b>824,480</b>	-
Bad Debts	<b>359,100</b>	-
	<b><u>4,316,520</u></b>	<b><u>4,148,442</u></b>

**4. TAXATION**

Remission of income tax:

The company's shares were listed on the Junior Market of the Jamaica stock Exchange, effective 22nd April 2010. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5	100%
Years 5 to 10	50%

The financial statements have been prepared on the basis that the company will have the full benefit of the remission. The prior year tax adjustment represents the proportionate tax reprieve from April 23, to April 30, 2010 and the write off of the deferred tax asset as this is not expected to be utilised in the near future. Taxation charge for the period comprise: -

	<b>October 31, 2010</b>	October 31, 2009
	<b>\$</b>	<b>\$</b>
Current tax	-	(7,417,566)
Adjustment for the effect of remission:		
Prior year tax	<b>(364,922)</b>	-
Deferred Tax	<b>1,354,953</b>	-
	<b><u>990,031</u></b>	<b><u>(7,417,566)</u></b>

**BLUE POWER GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED OCTOBER 31, 2010**

---

**5. SEGMENT FINANCIAL INFORMATION**

The company is organised into the following business segments:

- i. Soap division - Manufacture of soaps
- ii. Lumber division - Sale of lumber, hardware supplies and allied products

Transactions between business segments have been eliminated.

**Six months ended 31st October 2010**

	<b>Lumber Division ₹</b>	<b>Soap Division ₹</b>	<b>Total ₹</b>
Turnover	269,226,231	96,885,330	366,111,561
Profit from operations	12,763,707	6,589,106	19,352,813
Other income	2,008,831	546,046	2,554,877
Financial expenses	(3,287,184)	(1,029,336)	(4,316,520)
Net profit before taxation	11,485,354	6,105,816	17,591,170
Taxation adjustment	(524,881)	(465,150)	(990,031)
<b>Net profit after taxation</b>	<b>10,960,473</b>	<b>5,640,666</b>	<b>16,601,139</b>