



**HEAD OFFICE & BLUE POWER DIVISION**  
4 VICTORIA AVENUE  
KINGSTON CSO, JAMAICA  
PHONE: 876-928-1882  
FAX: 876-930-3283  
**LUMBER DEPOT DIVISION**  
17C GORDON TOWN ROAD  
PAPINE, KINGSTON 6  
PHONE: 876-977-5075  
FAX: 876-970-1302

Chairman's Report  
Financial Statements Quarter ended January 31, 2011

Combined sales for the first three quarters of 2010/11 financial year were \$551 million compared to \$493 million for the same period last year, an increase of \$58 million or just under 12%.

The third quarter saw a continuation of the trend established in the previous quarter of increasing soap sales and decreasing hardware sales. As the leading Jamaican manufacturer of laundry and toilet soaps, we are pleased that our products are gaining ready acceptance in the country.

At \$11.5 million, profitability after tax in the third quarter was ahead of the second quarter (\$9.4m) by 22% and ahead of the same period last year (\$6 million) by 91%. After-tax profits for the nine-month period were \$28.1 million compared to \$20.8 million for the same period last year, an increase of just over 34%.

Raw material prices for the Manufacturing Division are increasing at a significant rate, forcing the company to raise selling prices.

At its meeting held on March 8, 2011, the Board was very pleased to appoint as a director Maj(ret'd) Noel Dawes who has been with the company since 1998 as General Manager.

A handwritten signature in blue ink, appearing to read "Dhiru Tanna".

Dhiru Tanna  
Chairman  
March 10, 2011

**HIGHLIGHTS FROM THE FINANCIAL STATEMENTS OF BLUE POWER GROUP LIMITED AS  
AT January 31, 2011**

	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>
	<b>Three months</b>	<b>Nine months</b>	<b>Three months</b>	<b>Nine months</b>	<b>Twelve months</b>
	<b>31-Jan-11</b>	<b>31-Jan-11</b>	<b>31-Jan-10</b>	<b>31-Jan-10</b>	<b>31-Apr-10</b>
Revenue	185,313,030	551,424,591	175,667,584	492,773,119	696,455,723
Lumber Divison	129,755,295	398,981,527	139,768,520	392,087,531	566,483,862
Soap Division	54,464,348	142,511,467	27,237,153	73,012,564	131,917,052
Export sales	1,093,384	9,931,537	8,662,423	27,673,024	30,785,145
Gross profit	33,304,490	96,633,150	33,336,284	88,900,008	126,888,266
Profit from operations	12,937,112	32,289,925	10,411,965	34,180,856	47,497,263
Net Profit after tax	11,522,673	28,123,812	6,013,888	20,849,019	28,998,480
Soap division profit	4,658,933	10,774,807	3,642,792	12,666,730	12,749,960
Lumber Division profit	5,873,695	17,349,005	4,521,109	8,199,548	16,248,520
Receivables	62,571,288	62,571,288	40,370,916	40,370,916	74,340,327
Non-current liabilities	37,951,053	37,951,053	29,666,668	29,666,668	30,333,334
Retained Earnings	92,422,235	92,422,235	56,148,962	56,148,962	64,298,423

### **Profile: Major Noel Dawes**

Major (Ret'd) Noel Dawes has been a member of the Blue Power Group since 1998. He was instrumental in the construction and start up of the Lumber Division at Papine in 1999, and is currently the General Manager.

Major Dawes has over twelve years military experience with The Jamaica Defence Force (JDF) and has served in several Units throughout the organization. He received military training in Canada, the United Kingdom and the United States. He has held senior management positions in other business organizations including: General Manager – Securicor Jamaica Limited, and Operations Officer for Gand International (Norway).

Besides his military qualifications he holds a Diploma in Management Studies from the Jamaica Institute of Management.

Noel is married and has two children.

**BLUE POWER GROUP LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**JANUARY 31, 2011**

# BLUE POWER GROUP LIMITED

JANUARY 31, 2011

---

## 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

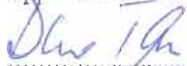
**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**NINE MONTHS TO JANUARY 31, 2011**

	<b>Note</b>	Three months 31 January 2011 \$	Nine months 31 January 2011 \$	Three months 31 January 2010 \$	Nine months 31 January 2010 \$
<b>REVENUE</b>		185,313,030	551,424,591	175,667,584	492,773,119
<b>COST OF SALES</b>		<u>(152,263,540)</u>	<u>(454,791,441)</u>	<u>(142,331,300)</u>	<u>(403,873,111)</u>
<b>GROSS PROFIT</b>		33,049,490	96,633,150	33,336,284	88,900,008
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		<u>(20,112,378)</u>	<u>(64,343,225)</u>	<u>(22,924,319)</u>	<u>(54,719,152)</u>
<b>PROFIT FROM OPERATIONS</b>		<u>12,937,112</u>	<u>32,289,925</u>	<u>10,411,965</u>	<u>34,180,856</u>
<b>OTHER INCOME/(EXPENSES) -</b>					
Interest income		59,899	1,607,189	6,326	969,550
Rental income		489,949	1,410,329	260,175	931,366
Other income		-	87,207	-	31,614
Exchange (loss)/gain		<u>(841,043)</u>	<u>(841,043)</u>	<u>1,235,545</u>	<u>1,288,540</u>
		<u>(291,195)</u>	<u>2,263,682</u>	<u>1,502,046</u>	<u>3,221,070</u>
		12,645,917	34,553,607	11,914,011	37,401,926
<b>FINANCIAL EXPENSES</b>		<u>(1,123,244)</u>	<u>(5,439,764)</u>	<u>(2,893,179)</u>	<u>(6,128,397)</u>
<b>NET PROFIT - before taxation</b>	<b>3</b>	11,522,673	29,113,843	9,020,832	31,273,529
<b>TAXATION</b>	<b>4</b>	<u>-</u>	<u>(990,031)</u>	<u>(3,006,944)</u>	<u>(10,424,510)</u>
<b>NET PROFIT - after taxation</b>		<u>11,522,673</u>	<u>28,123,812</u>	<u>6,013,888</u>	<u>20,849,019</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Stockholders of the company		<u>11,522,673</u>	<u>28,123,812</u>	<u>6,013,888</u>	<u>20,849,019</u>
Number of stock units issued		56,499,000	56,499,000	1,130	1,130
Earnings per stock unit for profit attributable to stockholders of the company during the period -		<u>\$ 0.20</u>	<u>\$ 0.50</u>	<u>\$ 5,322.02</u>	<u>\$ 18,450.46</u>

**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AT JANUARY 31, 2011**

	31 January 2011 \$	30 April 2010 \$	31 January 2010 \$
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	45,486,395	44,929,052	43,153,574
Deferred tax asset	-	1,354,953	1,142,701
Deferred expense	164,145	164,145	164,145
	<u>45,650,540</u>	<u>46,448,150</u>	<u>44,460,420</u>
<b>Current Assets</b>			
Inventories	98,630,227	99,664,204	106,658,434
Receivables and prepayments	62,571,288	74,340,327	40,370,916
Cash and cash equivalents	53,699,406	47,408,627	44,776,352
	<u>214,900,921</u>	<u>221,413,158</u>	<u>191,805,702</u>
<b>Current Liabilities</b>			
Payables	34,013,298	70,500,001	61,756,225
Director's account	-	-	37,156
Current portion of long term liability	3,333,333	3,333,333	5,333,333
Taxation	5,931,395	12,378,351	14,701,353
	<u>43,278,026</u>	<u>86,211,685</u>	<u>81,828,067</u>
<b>Working Capital - surplus</b>	<u>171,622,895</u>	<u>135,201,473</u>	<u>109,977,635</u>
<b>NON-CURRENT LIABILITIES</b>			
Shareholders' advances	18,033	18,033	28,288,811
Related parties advances	99,686	99,686	10,974,335
Director's loan	-	-	23,505,884
Long-term liability	37,833,334	30,333,334	29,666,668
	<u>37,951,053</u>	<u>30,451,053</u>	<u>92,435,698</u>
<b>TOTAL NET ASSETS</b>	<u>179,322,382</u>	<u>151,198,570</u>	<u>62,002,357</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	92,422,235	64,298,423	56,148,962
	<u>179,322,382</u>	<u>151,198,570</u>	<u>62,002,357</u>

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

  
 Director  
 Dr. Dhiru Tanna

  
 Director  
 Peter Millingen

**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**NINE MONTHS ENDED JANUARY 31, 2011**

---

JANUARY 31, 2011

	Ordinary Shares	Share Capital Shares \$	Retained Earnings \$	Total \$
Balance as at May 1, 2010	56,499,000	86,900,147	64,298,423	151,198,570
Total comprehensive income for the period	-	-	28,123,812	28,123,812
<b>Balance at January 31, 2011</b>	<b>56,499,000</b>	<b>86,900,147</b>	<b>92,422,235</b>	<b>179,322,382</b>

---

**NINE MONTHS ENDED JANUARY 31, 2010**

---

JANUARY 31, 2010

	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	-	-	20,849,019	20,849,019
<b>Balance at January 31, 2010</b>	<b>1,130</b>	<b>5,853,395</b>	<b>56,148,962</b>	<b>62,002,357</b>



**BLUE POWER GROUP LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**NINE MONTHS ENDED JANUARY 31, 2011**

	Nine months 31 January 2011 \$	Nine months 31 January 2010 \$
<b>CASH FLOWS WERE PROVIDED BY/ (USED IN):</b>		
<b>Operating Activities</b>		
<b>Net profit</b>	<b>28,123,812</b>	20,849,019
Items not affecting cash resources :		
Deferred tax	1,354,953	-
Depreciation	3,186,328	2,110,117
	<u>32,665,093</u>	<u>22,959,136</u>
Changes in non-cash working capital components:		
Inventories	1,033,977	(21,958,098)
Receivables	11,769,039	(3,625,964)
Payables	(36,486,703)	12,005,202
Director's current account	-	(412,844)
Taxation	(6,446,956)	10,202,426
<b>Cash used in operating activities</b>	<u>2,534,450</u>	<u>19,169,858</u>
<b>FINANCING ACTIVITIES</b>		
Long-term loan received/(repaid)	7,500,000	(5,205,603)
Shareholders' advances	-	3,143,201
Related party advances repaid	-	(1,011,207)
<b>Cash provided by/(used in) financing activities</b>	<u>7,500,000</u>	<u>(3,073,609)</u>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,743,671)	(2,203,129)
Deferred asset	-	(36,600)
<b>Cash used in investment activities</b>	<u>(3,743,671)</u>	<u>(2,239,729)</u>
<b>INCREASE IN NET CASH BALANCES</b>	<b>6,290,779</b>	13,856,520
<b>NET CASH BALANCES - Beginning of year</b>	<u>47,408,627</u>	<u>30,919,832</u>
<b>NET CASH BALANCES - End of year</b>	<u>53,699,406</u>	<u>44,776,352</u>
<b>REPRESENTED BY:</b>		
Cash and cash equivalents	53,699,406	44,776,352
	<u>53,699,406</u>	<u>44,776,352</u>

**BLUE POWER GROUP LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED JANUARY 31, 2011**

---

**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**

	January 31, 2011	January 31, 2010
	\$	\$
Interest expense	3,370,558	4,679,698
Bank charges and fees	1,710,106	1,348,699
Bad Debts	359,100	100,000
	<u>5,439,764</u>	<u>6,128,397</u>

**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: -

	January 31, 2011	January 31, 2010
	\$	\$
Current tax	-	(10,424,510)
Adjustment for the effect of remission:		
Prior year tax	(364,922)	-
Deferred Tax	1,354,953	-
	<u>990,031</u>	<u>(10,424,510)</u>

**BLUE POWER GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED JANUARY 31, 2011**

---

**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.

**Nine months ended 31st January 2011**

	<b>Lumber Division \$</b>	<b>Soap Division \$</b>	<b>Total \$</b>
Turnover	398,981,527	152,443,004	551,424,531
Profit from operations	19,906,064	12,383,860	32,289,924
Other income and expenses	1,717,637	546,046	2,263,683
Financial expenses	(3,749,815)	(1,689,949)	(5,439,764)
Net profit before taxation	17,873,886	11,239,957	29,113,843
Taxation adjustment	(524,881)	(465,150)	(990,031)
<b>Net profit after taxation</b>	<b>17,349,005</b>	<b>10,774,807</b>	<b>28,123,812</b>

# BLUE POWER Group Limited

JANUARY 31, 2011

## DIRECTORS AND CONNECTED PARTIES REPORT: DIRECTORS

NAME	POSITION	RELATIONSHIP	UNITS	%
Kenneth Benjamin, C.D.	Director	Self	3,130,200	5.5403
Dhiru Tanna	Director			
	Antibes Holdings Ltd	Connected Party	28,300,800	50.0908
Peter Millingen	Director	Self	908,100	1.6073
Antony Hart, C.D.	Director	Self	605,400	1.0715
	Appleton Hall Ltd	Connected Party	2,520,000	4.4603
	Combined Holding		3,125,400	5.5318
Jeffrey Hall	Director	Self	257,070	0.4550

## DIRECTORS AND CONNECTED PARTIES REPORT: SENIOR MANAGERS

NAME	POSITION	RELATIONSHIP	UNITS	%
Veronica Lowe	Senior Manager	Self	854,430	1.5050
Major Noel Dawes	Senior Manager	Self	2,100,000	3.7169
Lisa Kong	Senior Manager	Self	650,000	1.1505

## TOP 10 SHAREHOLDERS

Holder	Units	%
Antibes Holdings Ltd	28,300,800	50.09
Silver Investments Ltd	3,750,000	6.64
Kenneth Benjamin, C.D.	3,130,200	5.54
Jane Fray	3,095,400	5.48
Mark Hart	3,095,400	5.48
Appleton Hall Limited	2,520,000	4.46
Noel Dawes	2,100,000	3.72
Peter Millingen	908,100	1.61
Cecil Mclver (Rosemarie Mclver)	900,337	1.59
Veronica Lowe	854,430	1.51