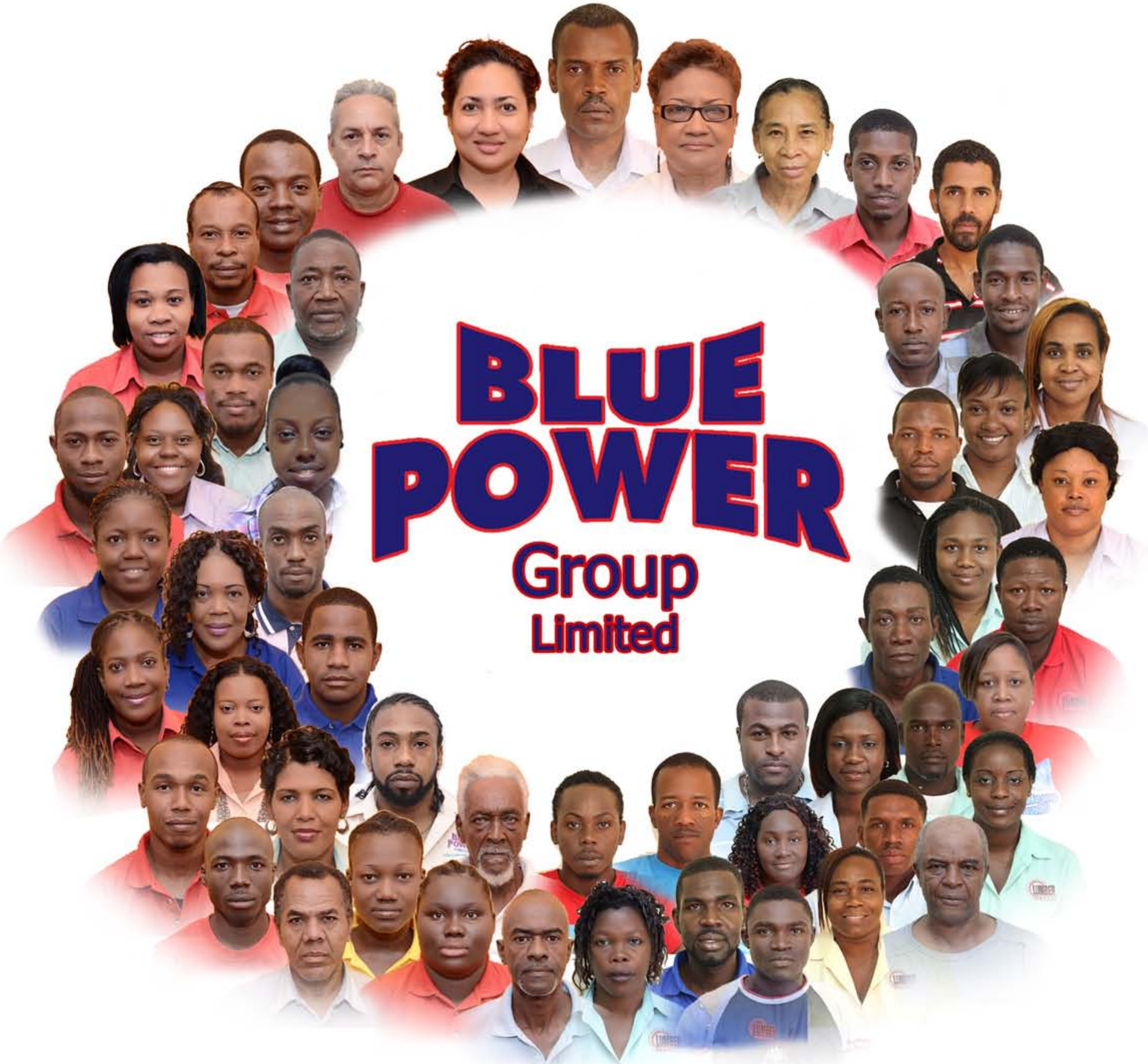
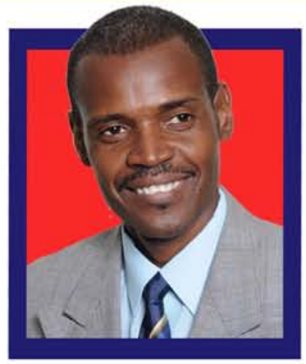


DIRECTORS' REPORT AND FINANCIAL STATEMENTS
2013

Blue Power Group Limited

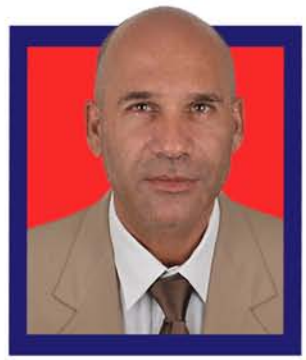
BOARD OF DIRECTORS

Kenneth Benjamin,CD
Founder of the Guardsman Group and Chairman of the Compensation Committee



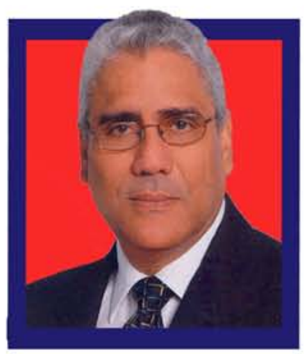
Major (ret'd) Noel Dawes
Managing Director of the Group, joined in 1999

Jeffrey Hall
Managing Director of Jamaica Producers Group Ltd., Chairman of the Audit Committee and Member of the Compensation Committee



Bruce Hart
Specialises in directing,producing, editing, DV video production,photography and writing for film. He is a Member of the Compensation Committee

Lisa Kong
Company Secretary and Financial Controller joined the Group in 2001



Peter Millingen
Partner in the law firm of McDonald Millingen and Member of the Audit Committee

Dhiru Tanna
Founder of the Blue Power Group and Chair-man of the Board

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Happy Retirement
Regna Williams,
Blue Power's First Responder

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE annual general meeting of the Company will be held at 4 pm on September 24, 2013 at Guardsman Group Office, 107 Old Hope Road, Kingston 6 for shareholders to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. REPORT OF THE DIRECTORS' AND AUDITED ACCOUNTS:
"THAT the Directors' Report, the Auditors' Report and the Audited Financial Statements of the Company for the year ended April 30, 2013 be received."

2. ELECTION OF DIRECTORS:
a. "THAT Mr. Peter Millingen, retired in accordance with Articles of Incorporation of the Company and, being eligible for re-election and having offered himself for re-election, be and is hereby re-elected a Director of the Company."
b. "THAT Mr. Jeffrey Hall, retired in accordance with Articles of Incorporation of the Company and, being eligible for re-election and having offered himself for re-election, be and is hereby re-elected a Director of the Company."

3. CHANGES IN ARTICLES OF ASSOCIATION:
"THAT Article 76 of the Articles of Association of the Company be modified to allow for a maximum of eight (8) directors."

4. APPOINTMENT OF EXTERNAL AUDITORS:
"THAT KPMG, Chartered Accountants, having agreed to continue to serve as auditors, be and are hereby appointed auditors of the Company to hold office until the next annual general meeting at a remuneration to be fixed by the Directors of the Company."

5. ANY OTHER BUSINESS

Dated this 16th day of August, 2013. By order of the Board.

Lisa Kong
Company Secretary

A form of proxy accompanies this Notice of Annual General Meeting. A shareholder who is entitled to attend a vote at the Annual General Meeting of the Company may appoint one or more persons to attend in his/her place. A proxy need not be a shareholder of the Company. All completed original proxy forms must be deposited together with the power of attorney or other document appointing the proxy at the registered office of the Company at least 48 hours before the Annual General Meeting.

Auditors

KPMG
P O Box 76, 6 Duke Street
Kingston, Jamaica

Bankers

Jamaica National Building Society
17c Gordon Town Road
Papine, Kingston 6, Jamaica

National Commercial Bank of Jamaica Ltd
Duke and Barry Streets
Kingston 6, Jamaica

Attorneys

Patterson Mair Hamilton
85 Hope Road
Kingston 6, Jamaica

Registrars

JCSD Registrar Services Unit
40 Harbour Street
Kingston, Jamaica

Performance

We are pleased to report that for the first time in the Company's history, we recorded sales in excess of J$1 billion and profits in excess of J$100 million.

Combined sales for the year ended April 30, 2013 were $1,045 million compared to $863 million for the same period last year, an increase of $182 million or 21%. For the year, the Lumber Depot division achieved sales of $742 million versus $620 million the previous year, an improvement of 20% while the Blue Power soap division moved to $303 million from $243 million or an increase of 25%.

Profits for the financial year stood at $104 million compared to $47 million in the same period last year, an increase of 121%. The contribution of the Lumber Depot division to this tally was $61 million, improving by 111% over the previous year while the Blue Power division added $43 million which was an improvement of 137% over the previous year.

The extraordinary enhancement in both sales and profits in the Lumber Depot division was due to two main factors: the first and most important being the award of a significant supply contract by an international agency and the second being the prudent management of our purchases of materials for resale. The overall increase in sales and profits of the Blue Power soap division was achieved largely as a result of a significant increase in sales of bathing soaps which are slowly but surely gaining acceptance in the market place.

As a result of the substantial improvement in profits, our balance sheet is healthy which will allow us the liquidity to expand as well as be in a position to make purchases at reasonable prices of finished goods for resale and raw materials for manufacturing.

Prospects for 2013-14

The toilet soap market in Jamaica is substantial and the country imports almost 90% of what is consumed locally, suggesting that there is considerable room for expansion in the manufacture of good quality and economically priced bathing soaps. Obtaining an additional share of this market will continue to be our focus in 2013-14 as we make further improvements to our manufacturing process and offer customers a wider choice in terms of products and packaging. With respect to the Lumber Depot division, we expect the construction industry to be flat although we will continue to explore new areas of activity and opportunities to serve niche markets.

Membership of Board of Directors

Good governance requires the setting up of a number of committees to oversee the activities of the Company on a regular basis. Given the small number of non-executive directors on the Board, we find that the same directors have to be appointed to the various committees in order to achieve a balance between executives and non-executives. The Board of Directors will, therefore, be recommending to the shareholders that the number of seats on the Board be increased to eight from the existing contingent of six.

Share price and Dividends

The price of our shares on the Stock Exchange has increased dramatically during the course of this year, allowing a number of original shareholders to take some profits. The number of shareholders has also increased significantly with the total being around 400. At a meeting held on June 27, 2013, the Directors declared a dividend of 15 cents per share (an increase of 42.9%) for shareholders on record at July 31, 2013 with the payment date being August 16, 2013.

Thanks

We would like to take this opportunity to thank our valued customers who have faithfully supported us during the year, our committed suppliers as well as our dedicated staff who have shown their mettle in the face of challenging economic circumstances in Jamaica.

Dhiru Tanna
Chairman
August 16, 2013

Core Activities

Blue Power Group Limited, listed on the Junior Market of the Jamaica Stock Exchange three years ago, comprises two divisions. The Blue Power soap division, located at 4 Victoria Ave, Kingston, is involved in the manufacture of a wide range of laundry and beauty soaps in various sizes and fragrances. Our branded products are sold under the Blue Power label while we also produce a range of products under licence for several distributors in Jamaica.

Our retail outlet, Lumber Depot division, is located at 17C Gordon Town Road in Papine, St Andrew and offers a wide range of construction and hardware supplies. The group is committed to the highest standards of quality in the products we manufacture and sell as we strive to ensure value for money, combined with timely and efficient service to our valued customers.

Performance Summary 2012-2013

Combined revenue of the group for the financial year 2012-2013 showed an increase from $863 million to $1,045 million or 21%. Lumber Depot division revenue increased from $620 million to $742 million or 20% despite a very sluggish economy. The Blue Power soap division showed an increase in revenue from $243 million to $303 million or 25%, as our new products gained wider acceptance. Overall group profits rose from $47 million in 2012 to $104 million in 2013 or a gain of 121%. Profits for the Lumber Depot division increased from $29 million to $61 million or 111% while profits for the Blue Power soap division increased from $18 million to $43 million or 137%.

There were two main reasons for the substantial increase in revenue and profits for the Lumber Depot division. We were fortunate in obtaining a significant supply contract to deliver building materials to an international agency in the last quarter of the year. At the same time, our cash position enabled us to purchase our supplies at advantageous prices allowing us to achieve better than normal margins on our sales in general.

With respect to the Blue Power soap division we enjoyed the benefit of years of hard work and experimentation as our bathing soaps began to play an increasingly important role in the overall makeup of our sales. We have been successful in appointing new distributors in Barbados and Trinidad and Tobago. Although the sales have been low during the course of 2012-13, we are getting positive reports with respect to the acceptance of our products. It is our hope that during 2013-14 financial year, we will improve on our performance in the previous year.

Cost of Sales, Gross Profit and Profit from Operations

Cost of Sales for the group decreased from 80.9% of revenue to 77.8% resulting in a corresponding increase of gross profit margin over the previous year. Gross profit as a percentage of sales increased from 19.1% to 22.2%. Lumber Depot division saw a sharp increase in profit from operations from 4.5% of sales to 7.4% while in the Blue Power soap division there was a significant increase in profit from operations which moved from 7.6% to 13.4%.

Highlights in Millions of J$

	2013	2012	Change	Change
			$000	%
Group Revenue	1,044.90	863.01	181.89	21.08%
Lumber Depot Division Sales	741.73	619.87	121.86	19.66%
Blue Power Soap Division Sales	303.17	243.13	60.04	24.69%
Net Profit After Tax	103.98	47.11	56.87	120.72%
Lumber Depot Division Profit	61.36	29.13	32.23	110.64%
Blue Power Soap Division Profit	42.62	17.98	24.64	137.04%

Administrative Expenses

Administrative expenses increased from $117.9 million to $136.5 million or 16%. As a percentage of revenue, these expenses have gone down from 13.7% to 13.1%. The actual increase includes provisions for doubtful debts, increases in salaries and wages as well as bonus payments to be made to members of staff given the significant improvement in the performance of the company.

Balance Sheet

The end of the financial year saw the company in a much better cash flow position in comparison to last year. Cash and cash equivalents moved from $58 million to $145 million, an improvement of $87 million. Our final payment to EXIM bank will be made this year after which we will be completely debt free. The improved cash flow will allow for improvements in the facilities at 4 Victoria Avenue and to fund advance purchases of finished goods at advantageous prices as well as critical raw materials needed to meet the anticipated increase in demand for our products.

Our trade receivables declined significantly due to timely payments by credit customers. Our inventories have gone up largely as a result of the decision to make advance purchases of finished goods at good prices and critical raw materials to ensure adequate supplies when needed.

We continue to take advantage of credit facilities offered by our suppliers, resulting in an increase in payables over the previous year.

Risk Management

Management continues to monitor and evaluate all areas of risk involved in the nature of our businesses as we strive to limit our exposure whilst maximizing returns. Inclusive is the adherence to all existing laws and regulations arising from the nature of our operations not only from a financial perspective but also to ensure that we conduct business in an environmentally responsible manner. We continue to maintain adequate insurance protection to meet all anticipated eventualities and natural disasters. Our accounts are presented in accordance with International Financial Reporting Standards (IFRS). We expect a greater involvement of our auditors, KPMG, who along with senior management will conduct periodic assessments and reviews to examine all areas of the operation.

The Board of Directors has overall responsibility for the monitoring and oversight of the risk management framework of the group. The Audit Committee along with management continuously assess the economic climate. Together they develop contingency plans for the five general risk factors namely operational, credit, liquidity, market and currency.

Corporate Social Responsibility

The group continues to support developmental and social activities. This support is geared at providing assistance to community-based projects so as to establish and foster long-term relations with various sector groups within each sphere of influence. The challenges and needs within these communities are enormous but, for every programme that we participate in, the rewards seen, and heartfelt expressions of gratitude engendered, more than justify our continued support. We also seek to provide employment and training opportunities that will assist students in these communities with on-the-job training as they prepare for the work environment. We have engaged on a full-time basis the two individuals recruited through the YUTE facility sponsored by the PSOJ. Finally, we are fully committed to the development of green spaces in the Papine area and continue to support in cash and kind the redevelopment of the Hope Zoo and its restoration to a first world family-oriented facility.

Future Strategy

The economic environment over the past year has had its challenges but, as with all businesses, constant assessment, due diligence and repositioning must be the hallmark to charting the way forward. As the agreement with the IMF comes into effect we intend to continue on a steady, positive path. Although there is a revised projection of inflation of between 10-12% over the next financial year, it is expected that the earnings for the Lumber Depot division will remain flat due to the sluggishness of the construction sector. Increases in the prices of building materials will dampen the growth of activity in the building sector. The focus for the Lumber Division will continue to be as follows:

- Widen the area of influence that the store covers as we seek to attract new business.
- Seek to establish a professional customer service relationship especially with the core of small and medium sized contractors through service, product delivery, integrity and timely delivery of goods.
- Increase product variety within the constraints of the physical plant.
- Constantly review prices and seek to increase gross margin.
- Improve inventory management.

For the Blue Power soap division, it is anticipated that the current growth being experienced will continue. The Blue Power Castile with olive oil single bar and coloured three-pack (value pack) introduced in the third quarter of the last financial year are gaining acceptance and we expect to achieve a greater market share for these lines of beauty soaps. In the third quarter we will introduce two additional varieties of Blue Power Castile by adding to our list Blue Power Castile with Cocoa Butter and Blue Power Castile with Aloe Vera and TCC. We are also test marketing two additional varieties of Blue Power laundry soap. One is a bar with an optical brightener which has the effect of making white clothes appear extra white while the other is a laundry bar with extra citronella which has the effect of repelling mosquitoes. In addition, we are working with Lasco Distributors to adjust their packaging so that the products have an attractive price point for small businesses and street vendors.

Corporate Governance

	Governance & Compensation Committee	Audit Committee	Board
Total number of meetings	**1**	**5**	**6**
Kenneth Benjamin	1		6
Noel Dawes			6
Jeffrey Hall	1	4	5
Bruce Hart	1		5
Peter Millingen		5	6
Dhiru Tanna			6

The table above shows the number of meetings held and the attendance record of members of the relevant committees. Executive directors Noel Dawes and Dhiru Tanna were present at all meetings held.

Support

We have had tremendous support from our customers which, when combined with the dedication of our staff to provide excellent service, has given us the ability to produce creditable results for our shareholders. I would like to thank our loyal customers, our dedicated staff and my fellow directors for maintaining their faith in us.

Noel Dawes
Managing Director
August 16, 2013

TOTAL SHARES OUTSTANDING: 56,499,000

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
ANTIBES HOLDINGS LTD	CONNECTED PARTY	28,300,80	50.0908
KENNETH BENJAMIN	SELF	3,130,200	5.5403
NOEL DAWES	SELF	2,100,000	3.7169
JEFFREY HALL (SWEE TEEN CHUA)	SELF	257,070	0.4550
ALAN BRUCE HART	SELF	2,307,427	4.0840
PETER MILLINGEN	SELF	908,100	1.6073

SENIOR MANAGERS REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
VERONICA LOWE	SELF	104,393	0.1848
LISA KONG	SELF	224,995	0.3982

TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)		UNITS	PERCENTAGE
ANTIBES HOLDINGS LIMITED		28,300,800	50.09
SILVER INVESTMENTS LIMITED		3,427,816	6.07
KENNETH BENJAMIN		3,130,200	5.54
JANE FRAY		3,095,400	5.48
MAYBERRY WEST INDIES LIMITED		2,930,126	5.18
ALAN BRUCE HART		2,307,427	4.08
NOEL DAWES		2,100,000	3.72
JPS EMPLOYEE SUPERANNUATION FUND		921,451	1.62
MAYBERRY MANAGED CLIENT ACCOUNT		995,813	1.62
PETER MILLINGEN		908,100	1.61

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
BLUE POWER GROUP LIMITED

Report on the Financial Statements

We have audited the financial statements of Blue Power Group Limited ("the company") and the consolidated financial statements of the company and its subsidiaries ("the group"), set out on pages 15 to 45, which comprise the group's and company's statement of financial position as at April 30, 2013, the group's and company's statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of
BLUE POWER GROUP LIMITED

Report on the Financial Statements, cont'd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as at April 30, 2013, and of the group's and company's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

Chartered Accountants
Kingston, Jamaica

June 13, 2013

GROUP STATEMENT OF FINANCIAL POSITION
APRIL 30, 2013

	Notes	2013	2012
NON-CURRENT ASSET			
Property, plant and equipment	3(a)	42,996,708	39,152,257
CURRENT ASSETS			
Cash and cash equivalents	4	145,350,305	58,434,760
Accounts receivable and prepayments	5	67,326,288	94,550,969
Inventories	6	176,852,754	114,691,318
Due from related party	9(a)	-	1,277,612
Taxation recoverable		1,253,276	866,814
		390,782,623	269,821,473
CURRENT LIABILITIES			
Bank overdraft	7	335,446	119,818
Accounts payable	8	87,092,022	57,504,015
Due to related party	9(c)	490,590	1,035,782
Current portion of long term liabilities	10	552,525	2,500,000
		88,470,583	61,159,615
NET CURRENT ASSETS		302,312,040	208,661,858
TOTAL ASSETS LESS CURRENT LIABILITIES		$345,308,748	247,814,115
EQUITY			
Share capital	11	86,900,147	86,900,147
Retained earnings		258,408,601	160,361,443
		345,308,748	247,261,590
NON-CURRENT LIABILITY			
Long-term liability	10	-	552,525
TOTAL EQUITY AND NON-CURRENT LIABILITY		$345,308,748	247,814,115

The financial statements on pages 15 to 45 were approved for issue by the Board of Directors on June 13, 2013 and signed on its behalf by:

Director
Dr. Dhiru Tanna

Director
Peter Millingen

The accompanying notes form an integral part of the financial statements.

	Notes	2013	2012
Revenue	12	1,044,905,395	863,003,193
Cost of revenue		(812,637,042)	(698,585,331)
Gross profit		232,268,353	164,417,862
Administrative and other expenses		(136,505,302)	(117,947,495)
		95,763,051	46,470,367
Other income		9,754,937	2,378,374
Profit before net finance costs		105,517,988	48,848,741
Finance income	13	1,597,415	1,536,760
Finance costs	13	(3,135,850)	(3,279,942)
Net finance costs	13	(1,538,435)	(1,743,182)
Profit attributable to members, being total			
Total comprehensive income for the year	14	$ 103,979,553	47,105,559
Earnings per stock unit	16	$ 1.84	0.83

The accompanying notes form an integral part of the financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY
APRIL 30, 2013

	Share capital (note 11)	Retained earnings	Total
Balances at April 30, 2011	86,900,147	118,905,784	205,805,931
Dividends paid (note 11)	-	(5,649,900)	(5,649,900)
Total comprehensive income for the year	-	47,105,559	47,105,559
Balances as at April 30, 2012	86,900,147	160,361,443	247,261,590
Dividends paid (note 11)	-	(5,932,395)	(5,932,395)
Total comprehensive income for the year	-	103,979,553	103,979,553
Balances at April 30, 2013	$86,900,147	258,408,601	345,308,748

The accompanying notes form an integral part of the financial statements

	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		103,979,553	47,105,559
Adjustments for:			
Depreciation	3(a)	6,466,610	5,630,809
Interest income	13	(1,597,415)	(1,536,760)
Interest expense	13	516,195	1,481,403
Cash generated before changes in working capital		109,364,943	52,681,011
Accounts receivable and prepayments		27,224,681	28,712,050
Inventories		(62,161,436)	18,586,272
Accounts payable		29,588,007	2,609,739
		104,016,195	102,589,072
Taxation deducted at source		(386,462)	(467,341)
Interest paid		(516,195)	(1,481,403)
Interest received		1,597,415	1,536,760
Cash provided by operating activities		104,710,953	102,177,088
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment, being Cash used by investing activity	3(a)	(10,311,061)	(1,989,607)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan repaid		(2,500,000)	(36,672,500)
Stockholders' advances repaid		-	(18,033)
Related party advances received/(repaid)		732,420	(10,273,852)
Cash used by financing activities		(1,767,580)	(46,964,385)
Net cash provided before dividends		92,632,312	53,223,096
Dividends paid	11	(5,932,395)	(5,649,900)
Net increase in cash and cash equivalents		86,699,917	47,573,196
Cash and cash equivalents at beginning of year		58,314,942	10,741,746
Cash and cash equivalents at end of year		$145,014,859	58,314,942
Comprised of:			
Cash and bank balances		145,350,305	58,434,760
Bank overdraft		(335,446)	(119,818)
		$145,014,859	58,314,942

The accompanying notes form an integral part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
APRIL 30, 2013

	Notes	2013	2012
NON-CURRENT ASSETS			
Property, plant and equipment	3(b)	26,460,162	22,289,178
Interest in subsidiary	9(b)	17,189,612	17,189,612
		43,649,774	39,478,790
CURRENT ASSETS			
Cash and cash equivalents	4	145,350,305	58,434,760
Accounts receivable and prepayments	5	67,326,288	94,550,969
Inventories	6	176,852,754	114,691,318
Due from related party	9(a)	-	1,277,612
Taxation recoverable		1,253,276	866,814
		390,782,623	269,821,473
CURRENT LIABILITIES			
Bank overdraft	7	335,446	119,818
Accounts payable	8	87,092,022	57,504,015
Due to related party	9(c)	490,590	1,035,782
Current portion of long-term liabilities	10	552,525	2,500,000
		88,470,583	61,159,615
NET CURRENT ASSETS		302,312,040	208,661,858
TOTAL ASSETS LESS CURRENT LIABILITIES		$345,961,814	248,140,648
EQUITY			
Share capital	11	86,900,147	86,900,147
Retained earnings		259,061,667	160,687,976
		345,961,814	247,588,123
NON-CURRENT LIABILITY			
Long-term liability	10	-	552,525
TOTAL EQUITY AND NON-CURRENT LIABILITY		$345,961,814	248,140,648

The financial statements on pages 15 to 45 were approved for issue by the Board of Directors on June 13, 2013 and signed on its behalf by:

______________________ Director
Dr. Dhiru Tanna

______________________ Director
Peter Millingen

The accompanying notes form an integral part of the financial statements.

	Notes	2013	2012
Revenue	12	1,044,905,395	863,003,193
Cost of revenue		(812,637,042)	(698,585,331)
Gross profit		232,268,353	164,417,862
Administrative and other expenses		(136,178,769)	(117,620,962)
		96,089,584	46,796,900
Other income		9,754,937	2,378,374
Profit before net finance costs		105,844,521	49,175,274
Finance income	13	1,597,415	1,536,760
Finance costs	13	(3,135,850)	(3,279,942)
Net finance costs	13	(1,538,435)	(1,743,182)
Profit attributable to members, being total comprehensive income	14	$ 104,306,086	47,432,092

The accompanying notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
APRIL 30, 2013

	Share capital (note 11)	Retained earnings	Total
Balances at April 30, 2011	86,900,147	118,905,784	205,805,931
Dividends paid (note 11)	-	(5,649,900)	(5,649,900)
Total comprehensive income for the year	-	47,432,092	47,432,092
Balances as at April 30, 2012	86,900,147	160,687,976	247,588,123
Dividends paid (note 11)	-	(5,932,395)	(5,932,395)
Total comprehensive income for the year	-	104,306,086	104,306,086
Balances at April 30, 2013	$86,900,147	259,061,667	345,961,814

The accompanying notes form an integral part of the financial statements

	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		104,306,086	47,432,092
Adjustments for:			
Depreciation	3(b)	6,140,077	5,304,276
Interest income	13	(1,597,415)	(1,536,760)
Interest expense	13	516,195	1,481,403
Cash generated before changes in working capital		109,364,943	52,681,011
Accounts receivable and prepayments		27,224,681	28,712,050
Inventories		(62,161,436)	18,586,272
Accounts payable		29,588,007	2,609,739
		104,016,195	102,589,072
Taxation deducted at source		(386,462)	(467,341)
Interest paid		(516,195)	(1,481,403)
Interest received		1,597,415	1,536,760
Cash provided by operating activities		104,710,953	102,177,088
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment, being cash used by investing activity	3(b)	(10,311,061)	(1,989,607)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan repaid		(2,500,000)	(36,672,500)
Stockholders' advances repaid		-	(18,033)
Related party advances received/(repaid)		732,420	(10,273,852)
Cash used by financing activities		(1,767,580)	(46,964,385)
Net cash provided before dividends		92,632,312	53,223,096
Dividends paid	11	(5,932,395)	(5,649,900)
Net increase in cash and cash equivalents		86,699,917	47,573,196
Cash and cash equivalents at beginning of year		58,314,942	10,741,746
Cash and cash equivalents at end of year		$145,014,859	58,314,942
Comprised of:			
Cash and bank balances		145,350,305	58,434,760
Bank overdraft		(335,446)	(119,818)
		$145,014,859	58,314,942

The accompanying notes form an integral part of the financial statements.

1. Incorporation and identity

Blue Power Group Limited (the company) is incorporated and domiciled in Jamaica. The registered office of the company is located at 4 Victoria Avenue, Kingston CSO. The company is listed on the Junior Market of the Jamaica Stock Exchange.

The main activities of the company and the group comprise the manufacture and sale of soaps and the sale of lumber, hardware supplies and related products.

2. Basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act.

New standards, interpretations and amendments that became effective during the year

Certain new and revised standards and interpretations which were in issue came into effect during the current financial year. None of these standards and interpretations had any significant effect on the company's financial statements.

New standards, interpretations and amendments to existing standards not yet effective

At the date of approval of the financial statements, there were certain standards, interpretations and amendments to existing standards which were in issue but not yet effective. Those which management considered relevant to the group are as follows:

- IAS 1 *Presentation of Financial Statements*: *Presentation of Items of Other Comprehensive Income* (effective for annual reporting periods beginning on or after July 1, 2012) has been amended to require an entity to present the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections. The existing option, to present the profit or loss and other comprehensive income in two statements, has not changed. The title of the statement has changed from Statement of Comprehensive Income to Statement of Profit or Loss and Other Comprehensive Income. However, an entity is still allowed to use other titles.

2. Basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd):

- Amendment to IFRS 7 *Financial Instruments: Disclosures* is effective for annual reporting periods beginning on or after January 1, 2013. The standard is amended to help users of financial statements to understand the actual and potential effects of netting arrangements on the entity's financial position. The amendment includes minimum disclosure requirements related to financial assets and liabilities that are offset in the statement of financial position or subject to enforceable master netting arrangements or similar arrangements.

- IFRS 9 *Financial Instruments* (effective for annual reporting periods beginning on or after January 1, 2015). The standard retains but simplifies the mixed measurement model and establishes two primary categories for financial assets: amortised cost and fair value. The revised standard includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39 *Financial Instruments: Recognition and Measurement* on the recognition and de-recognition of financial assets and financial liabilities.

- IFRS 11 *Joint Arrangements* and *IAS 28 Investments in Associates* and *Joint Ventures (2011)* (effective for annual reporting periods beginning on or after January 1, 2013) removes from *IAS 31 Jointly Controlled Entities*, those cases which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations and are now called joint operations. The remainder of IAS 31, now called *Joint Ventures,* removes the free choice of equity accounting or proportionate consolidation and requires that the equity method be used.

- IFRS 10 *Consolidated Financial Statements* (effective for annual reporting periods beginning on or after January 1, 2013) supersedes *IAS 27 Consolidated and Separate Financial Statements* and provides a single model to be applied in the control analysis for all investees, including entities that currently are Special Purpose Entities. The consolidation procedures are carried forward from IAS 27 (2008).

- IFRS 12 *Disclosure of Interests in Other Entities* (effective for annual reporting periods beginning on or after January 1, 2013) contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The required disclosures aim to provide information in order to enable users to evaluate:

  – the nature of, and risks associated with, an entity's interests in other entities; and

  – the effects of those interests on the entity's financial position, financial performance and cash flows.

2. Basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd):

Entities are encouraged to provide information required by IFRS 12 before the effective date, but this early disclosure would not compel the entity to apply either IFRS 12 in its entirety or the other new consolidation standards.

- IFRS 13 *Fair Value Measurement* (effective for annual reporting periods beginning on or after January 1, 2013) replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. It defines *fair value* as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price.

- *Amendment to* IAS 32 *Financial Instruments: Presentation* (effective for annual reporting periods beginning on or after January 1, 2014) - The standard clarifies that an entity currently has a legal enforceable right to offset if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all the counterparties. In addition, it clarifies that gross settlement is equivalent to net settlement if, and only if, the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and process receivables and payables in a single settlement process or cycle.

- Improvements to IFRS 2009 - 2011 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2013. The main amendment applicable to the company is as follows:
  - IAS 1 *Presentation of Financial Statements* is amended to clarify that only one comparative period, which is the preceding period, is required for a complete set of financial statements. IAS 1 requires the presentation of an opening statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification. IAS 1 has been amended to clarify that (a) the opening statement of financial position is required only if a change in accounting policy, a retrospective restatement or a reclassification has a material effect upon the information in that statement of financial position; (b) except for the disclosures required under IAS 8, notes related to the opening statement of financial position are no longer required; and (c) the appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented.

Management is currently in the process of evaluating the impact, if any, on the financial statements in the future when the standards are adopted.

2. Basis of preparation and significant accounting policies (cont'd)

(b) Basis of measurement and functional currency:

The financial statements are prepared using the historical cost basis and are presented in Jamaica dollars ($), which is the functional currency of the group.

(c) Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expense for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, based on default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(ii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.
Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

2. Basis of preparation and significant accounting policies (cont'd)

(c) Use of estimates and judgements (cont'd):

(iii) Residual value and expected useful life of property, plant and equipment:

The residual value and the expected useful life of an asset are reviewed at least at each financial year-end. If expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the group.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(d) Basis of consolidation:

(i) A "subsidiary" is an enterprise controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.
The consolidated financial statements include the financial statements of the company and its wholly-owned subsidiaries, Papine Properties Limited and Cotrade Limited made up to April 30, 2013. Cotrade Limited is a wholly owned subsidiary of Papine Properties Limited, which is owned by Blue Power Group Limited. The company and its subsidiaries are collectively referred to as "the group". These subsidiaries are currently dormant and the shareholdings are the same for 2013 and 2012. Papine Properties Limited is registered in the British Virgin Islands and Cotrade Limited is registered in Jamaica.

(ii) Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

(e) Property, plant and equipment:

(i) Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in profit and loss.

2. Basis of preparation and significant accounting policies (cont'd)

(e) Property, plant and equipment(cont'd):

(ii) Depreciation

Depreciation is computed on a straight-line basis at annual rates estimated to write down the cost of the assets to their estimated residual values at the end of their expected useful lives. No depreciation is charged on freehold land or capital work-in-progress. Annual depreciation rates are as follows:

Buildings	2.5%
Leasehold improvements	10%
Plant and machinery	10%
Furniture, fixtures and office equipment	10 - 15%
Computers	22.50%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

(f) Cash and cash equivalents:

Cash and cash equivalents comprise cash, bank balances and resale agreements.

Resale agreements are short-term transactions whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price.

The difference between the purchase and resale considerations is recognised as interest income on the accrual basis over the period of the agreements, using the effective interest method.

Bank overdraft, repayable on demand and forming an integral part of the group's cash management activities, is included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Inventories:

Inventories are stated at the lower of cost, determined on the weighted average basis, and net realisable value. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. In the case of manufactured inventories, net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Accounts receivable:

Trade and other accounts receivables are stated at amortised cost, less impairment losses.

2. Basis of preparation and significant accounting policies (cont'd)

(i) Accounts payable:

Trade and other payables are stated at amortised cost.

(j) Impairment:

The carrying amounts of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or group of operating assets exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount:

The recoverable amount of the group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the group of operating assets to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Borrowings:

Banks and other loans are recognised initially at cost. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective interest basis.

2. Basis of preparation and significant accounting policies (cont'd)

(l) Employee benefits:

Employees' entitlement to annual leave and other benefits are recognised when they accrue to employees.

(m) Revenue:

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

(n) Net finance cost:

(i) Interest income arises mainly on bank deposits and is recognised in profit or loss as it accrues, taking into account the yield on the asset.

(iii) Finance cost comprises interest payable on long-term loan, calculated using the effective interest rate method, material bank charges and foreign exchange losses and is recognised in profit or loss.

(o) Taxation:

Taxation on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Basis of preparation and significant accounting policies (cont'd)

(p) Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the values were determined.

(q) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to a reporting entity if that person:
   (i) has control or joint control over the reporting entity;
   (ii) has significant influence over the reporting entity; or
   (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:
   (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
   (vi) The entity is controlled, or jointly controlled by a person identified in (a).
   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(c) A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

2. Basis of preparation and significant accounting policies (cont'd)

(r) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The group has two reportable segments, as described below, which are the group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The primary reportable segments are:

(i) Soap division - Manufacture and sale of soaps

(ii) Lumber division - Sale of lumber, hardware supplies and related products

The manufacturing operations are conducted at 4 Victoria Avenue, Kingston and the lumber division operations are carried out mainly at Papine in St. Andrew, Jamaica.

Transactions between business segments have been eliminated.

(s) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents and accounts receivable and prepayments and due from related party. Similarly, financial liabilities include bank overdraft, accounts payable, due to related party and long term liabilities.

(t) Determination of fair value:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Most of the group's financial instruments lack an available trading market, therefore the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

3. Property, plant and equipment

(a) The Group:

	Land and building	Leasehold improvements	Plant and machinery	Furniture and fixtures	Computers and office equipment	Total
At cost:						
April 30, 2011	17,189,612	9,229,043	33,753,182	6,305,449	5,450,077	71,927,363
Additions	-	-	987,745	68,038	933,824	1,989,607
Transfers	-	-	290,571	(290,571)	-	-
April 30, 2012	17,189,612	9,229,043	35,031,498	6,082,916	6,383,901	73,916,970
Additions	-	-	9,467,005	30,031	814,025	10,311,061
April 30, 2013	17,189,612	9,229,043	44,498,503	6,112,947	7,197,926	84,228,031
Depreciation:						
April 30, 2011	-	3,139,185	17,678,709	4,976,354	3,339,656	29,133,904
Charge for the year	326,533	921,889	3,173,412	265,780	943,195	5,630,809
April 30, 2012	326,533	4,061,074	20,852,121	5,242,134	4,282,851	34,764,713
Charge for the year	326,533	841,734	4,085,782	171,224	1,041,337	6,466,610
April 30, 2013	653,066	4,902,808	24,937,903	5,413,358	5,324,188	41,231,323
Net book values:						
April 30, 2013	$16,536,546	4,326,235	19,560,600	699,589	1,873,738	42,996,708
April 30, 2012	$16,863,079	5,167,969	14,179,377	840,782	2,101,050	39,152,257

(b) The Company:

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Computers and office equipment	Total
At cost:					
April 30, 2011	9,229,043	33,753,182	6,305,449	5,450,077	54,737,751
Additions	-	987,745	68,038	933,824	1,989,607
Transfers	-	290,571	(290,571)	-	-
April 30, 2012	9,229,043	35,031,498	6,082,916	6,383,901	56,727,358
Additions	-	9,467,005	30,031	814,025	10,311,061
April 30, 2013	9,229,043	44,498,503	6,112,947	7,197,926	67,038,419
Depreciation:					
April 30, 2011	3,139,185	17,678,709	4,976,354	3,339,656	29,133,904
Charge for the year	921,889	3,173,412	265,780	943,195	5,304,276
April 30, 2012	4,061,074	20,852,121	5,242,134	4,282,851	34,438,180
Charge for the year	841,734	4,085,782	171,224	1,041,337	6,140,077
April 30, 2013	4,902,808	24,937,903	5,413,358	5,324,188	40,578,257
Net book values:					
April 30, 2013	$4,326,235	19,560,600	699,589	1,873,738	26,460,162
April 30, 2012	$5,167,969	14,179,377	840,782	2,101,050	22,289,178

4. Cash and bank balances

	The Group and the Company	
	2013	2012
Cash and current account balances	7,439,412	4,792,664
Savings accounts	31,646,328	18,808,417
Resale agreements	106,264,565	34,833,679
	$145,350,305	58,434,760

The fair value of securities obtained by the company under resale agreements approximates the carrying value of the agreements. The resale agreements are held with JN Fund Managers Limited. The company's chairman also serves as chairman of JN Fund Managers Limited.

5. Accounts receivable and prepayments

	The Group and the Company	
	2013	2012
Trade receivables [Note 18(b)]	57,171,019	60,194,049
Deposits and prepayments	5,158,967	20,655,221
General consumption tax recoverable	7,861,821	14,047,001
Other	2,629,770	1,518,008
	72,821,577	96,414,279
Less: Allowances for impairment losses	(5,495,289)	(1,863,310)
	$67,326,288	94,550,969

Other receivables include $384,052 (2012: $1,834,779) due from a director and a related party.

The aging of trade receivables at the reporting date was:

	The Group and the Company			
	2013		2012	
	Gross	Impairment	Gross	Impairment
Not past due	30,563,051	-	34,823,351	-
Past due 31-90 days	23,163,398	2,050,719	21,900,926	-
More than 90 days	3,444,570	3,444,570	3,469,772	1,863,310
	$57,171,019	5,495,289	60,194,049	1,863,310

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	The Group and the Company	
	2013	2012
Balance at beginning of year	1,863,310	1,137,828
Impairment loss recognized	3,631,979	725,482
Balance at end of year	$5,495,289	1,863,310

6. Inventories

	The Group and the Company	
	2013	2012
Merchandise	71,872,074	51,242,579
Raw materials	61,614,064	21,475,146
Packaging materials	16,436,643	5,107,087
Manufactured finished goods	7,189,764	802,621
Work in progress	901,063	227,681
	158,013,608	78,855,114
Goods in transit	21,372,173	35,836,204
	179,385,781	114,691,318
Less: Allowance for obsolete inventory	(2,533,027)	-
	$176,852,754	114,691,318

No provision has been made in these financial statements for duties and other expenses to be incurred in clearing goods-in-transit.

During the year, raw materials, merchandise and changes in finished goods included in cost of revenue amounted to $792,678,833 (2012: $686,692,203). No write-off has been recognized in profit or loss.

7. Bank overdraft

This represents amounts used on an overdraft facility of US$100,000, which is secured by a cash deposit from a party related to a director. This facility incurs interest at rates ranging from 2% to 3.5% (2012: 1.9% to 2.7%).

8. Accounts payable

	The Group and the Company	
	2013	2012
Trade payables	55,526,375	41,546,635
Statutory payables	1,492,318	1,333,212
Other	30,073,329	14,624,168
	$87,092,022	57,504,015

9. Due from/(to) related parties

	The Group		The Company	
	2013	2012	2013	2012
(a) Due from related party within twelve months:				
Alacrity Limited	$ -	1,277,612	-	1,277,612

9. Due from/(to) related parties(cont'd)

	The Group		The Company	
	2013	2012	2013	2012
(b) Interest in subsidiary:				
(i) Due from a subsidiary after twelve months:				
Cotrade Limited	-	-	17,189,512	17,189,512
(ii) Shares at cost in Papine Properties Limited	-	-	100	100
	$ -	-	17,189,612	17,189,612

The balance due from Cotrade Limited is classified as non-current by the Board of Directors of the company, is interest free and not subject to any fixed repayment terms.

	The Group		The Company	
	2013	2012	2013	2012
(c) Due to related party within twelve months:				
Alacrity Limited	490,590	-	490,590	-
Antibes Holdings Limited:				
Interest payable (2012: US$11,770)	-	1,035,782	-	1,035,782
	$490,590	1,035,782	490,590	1,035,782

Antibes Holdings Limited, a company related by way of common directors, granted loans in previous years to the company at an interest rate of 4% per annum. The principal was fully repaid during the previous year.

(d) Related party transactions:

Charged/(credited) to income:

	The Group and the Company	
	2013	2012
	$	$
Rental from a related party	(1,926,634)	(1,782,295)
Rental to a related party	1,440,000	1,440,000
Sales to a related party	(25,883,451)	(18,671,083)
Interest paid to a related party	248,330	15,051
Key management personnel expense – short-term benefits	25,423,333	21,240,000

10. Long-term liability

	The Group and the Company	
	2013	2012
EXIM Bank		
Loan	552,525	3,052,525
Less: Current portion	(552,525)	(2,500,000)
	$ -	552,525

The loan was granted by the EXIM Bank through JN Fund Managers Limited to facilitate the financing of the company's capital expenditure programme. The interest rate is fixed at 11% (2012: 11%) and the loan is guaranteed by a related party, along with equivalent power of offset on US$ investments held with JN Fund Managers Limited.

11. Share capital

	2013	2012
	$	$
Authorised:		
99,000,000 (2012: 99,000,000) ordinary shares of no par value		
Stated capital:		
Issued and fully paid:		
56,499,000 (2012: 56,499,000) ordinary stock units of no par value	86,900,147	86,900,147

During the year, a dividend of $0.105 (2012: $0.10) per stock unit was declared on August 9, 2012 (2012: September 14, 2011) and paid on September 6, 2012 (2012: October 31, 2011).

12. Revenue

Revenue represents the sale of soaps, construction and related hardware supplies and is stated net of General Consumption Tax and after deducting discounts and rebates.

13. Net finance costs

	The Group and the Company	
	2013	2012
	$	$
Finance income:		
Interest income	1,597,415	1,536,760
Finance costs:		
Interest expense	(516,195)	(1,481,403)
Bank charges and fees	(2,619,655)	(1,798,539)
	(3,135,850)	(3,279,942)
	(1,538,435)	(1,743,182)

14. Disclosure of expenses

Profit attributable to members is stated after charging/(crediting):

	The Group		The Company	
	2013	2012	2013	2012
	$	$	$	$
Depreciation	6,466,610	5,630,809	6,140,077	5,304,276
Directors' emoluments:				
Fees	1,400,000	700,000	1,400,000	700,000
Management remuneration	25,423,333	21,240,000	25,423,333	21,240,000
Auditors' remuneration	1,880,000	1,920,000	1,880,000	1,920,000

15. Taxation

(a) Reconciliation of actual tax charge/(credit):

	The Group		Company	
	2013	2012	2013	2012
Profit for the year	$103,979,553	47,105,559	104,306,086	47,432,092
Computed "expected" tax at 30% (2012: 33⅓%)	31,193,866	15,701,853	31,291,826	15,810,697
Tax effect of differences between treatment for financial statement and taxation purposes:				
Depreciation and capital allowances	1,968	1,896,302	(95,992)	1,787,458
Expenses not allowable for tax purposes	592,249	(117,604)	592,249	(117,604)
	31,788,083	17,480,551	31,788,083	17,480,551
Adjustment for the effect of tax remission [note (b)]	(31,788,083)	(17,480,551)	(31,788,083)	(17,480,551)
	$ -	-	-	-

(b) Remission of income tax:

The company's shares were listed on the Junior Market of the Jamaica Stock exchange, effective April 22, 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 tax remissions.

16. Earnings per stock unit

Basic earnings per ordinary stock unit, is calculated by dividing the profit attributable to shareholders by the weighted average number of stock units in issue during the year.

	2013	2012
	$	$
Profit attributable to shareholders	103,979,553	47,105,559
Weighted average number ordinary stock units in issue	56,499,000	56,499,000
Basic and diluted earnings per stock unit	1.84	0.83

17. Segment financial information

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	2013					
	The Group			The Company		
	Lumber Division	Soap Division	Total	Lumber Division	Soap Division	Total
	$	$	$	$	$	$
Revenue	741,730,816	303,174,579	1,044,905,395	741,730,816	303,174,579	1,044,905,395
Profit from operations	55,111,191	40,651,860	95,763,051	55,437,724	40,651,860	96,089,584
Other income	7,335,888	2,419,049	9,754,937	7,335,888	2,419,049	9,754,937
Net finance costs	(1,083,365)	(455,070)	(1,538,435)	(1,083,365)	(455,070)	(1,538,435)
Profit for the year	61,363,714	42,615,839	103,979,553	61,690,247	42,615,839	104,306,086
Segment assets						
Non-current	20,640,623	22,356,085	42,996,708	4,104,077	22,356,085	26,460,162
Unallocated assets			-			17,189,612
			42,996,708			43,649,774
Current assets	236,531,538	154,251,085	390,782,623	236,531,538	154,251,085	390,782,623
			433,779,331			434,432,397
Segment liabilities						
Current liabilities	63,742,407	24,728,176	88,470,583	63,742,407	23,728,176	88,470,583
Other segment items:						
Capital expenditure	478,949	9,832,112	10,311,061	478,949	9,832,112	10,311,061
Depreciation	1,878,039	4,588,571	6,466,610	1,551,506	4,588,571	6,140,077

17. Segment financial information (cont'd)

	2012					
	The Group			The Company		
	Lumber Division $	Soap Division $	Total $	Lumber Division $	Soap Division $	Total $
Revenue	619,868,803	243,134,390	863,003,193	619,868,803	243,134,390	863,003,193
Profit from operations	28,053,424	18,416,943	46,470,367	28,379,957	18,416,943	46,796,900
Other income	1,782,295	596,079	2,378,374	1,782,295	596,079	2,378,374
Net finance costs	(709,146)	(1,034,036)	(1,743,182)	(709,146)	(1,034,036)	(1,743,182)
Net profit before taxation	29,126,573	17,978,986	47,105,559	29,453,106	17,978,986	47,432,092
Taxation	-	-	-	-	-	-
Profit after taxation	29,126,573	17,978,986	47,105,559	29,453,106	17,978,986	47,432,092
Segment assets						
Non-current	22,039,714	17,112,543	39,152,257	5,176,635	17,112,543	22,289,178
Unallocated assets			-			17,189,612
			39,152,257			39,478,790
Current assets	120,268,140	149,553,333	269,821,473	120,268,140	149,553,333	269,821,473
			308,973,730			309,300,263
Segment liabilities						
Non-current liabilities	-	552,525	552,525	-	552,525	552,525
Current liabilities	50,234,781	10,924,834	61,159,615	50,234,781	10,924,834	61,159,615
			61,712,140			61,712,140
Other segment items:						
Capital expenditure	1,766,547	223,060	1,989,607	1,766,547	223,060	1,989,607
Depreciation	1,755,568	3,875,241	5,630,809	1,429,035	3,875,241	5,304,276

18. Financial instruments

The group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

The Board of Directors, together with management, has overall responsibility for the establishment and oversight of the group's risk management framework.

18. Financial instruments (cont'd)

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities.

(a) Market risk:
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(i) Currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The group is exposed to foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaica dollar. The main currency giving rise to this risk is the United States dollars (US$).

The group manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

The table below shows the group's main foreign currency exposure at the reporting date.

	The Group and the Company Net foreign currency monetary assets/(liabilities)			
	2013		2012	
	US$	J$	US$	J$
Cash and cash equivalents	734,369	72,529,978	235,242	20,533,100
Accounts payable	(60,448)	(6,005,373)	(38,215)	(3,338,836)
Bank overdraft	(3,376)	(335,446)	(1,371)	(119,818)
Net position	670,545	66,189,159	195,656	17,074,446

Exchange rates for the US dollar, in terms of Jamaica dollars, were as follows:

April 30, 2013	98.77
April 30, 2012	87.37
June 13, 2013	100.78

18. Financial instruments (cont'd)

(a) Market risk(cont'd):

(i) Currency risk(cont'd):

Sensitivity analysis

A 10% (2012: 1%) strengthening of the US$ against the Jamaica dollar would have increased profit for the year by $6,622,973 (2012: $170,945) respectively.

A 1% (2012: 1%) weakening of the US$ against the Jamaica dollar would have decreased profit for the year by $662,297 (2012: $170,945) respectively.

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis for 2012.

(ii) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Interest-bearing f inancial a ssets m ainly co mprise b ank d eposits, w hich h ave been contracted at variable interest rates for the duration of their terms.

The company's cash an d cash eq uivalents ar e subject t o i nterest rate risk; however, it manages this risk by maintaining deposits and negotiating the most advantageous interest rates. Interest rates on certain loan are fixed and are not affected by fluctuations in market interest rates.

At th e reporting d ate th e in terest p rofile of t he gr oup's i nterest b earing financial instruments was:

	The Group and the Company	
	2013	2012
Fixed rate:		
Assets	-	-
Liabilities	552,525	3,052,525
	$ 552,525	3,052,525
Variable rate:		
Assets	137,910,893	53,642,097
Liabilities	(335,446)	(119,818)
	$137,575,447	53,522,279

18. Financial instruments (cont'd)

(a) Market risk (cont'd):

(ii) Interest rate risk (cont'd):

Fair value sensitivity analysis for fixed rate instruments

The group does not hold any financial instruments that are carried at fair value. Therefore, a change in interest rates, at the reporting dates, would not affect profit or loss or the value of the group's financial instruments.

Cash flow sensitivity analysis for variable rate instruments

An increase of 250 basis points (2012:100 basis points) in interest rates at the reporting date would have increased profit by $3,439,386 (2012: $535,223) while a 100 basis points (2012:100 basis points) decline in interest rates at the reporting date would have decreased profit by $1,375,754 (2012: $535,223).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

(b) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Credit exposures arise principally from the group's receivables from customers and deposits held with financial institutions.

At reporting date, 72% (2012: 59%) of the company's cash resources were held with one financial institution which is believed to be a substantial counter-party with a minimal risk of default. Otherwise, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial assets on the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are maintained with financial institutions that are appropriately licensed and regulated, therefore management believes that the risk of default is low.

Trade receivables

The group's exposure to this risk is minimal in that approximately 98% of its trade debtors are under 90 days. Management has established a credit policy under which each customer is analysed for creditworthiness prior to being offered a credit facility. Each customer is given a maximum time allowed for having balances outstanding and procedures are in place to restrict customer orders if outstanding debts are not cleared within the credit period.

18. Financial instruments (cont'd)

(b) Credit risk (cont'd):

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables (see note 5).

(c) Liquidity risk:

Liquidity risk is the risk that the group will not meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The management of the group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments, and has a revolving line of credit in place on which the company can draw amounts when needed and repay without penalty.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	The Group and the Company				
	Carrying Amount	Contractual Cashflow	Less than 1 year	1-2 years	No specific maturity
April 30, 2013:					
Bank overdraft	335,446	335,446	335,446	-	-
Accounts payable	87,092,022	87,092,022	87,092,022	-	-
Due to related party	490,590	490,590	490,590	-	-
Long-term liability	552,525	614,412	614,412	-	-
	$88,470,583	88,532,470	88,532,470	-	-
April 30, 2012:					
Bank overdraft	119,818	119,818	119,818	-	-
Accounts payable	57,504,015	57,504,015	57,504,015	-	-
Due to related party	1,035,782	1,035,782	1,035,782	-	-
Long-term liability	3,052,525	3,389,412	2,775,000	614,412	-
	$61,712,140	62,049,027	61,434,615	614,412	-

(d) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors, other than financial risks, such as those arising from legal, regulatory requirements and other natural disasters.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

18. Financial instruments (cont'd):

(d) Operational risk(cont'd):

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management.

(e) Capital management:

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital as well as meet externally imposed capital requirements.

The Board of Directors monitors the return on capital, which is defined as profit for the year divided by total stockholders' equity.

The group complied with all externally imposed capital requirements to which it is subjected.

(f) Fair value disclosure:

The carrying value of cash and cash equivalents, accounts receivable and prepayments, bank overdraft, accounts payable and related party balances are assumed to approximate their fair values due to their short-term nature. Long-term liability is carried at contracted settlement value, which is believed to approximate fair value as the loan is at market rates and terms.

NOTES

BLUE POWER GROUP LIMITED (THE "COMPANY") - FORM OF PROXY

"I/We ....(insert name)

of ....(address)

being a shareholder(s) of the above-named Company, hereby appoint:

....(proxy name)

of ....(address)

or failing him, ...(alternate proxy name)

of ....(address)

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 4 pm on September 24, 2013 at 107 Old Hope Road, Guardsman Group Office, Kingston 6 and at any adjournment thereof. I desire this form to be used for/against the resolutions as follows:

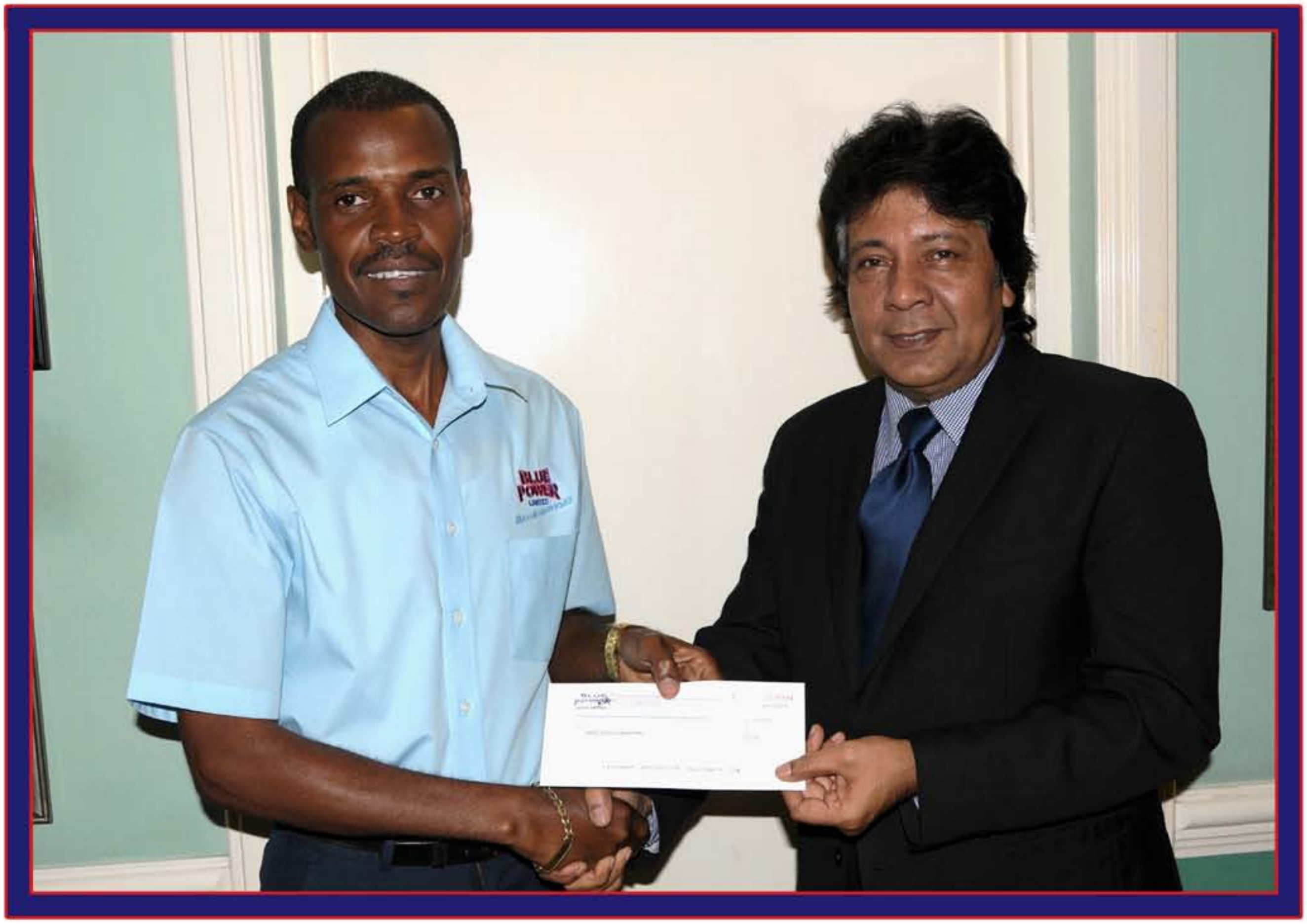
No.	Resolution details	Vote for or against (tick as appropriate)
1.	To receive the report of the Directors and the audited accounts of the Group and the company for the financial year ended April 30, 2013.	☐ For ☐ Against
2 (a)	To re-appoint Peter Millingen as a Director of the Company.	☐ For ☐ Against
2 (b)	To re-appoint Jeffrey Hall as a Director of the Company.	☐ For ☐ Against
3.	To modify the Articles of Association to permit the appointment of eight (8) directors	☐ For ☐ Against
4.	To re-appoint KPMG as Auditors of the Company at a remuneration to be fixed by the directors.	☐ For ☐ Against

Unless otherwise directed the proxy will vote as he thinks fit.

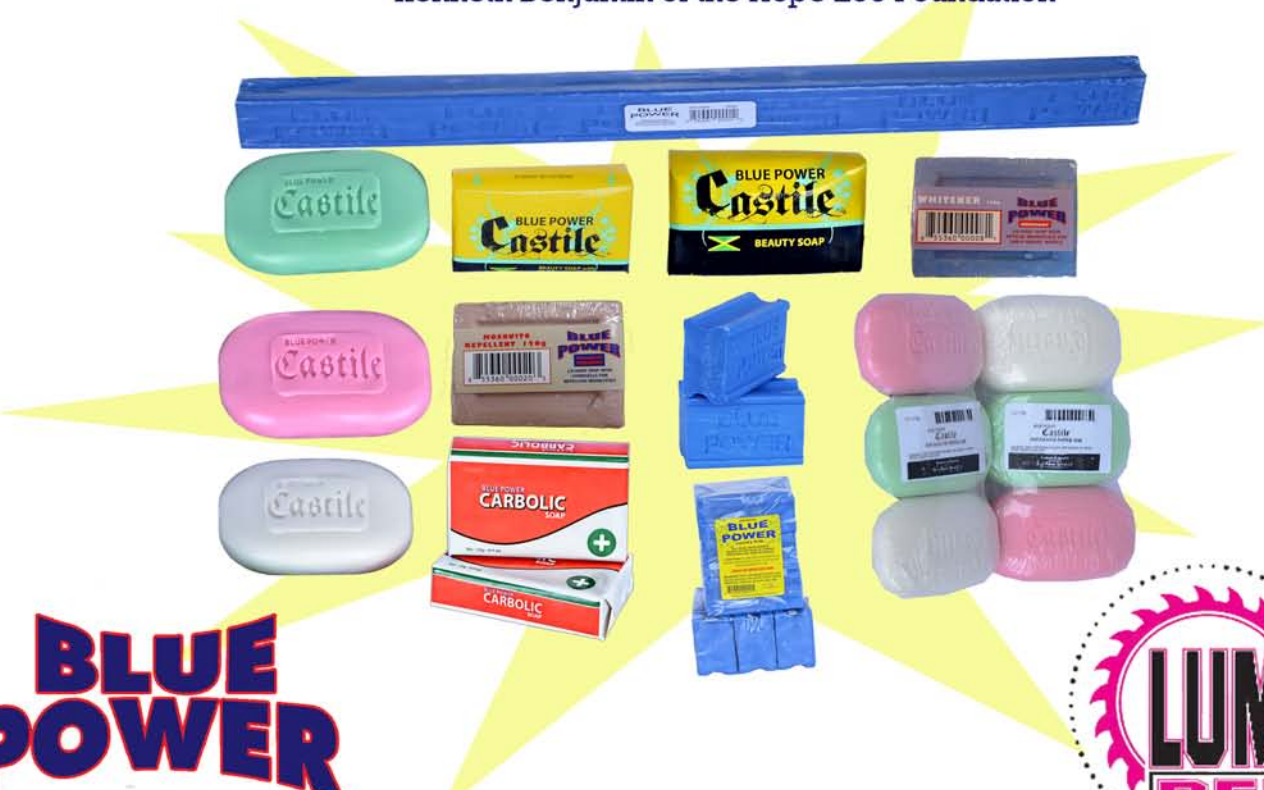
Signed this day of 2013

....

Signature of Shareholder



Managing Director Noel Dawes presenting Blue Power Group's contribution to Chairman Kenneth Benjamin of the Hope Zoo Foundation



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