



Blue Power Soap Division
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Chairman's Report for the Quarter ended October 31, 2013

Combined sales for the quarter ended October 31, 2013 were \$275 million compared to \$208 million for the same period last year, an increase of \$68 million or 33%. For the second quarter of the year, Lumber Depot division achieved sales of \$191 million versus \$135 million the previous year, an improvement of 42% while Blue Power soap division moved up from \$73 million to \$84 million or an increase of 15%.

Profits for the quarter stood at more than \$25 million compared to just under \$19 million in the same period last year, an increase of 34%. The contribution of Lumber Depot division to this tally was over \$11 million, improving by 80% over the same period in the previous year while Blue Power division added \$14 million which was an improvement of 10% over the second quarter of 2012. Earnings per stock unit improved from 33 cents to 45 cents in the quarter, an improvement of 36%.

Overall sales for the six months ended October 31, 2013 were \$521 million compared to \$440 million for the same period last year, an increase of \$81 million or 18%. For the half year, Lumber Depot division achieved sales of \$367 million versus \$289 million the previous year, an improvement of 27% while Blue Power soap division moved up from \$152 million to \$154 million, an increase of 2%.

Profits for the six months stood at over \$55 million compared to \$44 million in the same period last year, an increase of 26%. The contribution of Lumber Depot division was over \$29 million, improving by 49% over the same period in the previous year while Blue Power division added \$26 million which was an improvement of 8%. Earnings per stock unit moved from 77 cents to 98 cents in the period, an improvement of 27%.

We wish to take this opportunity to congratulate our director, the Hon. Kenneth Benjamin, O.J., C.D. for the well-deserved honorary doctorate which he received from UTECH in early November. We also wish to thank our former director Mr. Bruce Hart for his help and support during his tenure with us. We are pleased to announce that Ms. Felice Campbell and Dr. Laura Tanna have agreed to join the Board with effect from November 26, 2013 as directors.


Finally, our gratitude goes to our loyal customers, our supportive suppliers and our dedicated staff who kept their faith with us during a very difficult economic period.

Dhiru Tanna
Chairman
November 25, 2013

Blue Power Group Limited
Consolidated Statement of Financial Position
Six months ended October 31, 2013

	Unaudited October 31, 2013	Unaudited October 31, 2012	Audited April 30, 2013
ASSETS:			
Non-current assets			
Property, plant and equipment	44,807,693	46,004,543	42,996,708
Current assets			
Cash and cash equivalents	126,235,900	44,465,139	145,350,305
Accounts receivable and prepayments	97,051,316	78,143,738	67,326,288
Inventories	198,662,938	184,714,298	176,852,754
Due from related party	184,212	461,713	-
Taxation recoverable	1,330,519	1,156,664	1,253,276
	423,464,885	308,941,552	390,782,623
Current liabilities			
Bank overdraft	349,464	-	335,446
Accounts payable	75,558,294	68,191,853	87,092,022
Due to related party	350,790	-	490,590
Current portion of long term liabilities	-	1,250,000	552,525
	76,258,548	69,441,853	88,470,583
Net Current Assets	347,206,337	239,499,699	302,312,040
Total Assets Less Current Liabilities	392,014,030	285,504,242	345,308,748
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	305,113,883	198,051,570	258,408,601
	392,014,030	284,951,717	345,308,748
Non-Current Liabilities			
Long-term liabilities	-	552,525	-
	-	552,525	-
	392,014,030	285,504,242	345,308,748

Approved for issue by the Board of Directors on Nov. 25, 2013 and signed on its behalf by:

 Director
Dr. Dhiru Tanna

 Director
Peter Millingen

Blue Power Group Limited
Consolidated Statement of Comprehensive Income
Six months ended October 31, 2013

	<u>3 months to October 31, 2013</u>	<u>3 months to October 31, 2012</u>	<u>6 months to October 31, 2013</u>	<u>6 months to October 31, 2012</u>	<u>Audited April 30, 2013</u>
Revenue	275,169,344	207,581,504	520,836,654	440,227,782	1,044,905,395
Cost of revenue	<u>(217,886,996)</u>	<u>(159,245,108)</u>	<u>(409,161,942)</u>	<u>(335,510,524)</u>	<u>(812,637,042)</u>
Gross profit	57,282,348	48,336,396	111,674,712	104,717,258	232,268,353
Administrative and other expenses	<u>(34,347,038)</u>	<u>(30,585,450)</u>	<u>(62,261,618)</u>	<u>(63,650,887)</u>	<u>(136,505,302)</u>
	22,935,310	17,750,946	49,413,094	41,066,371	95,763,051
Other income	<u>3,024,476</u>	<u>1,772,720</u>	<u>7,287,837</u>	<u>3,999,355</u>	<u>9,754,937</u>
Profit before net finance costs and taxation	25,959,786	19,523,666	56,700,931	45,065,726	105,517,988
Net financial costs	<u>(730,132)</u>	<u>(694,087)</u>	<u>(1,520,799)</u>	<u>(1,443,204)</u>	<u>(1,538,435)</u>
Profit attributable to members, being total comprehensive income for the period	<u>25,229,654</u>	<u>18,829,579</u>	<u>55,180,132</u>	<u>43,622,522</u>	<u>103,979,553</u>
Earnings per stock unit	<u>0.45</u>	<u>0.33</u>	<u>0.98</u>	<u>0.77</u>	<u>1.84</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Six months ended October 31, 2013

	Share Capital	Retained earnings	Total
	\$	\$	\$
Balances as at April 30, 2012 (audited)	86,900,147	160,361,443	247,261,590
Dividends paid		(5,932,395)	(5,932,395)
Total comprehensive income for the period	<u>-</u>	<u>43,622,522</u>	<u>43,622,522</u>
Balances as at October 31, 2012 (unaudited)	<u>86,900,147</u>	<u>198,051,570</u>	<u>284,951,717</u>
Balances as at April 30, 2013 (audited)	86,900,147	258,408,601	345,308,748
Dividends paid		(8,474,850)	(8,474,850)
Total comprehensive income for the period	<u>-</u>	<u>55,180,132</u>	<u>55,180,132</u>
Balance as quarter end October 31, 2013 (unaudited)	<u>86,900,147</u>	<u>305,113,883</u>	<u>392,014,030</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Six months ended October 31, 2013

	Unaudited October 31, 2013	Unaudited October 31, 2012	Audited April 30, 2013
Cash Flows From Operating Activities			
Profit for the period	55,180,132	43,622,522	103,979,553
Adjustments for:			
Interest Income	(2,960,405)	-	(1,597,415)
Interest expense	12,724	-	516,195
Depreciation	2,411,783	2,648,316	6,466,610
	<u>54,644,234</u>	<u>46,270,838</u>	<u>109,364,943</u>
 Inventories	 (21,810,184)	 (70,022,980)	 (62,161,436)
Accounts receivables and prepayments	(29,725,028)	16,407,231	27,224,681
Due from related party	(184,212)	815,899	-
Accounts payable	<u>(11,533,728)</u>	<u>10,687,838</u>	<u>29,588,007</u>
Cash provided by operations	(8,608,918)	4,158,826	104,016,195
Interest paid	(12,724)	-	(516,195)
Interest received	2,960,405	-	1,597,415
Taxation paid	<u>(77,243)</u>	<u>(289,850)</u>	<u>(386,462)</u>
Cash provided by operating activities	<u>(5,738,480)</u>	<u>3,868,976</u>	<u>104,710,953</u>
 Cash Flows From Investing Activities			
Purchase of property, plant and equipment	<u>(4,222,768)</u>	<u>(9,500,602)</u>	<u>(10,311,061)</u>
Cash used by investing activities	<u>(4,222,768)</u>	<u>(9,500,602)</u>	<u>(10,311,061)</u>
 Cash Flows From Financing Activities			
Related party advances (repaid)/received	(139,800)	(1,035,782)	732,420
Long-term loan repaid	<u>(552,525)</u>	<u>(1,250,000)</u>	<u>(2,500,000)</u>
Cash used by financing activities	<u>(692,325)</u>	<u>(2,285,782)</u>	<u>(1,767,580)</u>
 Net cash provided before dividends	(10,653,573)	(7,917,408)	92,632,312
Dividends paid	<u>(8,474,850)</u>	<u>(5,932,395)</u>	<u>(5,932,395)</u>
Net(decrease)/increase in cash and cash equiva	(19,128,423)	(13,849,803)	86,699,917
Cash and cash equivalents at beginning of the per	<u>145,014,859</u>	<u>58,314,942</u>	<u>58,314,942</u>
Cash and cash equivalents at end of period	<u>125,886,436</u>	<u>44,465,139</u>	<u>145,014,859</u>
 Comprised of:			
Cash and bank balances	126,235,900	44,465,139	145,350,305
Bank overdraft	<u>(349,464)</u>	<u>-</u>	<u>(335,446)</u>
	<u>125,886,436</u>	<u>44,465,139</u>	<u>145,014,859</u>

Blue Power Group Limited
Segment Reporting
Six months October 31, 2013

	Lumber Division	Soap Division	Total
	\$	\$	\$
Turnover	366,823,219	154,013,435	520,836,654
Profit from operations	26,838,687	22,574,407	49,413,094
Other income:	4,019,620	3,268,217	7,287,837
Financial expenses	(1,425,030)	(95,769)	(1,520,799)
Profit before taxation	29,433,277	25,746,855	55,180,132
Taxation	-	-	-
Profit for the period	29,433,277	25,746,855	55,180,132
Segment assets			
Non-current	23,808,712	20,998,981	44,807,693
Current assets	255,742,023	167,722,863	423,464,886
	279,550,735	188,721,844	468,272,579
Segment liabilities			
Non-current liabilities	-	-	-
Current liabilities	52,525,913	23,732,635	76,258,548
	52,525,913	23,732,635	76,258,548
Other segment items:			
Capital expenditure	3,700,695	522,073	4,222,768
Depreciation	532,606	1,879,177	2,411,783

Blue Power Group Limited
Segment Reporting
Six months ended October 31, 2012

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	288,604,352	151,623,430	440,227,782
Profit from operations	18,833,831	22,232,540	41,066,371
Other income	2,058,576	1,940,779	3,999,355
Net finance costs	(1,169,884)	(273,320)	(1,443,204)
Profit for the period	19,722,523	23,899,999	43,622,522
Segment assets			
Non-current	21,906,870	24,097,673	46,004,543
Current assets	146,166,538	162,775,014	308,941,552
	168,073,408	186,872,687	354,946,095
Segment liabilities			
Non-current liabilities	-	552,525	552,525
Current liabilities	46,814,336	22,627,517	69,441,853
	46,814,336	23,180,042	69,994,378
Other segment items:			
Capital expenditure	258,634	9,241,968	9,500,602
Depreciation	718,010	1,930,306	2,648,316

Blue Power Group Limited
Segment Reporting
Year ended April 30, 2013

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	741,730,816	303,174,579	1,044,905,395
Profit from operations	55,111,191	40,651,860	95,763,051
Other income	7,335,888	2,419,049	9,754,937
Net finance costs	(1,083,365)	(455,070)	(1,538,435)
Profit for the period	61,363,714	42,615,839	103,979,553
Segment assets			
Non-current	20,640,623	22,356,085	42,996,708
Current assets	236,531,538	154,251,085	390,782,623
	257,172,161	176,607,170	433,779,331
Segment liabilities			
Non-current liabilities	-	-	-
Current liabilities	63,742,407	24,728,176	88,470,583
	63,742,407	24,728,176	88,470,583
Other segment items:			
Capital expenditure	478,949	9,832,112	10,311,061
Depreciation	1,878,039	4,588,571	6,466,610

1 Identification and principal activities

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 changed its name from Lumber Depot Limited to Blue Power Group Limited on April 19, 2010 and was listed on the Junior Market of the Jamaica Stock Exchange on April 22, 2010.

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

2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act. These financial statements are presented in Jamaica dollars.

3 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.

4 Significant accounting policies

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended April 30, 2013



OCTOBER 31, 2013

TOTAL SHARES OUTSTANDING: 56,499,000

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
ANTIBES HOLDINGS LTD	CONNECTED PARTY	28,300,800	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
PETER MILLINGEN	SELF	908,100	1.6073

SENIOR MANAGERS REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
VERONICA LOWE	SELF	0	0.0000
LISA KONG	SELF	60,000	0.1062

TOP 10 SHARHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
ANTIBES HOLDINGS LIMITED	28,300,800	50.09
MAYBERRY WEST INDIES LIMITED	5,722,965	10.13
KENNETH BENJAMIN	3,130,200	5.54
JANE FRAY	3,095,400	5.48
SILVER INVESTMENTS LIMITED	2,927,816	5.18
NOEL DAWES	2,100,000	3.72
ALAN BRUCE HART	2,000,000	3.54
JPS EMPLOYEE SUPERANNUATION FUND	921,451	1.63
PETER MILLINGEN	908,100	1.61
PRIME ASSET MANAGEMENT RET. SCHEME	891,451	1.58