



Blue Power Soap Division  
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Lumber Depot Division  
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### Chairman's Report for the Quarter ended July 31, 2014

Combined sales for the quarter ended July 31, 2014 were \$278 million as compared to \$246 million for the same period last year, an increase of 13% or \$32 million. Lumber Depot division saw a 5% increase in sales from \$174 million to \$185 million. Sales growth was limited because in previous years the division benefited from a significant trading relationship with a foreign agency and this was not continued in the most recent quarter. Sales for the Blue Power division, however, saw a healthy increase of 33% from \$70 million to \$93 million when compared to the same period in the previous year.

Profits for the three months stood at \$29 million compared to \$30 million in the same period last year, a decline of 4%. The contribution of Lumber Depot division to the tally was \$6 million (\$18 million in 2013), while Blue Power division added \$23 million (\$12 million in 2013). Earnings per stock unit moved down slightly from 53 cents to 51 cents.

It is interesting to note that over the years, the combination of a retail entity with a manufacturing plant has served our shareholders well in terms of balancing the flow of cash and profits. During the periods when manufacturing was at a low ebb, the retail outlet came to the rescue. During the quarter ended July 31, 2014, our Blue Power soap division has performed exceptionally well to overcome the low level of profits at the Lumber Depot division. It should be noted, however, that a substantial portion of the increase in administrative costs in the Lumber Depot division is due to provisions for receivables which have crossed the line in terms of being over 90 days.

Our efforts to rein in costs continue with the third solar installation slated for the second quarter. The impact, however, will not be felt until the last quarter due to the numerous obstacles which we have to overcome to obtain the appropriate meter from JPS to reap the benefits of our investment. In addition to our emphasis on cost containment, we will begin a marketing campaign to promote the extra services which the Lumber Depot division can provide to contractors and customers needing building supplies. In anticipation, the store itself at Papine has been completely refurbished and the front-line staff are being retrained to provide even better customer service than what we are already well known for.


We are hopeful that as confidence in the economy returns with the successful completion of the IMF tests, our actions in terms of cost containment, customer service and new marketing approaches will show positive results in the near future.

Dhiru Tanna  
Chairman  
August 26, 2014

**Blue Power Group Limited**  
**Consolidated Statement of Financial Position**  
**Three months ended July 31, 2014**

	<b>Unaudited July 31, 2014</b>	<b>Unaudited July 31, 2013</b>	<b>Audited April 30, 2014</b>
<b>ASSETS:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<u>63,817,880</u>	<u>42,913,585</u>	<u>50,183,909</u>
<b>Current assets</b>			
Cash and cash equivalents	155,818,875	152,685,077	136,283,747
Accounts receivable and prepayments	81,338,253	68,514,657	77,859,110
Inventories	220,454,994	197,904,669	234,444,144
Due from related party	-	713,944	-
Taxation recoverable	<u>2,000,875</u>	<u>1,182,162</u>	<u>1,708,980</u>
	<u>459,612,997</u>	<u>421,000,509</u>	<u>450,295,981</u>
<b>Current liabilities</b>			
Bank overdraft	-	344,400	-
Accounts payable	64,601,677	87,959,679	70,356,085
Due to related party	<u>209,790</u>	<u>350,790</u>	<u>187,495</u>
	<u>64,811,467</u>	<u>88,654,869</u>	<u>70,543,580</u>
<b>Net Current Assets</b>	<u>394,801,530</u>	<u>332,345,640</u>	<u>379,752,401</u>
<b>Total Assets Less Current Liabilities</b>	<u><u>458,619,410</u></u>	<u><u>375,259,225</u></u>	<u><u>429,936,310</u></u>
<b>EQUITY</b>			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	<u>371,719,263</u>	<u>288,359,078</u>	<u>343,036,163</u>
	<u><u>458,619,410</u></u>	<u><u>375,259,225</u></u>	<u><u>429,936,310</u></u>

Approved for issue by the Board of Directors on \_Aug. 27, 2014 and signed on its behalf by:

  
 \_\_\_\_\_ Director  
 Dr. Dhiru Tanna

  
 \_\_\_\_\_ Director  
 Peter Millingen

**Blue Power Group Limited**  
**Consolidated Statement of Comprehensive Income**  
**Three months ended July 31, 2014**

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	<b>Unaudited July 31, 2014</b>	<b>Unaudited July 31, 2013</b>	<b>Audited April 30, 2014</b>
Revenue	277,890,318	245,667,310	1,045,837,048
Cost of revenue	<u>(211,885,950)</u>	<u>(191,274,946)</u>	<u>(827,540,842)</u>
Gross profit	66,004,368	54,392,364	218,296,206
Administrative and other expenses	<u>(40,350,496)</u>	<u>(27,914,580)</u>	<u>(134,958,430)</u>
	25,653,872	26,477,784	83,337,776
Other income	<u>2,863,005</u>	<u>2,068,477</u>	<u>2,206,611</u>
Profit before net finance costs and taxation	<u>28,516,877</u>	<u>28,546,261</u>	<u>85,544,387</u>
Finance income	1,167,565	2,194,883	10,775,079
Finance cost	<u>(1,001,342)</u>	<u>(790,667)</u>	<u>(3,217,054)</u>
Net financial income	<u>166,223</u>	<u>1,404,216</u>	<u>7,558,025</u>
<b>Profit for the year</b>	28,683,100	29,950,477	93,102,412
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit attributable to members, being total comprehensive income for the year</b>	<u><b>28,683,100</b></u>	<u><b>29,950,477</b></u>	<u><b>93,102,412</b></u>
<b>Earnings per stock unit</b>	<u><b>\$ 0.51</b></u>	<u><b>\$ 0.53</b></u>	<u><b>\$ 1.65</b></u>

Blue Power Group Limited  
Consolidated Statement of Changes in Equity  
Three months ended July 31, 2014

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	<b>Share Capital</b>	<b>Retained earnings</b>	<b>Total</b>
	\$	\$	\$
Balances as at April 30, 2013 (audited)	86,900,147	258,408,601	345,308,748
Total comprehensive income for the quarter	-	29,950,477	29,950,477
Balances as at July 31, 2013 (unaudited)	86,900,147	288,359,078	375,259,225
Balances as at April 30, 2014 (audited)	86,900,147	343,036,163	429,936,310
Total comprehensive income for the quarter	-	28,683,100	28,683,100
Balance as quarter end July 31, 2014 (unaudited)	<u>86,900,147</u>	<u>371,719,263</u>	<u>458,619,410</u>

Blue Power Group Limited  
Consolidated Statement of Cash Flows  
Three months ended July 31, 2014

	<b>Unaudited July 31, 2014</b>	<b>Unaudited July 31, 2013</b>	<b>Audited April 30, 2014</b>
<b>Cash Flows From Operating Activities</b>			
Profit for the quarter	28,683,100	29,950,477	93,102,412
Adjustments for:			
Interest Income	(1,167,565)	(1,495,026)	(3,602,259)
Interest expense	-	12,724	28,509
Depreciation	893,377	1,205,891	5,150,101
	<u>28,408,912</u>	<u>29,674,066</u>	<u>94,678,763</u>
Inventories	13,989,150	(21,051,915)	(57,591,390)
Accounts receivables and prepayments	(3,479,143)	(1,188,369)	(10,532,822)
Due from related party	-	(713,944)	-
Accounts payable	(5,754,408)	867,657	(16,735,937)
Cash provided by operations	33,164,511	7,587,495	9,818,614
Interest paid	-	(12,724)	(28,509)
Interest received	1,167,565	1,495,026	3,602,259
Taxation deducted at source	(291,895)	71,114	(455,704)
<b>Cash provided by operating activities</b>	<b><u>34,040,181</u></b>	<b><u>9,140,911</u></b>	<b><u>12,936,660</u></b>
<b>Cash Flows From Investing Activity</b>			
Purchase of property, plant and equipment	(14,527,348)	(1,122,768)	(12,337,302)
<b>Cash used by investing activity</b>	<b><u>(14,527,348)</u></b>	<b><u>(1,122,768)</u></b>	<b><u>(12,337,302)</u></b>
<b>Cash Flows From Financing Activities</b>			
Related party advances received/(repaid)	22,295	(139,800)	(303,095)
Long-term loan repaid	-	(552,525)	(552,525)
<b>Cash used by financing activities</b>	<b><u>22,295</u></b>	<b><u>(692,325)</u></b>	<b><u>(855,620)</u></b>
Net cash provided/(used) before dividends	19,535,128	7,325,818	(256,262)
Dividends paid	-	-	(8,474,850)
Net increase/(decrease) in cash and cash equivalents	19,535,128	7,325,818	(8,731,112)
Cash and cash equivalents at beginning of the period	136,283,747	145,014,859	145,014,859
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 155,818,875</u></b>	<b><u>152,340,677</u></b>	<b><u>136,283,747</u></b>
Comprised of:			
Cash and bank balances	155,818,875	152,685,077	136,283,747
Bank overdraft	-	(344,400)	-
	<b><u>\$ 155,818,875</u></b>	<b><u>152,340,677</u></b>	<b><u>136,283,747</u></b>

Blue Power Group Limited  
Consolidated Segment Reporting  
Three months ended July 31, 2014

	<b>Lumber Division</b>	<b>Soap Division</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Turnover	184,425,283	93,465,035	277,890,318
Profit from operations	4,151,982	21,501,890	25,653,872
Other income	2,144,988	718,017	2,863,005
Net finance income	(208,130)	374,353	166,223
Profit before taxation	6,088,840	22,594,260	28,683,100
Taxation	-	-	-
<b>Profit for the period</b>	<b>6,088,840</b>	<b>22,594,260</b>	<b>28,683,100</b>
<b>Segment assets</b>			
Non-current	27,260,733	36,557,147	63,817,880
Current assets	267,705,926	191,907,071	459,612,997
	<b>294,966,659</b>	<b>228,464,218</b>	<b>523,430,877</b>
<b>Segment liabilities</b>			
Current liabilities	46,914,569	17,896,898	64,811,467
<b>Other segment items:</b>			
Capital expenditure	212,141	14,315,208	14,527,349
Depreciation	316,566	576,812	893,377

Blue Power Group Limited  
Consolidated Segment Reporting  
Three months ended July 31, 2013

	<b>Lumber Division</b>	<b>Soap Division</b>	<b>Total</b>
	\$	\$	\$
Revenue	175,480,559	70,186,751	245,667,310
Profit from operations	16,386,982	10,090,802	26,477,784
Other income	2,214,671	2,048,689	4,263,360
Net finance costs	<u>(715,009)</u>	<u>(75,658)</u>	<u>(790,667)</u>
Profit for the period	<u><b>17,886,644</b></u>	<u><b>12,063,833</b></u>	<u><b>29,950,477</b></u>
<b>Segment assets</b>			
Non-current	20,975,016	21,938,569	42,913,585
Current assets	251,345,515	169,654,994	421,000,509
	<u>272,320,531</u>	<u>191,593,563</u>	<u>463,914,094</u>
<b>Segment liabilities</b>			
Current liabilities	<u>58,687,367</u>	<u>29,967,502</u>	<u>88,654,869</u>
<b>Other segment items:</b>			
Capital expenditure	600,695	522,073	1,122,768
Depreciation	266,303	939,588	1,205,891
	<u>266,303</u>	<u>939,588</u>	<u>1,205,891</u>

Blue Power Group Limited  
Consolidated Segment Reporting  
Year ended April 30, 2014

	<b>Lumber Division</b>	<b>Soap Division</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	728,028,841	317,808,207	1,045,837,048
Profit from operations	37,835,952	45,501,824	83,337,776
Other income	2,206,611	-	2,206,611
Net finance income	2,403,975	5,154,050	7,558,025
Profit for the period	<b>42,446,538</b>	<b>50,655,874</b>	<b>93,102,412</b>
<b>Segment assets</b>			
Non-current	27,365,158	22,818,751	50,183,909
Current assets	231,453,450	218,842,531	450,295,981
	<b>258,818,608</b>	<b>241,661,282</b>	<b>500,479,890</b>
<b>Segment liabilities</b>			
Current liabilities	45,526,640	25,016,940	70,543,580
<b>Other segment items:</b>			
Capital expenditure	8,116,283	4,221,019	12,337,302
Depreciation	1,391,748	3,758,353	5,150,101



### **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 of 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, 2014

# BLUE POWER GROUP LIMITED

JULY 31, 2014

TOTAL SHARES OUTSTANDING: 56,499,000

## DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
FELICE CAMPBELL	SELF	0	0.0000
KENNETH BENJAMIN**	SELF	3,130,200	0.0554
NOEL DAWES	SELF	1,412,715	2.5004
JEFFREY HALL (SWEE TEEN CHUA)	SELF	257,070	0.4550
PETER MILLINGEN	SELF	908,100	1.6073
DHIRU TANNA*	SELF	0	0.0000
LAURA TANNA*	SELF	0	0.0000
*ANTIBES HOLDINGS LTD	CONNECTED PARTY	28,300,800	50.0908
**GUARDSMAN GROUP	CONNECTED PARTY	687,285	0.0122

## SENIOR MANAGERS REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
LISA KONG	SELF	0	0.0000
VERONICA LOWE	SELF	0	0.0000

## TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
ANTIBES HOLDINGS LIMITED	28,300,800	50.09
MAYBERRY WEST INDIES LIMITED	8,342,692	14.77
KENNETH BENJAMIN	3,130,200	5.54
JANE FRAY	3,095,400	5.48
SILVER INVESTMENTS LIMITED	2,927,816	5.18
NOEL DAWES	1,412,715	2.50
JPS EMPLOYEE SUPERANNUATION FUND	921,451	1.63
PETER MILLINGEN	908,100	1.61
PRIME ASSET MANAGEMENT RET. SCHEME	891,451	1.58
GUARDSMAN GROUP LTD	687,285	1.22