



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

Combined sales for the half year ended October 31, 2014 were \$536 million as compared to \$521 million for the same period last year, an increase of 3% or \$15 million. For the quarter itself there was a decline in sales from \$275 million last year to \$259 million this year due largely to the expected drop in Lumber Depot division sales from \$191 million last year to \$176 million this year. Blue Power division sales were up by \$22 million or 14% on a year-to-date basis although they were basically flat in the second quarter when compared to last year. Sales in the Lumber Depot division in previous years benefited from a significant trading relationship with an external aid donor to Jamaica which has not continued in 2014.

Profits for the six months stood at \$52 million compared to \$55 million in the same period last year, a decline of 7%. The contribution of Lumber Depot division to the tally was \$17 million (\$29 million in 2013), while Blue Power division added \$35 million (\$26 million in 2013). For the second quarter, profits of the Lumber Depot division were flat at \$11 million while the Blue Power division saw a decline from \$14 million to \$12 when compared to the same quarter in 2013.

There is no doubt that the demand suppression policies being pursued by the Government through fiscal restraint and exchange rate adjustments are having an impact on companies like ours. Our response thus far consists of:

1. Revamping of Lumber Depot division to improve customer experience which will include a dedicated web site for ease of shopping
2. Introduction of new products at Blue Power division including the new Castile Mosquito Repellent bathing soap
3. Reduction in costs through solar installations
4. Renewed emphasis on exports through more competitive pricing and redesign of products

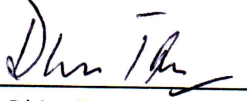
As the economy improves, we will be in a position to take advantage of the opportunities. In the meantime, we are pleased that the period during which the adjustments are taking place in the Jamaican economy has allowed us to make significant changes ourselves without any major declines in sales and profits for the group as a whole.

Dhiru Tanna
Chairman
November 17, 2014

Blue Power Group Limited
Consolidated Statement of Financial Position
Six months ended October 31, 2014

	<u>Unaudited</u> <u>October 31, 2014</u>	<u>Unaudited</u> <u>October 31, 2013</u>	<u>Audited</u> <u>April 30, 2014</u>
ASSETS:			
Non-current assets			
Property, plant and equipment	<u>63,272,753</u>	<u>44,807,693</u>	<u>50,183,909</u>
Current assets			
Cash and cash equivalents	127,159,167	126,235,900	136,283,747
Accounts receivable and prepayments	96,658,024	97,051,316	77,859,110
Inventories	246,833,972	198,662,938	234,444,144
Due from related party	-	184,212	-
Taxation recoverable	<u>2,252,449</u>	<u>1,330,519</u>	<u>1,708,980</u>
	<u>472,903,612</u>	<u>423,464,885</u>	<u>450,295,981</u>
Current liabilities			
Bank overdraft	-	349,464	-
Accounts payable	62,844,982	75,558,294	70,356,085
Due to related party	<u>349,590</u>	<u>350,790</u>	<u>187,495</u>
	<u>63,194,572</u>	<u>76,258,548</u>	<u>70,543,580</u>
Net Current Assets	<u>409,709,040</u>	<u>347,206,337</u>	<u>379,752,401</u>
Total Assets Less Current Liabilities	<u><u>472,981,793</u></u>	<u><u>392,014,030</u></u>	<u><u>429,936,310</u></u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	<u>386,081,646</u>	<u>305,113,883</u>	<u>343,036,163</u>
	<u>472,981,793</u>	<u>392,014,030</u>	<u>429,936,310</u>

Approved for issue by the Board of Directors on Nov. 26th, 2014 and signed on its behalf by:


 _____ Director
 Dr. Dhiru Tanna


 _____ Director
 Peter Millingen

Blue Power Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Six months ended October 31, 2014

	Unaudited 3 months to October 31, 2014	Unaudited 3 months to October 31, 2013	Unaudited 6 months to October 31, 2014	Unaudited 6 months to October 31, 2013	Audited April 30, 2014
Revenue	258,591,579	275,169,344	536,481,897	520,836,654	1,045,837,048
Cost of revenue	<u>(201,711,533)</u>	<u>(217,886,996)</u>	<u>(413,597,483)</u>	<u>(409,161,942)</u>	<u>(827,540,842)</u>
Gross profit	56,880,046	57,282,348	122,884,414	111,674,712	218,296,206
Administrative and other expenses	<u>(34,438,726)</u>	<u>(34,347,038)</u>	<u>(74,789,222)</u>	<u>(62,261,618)</u>	<u>(134,958,430)</u>
	22,441,320	22,935,310	48,095,192	49,413,094	83,337,776
Other income	<u>86,184</u>	<u>3,024,476</u>	<u>2,949,189</u>	<u>7,287,837</u>	<u>2,206,611</u>
Profit before net finance costs and taxation	<u>22,527,504</u>	<u>25,959,786</u>	<u>51,044,381</u>	<u>56,700,931</u>	<u>85,544,387</u>
Finance income	1,222,339	-	2,389,904	-	10,775,079
Finance cost	<u>(912,611)</u>	<u>(730,132)</u>	<u>(1,913,952)</u>	<u>(1,520,799)</u>	<u>(3,217,054)</u>
Net financial income	<u>309,728</u>	<u>(730,132)</u>	<u>475,952</u>	<u>(1,520,799)</u>	<u>7,558,025</u>
Profit for the year	22,837,232	25,229,654	51,520,333	55,180,132	93,102,412
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit attributable to members, being total comprehensive income for the year	<u>22,837,232</u>	<u>25,229,654</u>	<u>51,520,333</u>	<u>55,180,132</u>	<u>93,102,412</u>
Earnings per stock unit	<u>\$ 0.40</u>	<u>\$ 0.45</u>	<u>\$ 0.91</u>	<u>\$ 0.98</u>	<u>\$ 1.65</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Six months ended October 31, 2014

	Share Capital	Retained earnings	Total
	\$	\$	\$
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	-	55,180,132	55,180,132
Balances as at October 31, 2013 (unaudited)	86,900,147	305,113,883	392,014,030
Balances as at April 30, 2014 (audited)	86,900,147	343,036,163	429,936,310
Dividends paid		(8,474,850)	(8,474,850)
Total comprehensive income for the period	-	51,520,333	51,520,333
Balance as at October 31, 2014 (unaudited)	86,900,147	386,081,646	472,981,793

Blue Power Group Limited
Consolidated Statement of Cash Flows
Six months ended October 31, 2014

	Unaudited October 31, 2014	Unaudited October 31, 2013	Audited April 30, 2014
Cash Flows From Operating Activities			
Profit for the quarter	51,520,333	55,180,132	93,102,412
Adjustments for:			
Interest Income	(2,389,904)	(2,960,405)	(3,602,259)
Interest expense	-	12,724	28,509
Depreciation	1,787,086	2,411,783	5,150,101
	<u>50,917,515</u>	<u>54,644,234</u>	<u>94,678,763</u>
Inventories	(12,389,828)	(21,810,184)	(57,591,390)
Accounts receivables and prepayments	(18,798,914)	(29,725,028)	(10,532,822)
Due from related party	-	(184,212)	-
Accounts payable	(7,511,103)	(11,533,728)	(16,735,937)
Cash provided by operations	12,217,670	(8,608,918)	9,818,614
Interest paid	-	(12,724)	(28,509)
Interest received	2,389,904	2,960,405	3,602,259
Taxation deducted at source	(543,469)	(77,243)	(455,704)
Cash provided by operating activities	<u>14,064,105</u>	<u>(5,738,480)</u>	<u>12,936,660</u>
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	(14,875,930)	(4,222,768)	(12,337,302)
Cash used by investing activity	<u>(14,875,930)</u>	<u>(4,222,768)</u>	<u>(12,337,302)</u>
Cash Flows From Financing Activities			
Related party advances received/(repaid)	162,095	(139,800)	(303,095)
Long-term loan repaid	-	(552,525)	(552,525)
Cash used by financing activities	<u>162,095</u>	<u>(692,325)</u>	<u>(855,620)</u>
Net cash provided/(used) before dividends	(649,730)	(10,653,573)	(256,262)
Dividends paid	(8,474,850)	(8,474,850)	(8,474,850)
Net increase/(decrease) in cash and cash equivalents	(9,124,580)	(19,128,423)	(8,731,112)
Cash and cash equivalents at beginning of the period	136,283,747	145,014,859	145,014,859
Cash and cash equivalents at end of period	<u>127,159,167</u>	<u>125,886,436</u>	<u>136,283,747</u>
Comprised of:			
Cash and bank balances	127,159,167	126,235,900	136,283,747
Bank overdraft	-	(349,464)	-
	<u>127,159,167</u>	<u>125,886,436</u>	<u>136,283,747</u>

Blue Power Group Limited
Consolidated Segment Reporting
Six months ended October 31, 2014

	Lumber Division	Soap Division	Total
	\$	\$	\$
Turnover	360,818,363	175,663,534	536,481,897
Profit from operations	14,946,939	33,148,253	48,095,192
Other income	2,128,236	820,953	2,949,189
Net finance income	122,181	353,771	475,952
Profit before taxation	17,197,356	34,322,977	51,520,333
Taxation	-	-	-
Profit for the period	17,197,356	34,322,977	51,520,333
Segment assets			
Non-current	27,292,748	35,980,005	63,272,753
Current assets	262,915,554	209,988,058	472,903,612
	<u>290,208,302</u>	<u>245,968,063</u>	<u>536,176,365</u>
Segment liabilities			
Current liabilities	50,465,791	12,728,781	63,194,572
Other segment items:			
Capital expenditure	560,722	14,315,208	14,875,930
Depreciation	633,131	1,153,955	1,787,086

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

	Lumber Division	Soap Division	Total
	₹	₹	₹
Revenue	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
Net finance costs	(1,425,030)	(95,769)	(1,520,799)
Profit for the period	<u>29,433,277</u>	<u>25,746,855</u>	<u>55,180,132</u>
Segment assets			
Non-current	23,808,712	20,998,981	44,807,693
Current assets	255,742,023	167,722,862	423,464,885
	<u>279,550,735</u>	<u>188,721,843</u>	<u>468,272,578</u>
Segment liabilities			
Current liabilities	52,525,913	23,732,635	76,258,548
	<u>52,525,913</u>	<u>23,732,635</u>	<u>76,258,548</u>
Other segment items:			
Capital expenditure	3,700,695	522,073	4,222,768
Depreciation	532,606	1,879,177	2,411,783
	<u>532,606</u>	<u>1,879,177</u>	<u>2,411,783</u>

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

	Lumber Division	Soap Division	Total
	\$	\$	\$
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	42,446,538	50,655,874	93,102,412
Segment assets			
Non-current	27,365,158	22,818,751	50,183,909
Current assets	231,453,450	218,842,531	450,295,981
	<u>258,818,608</u>	<u>241,661,282</u>	<u>500,479,890</u>
Segment liabilities			
Current liabilities	45,526,640	25,016,940	70,543,580
Other segment items:			
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 is listed on the Junior Market of the Jamaica Stock Exchange. The company and its two wholly-owned subsidiaries are referred to as the "group".

The main activities of the company 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 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

OCTOBER 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	5.5403
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	1.2165

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	8,578,093	15.18
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