



Blue Power Soap Division  
and Head Office  
4 Victoria Avenue  
Kingston CSO, Jamaica  
Phone: 876-928-1882  
Fax: 876-930-3283

Lumber Depot Division  
17C Gordon Town Road, Papine  
Kingston 6, Jamaica  
Phone: 876-977-5075  
Fax: 876-970-1302

### **Chairman's Report for the Quarter ended January 31, 2015**

Combined sales for the nine months ended January 31, 2015 were \$800 million as compared to \$780 million for the same period last year, an increase of 3% or \$20 million. For the quarter itself there was a marginal increase in sales from \$259 million last year to \$264 million this year with the Lumber Depot division posting a small increase while the Blue Power division experienced a small decline.

Profits for the nine months stood at \$64 million compared to \$70 million in the same period last year, a decline of 8.7%. The contribution of Lumber Depot division to the tally was \$21 million (\$37 million in 2014), while the Blue Power division added \$43 million (\$33 million in 2014). For the third quarter, profits of the Lumber Depot division were \$4 million compared to \$8 million in the previous year while the Blue Power division saw a slight increase from \$7 million to \$9 million when compared to the same quarter in 2014. One contributor to the adverse comparison of profits with last year on a year-to-date basis is the increase in our expenses relating to advertising, administration and wages and salaries. We anticipate that the significant increase in advertising and promotion expenses will in due course be recouped by higher sales and higher overall gross profits.

Our solar installations are now complete and should begin to yield lower electricity costs in the coming months. A new wrapping machine at the Blue Power division has just been tested and installed and will give us the capacity to introduce the planned new products by the end of the financial year. The advertising campaign for Lumber Depot which will include a new web site, advertisements on tv and radio and customer service improvements at the store itself will be launched in March and is expected to improve sales significantly.

With the help of a qualified consultant, the Blue Power division is evaluating its sales strategy with a view to making greater inroads in the market place through better distribution and improvements in the awareness of our products and prices.

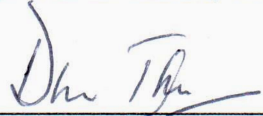
We are grateful that we continue to produce positive results despite an economy in which purchasing power is being eroded by the need to meet overall targets set in conjunction with the IMF. We are poised to meet increased demand from local and foreign sources.

Dhiru Tanna  
Chairman  
February 17, 2015

Blue Power Group Limited  
Consolidated Statement of Financial Position  
Nine months ended January 31, 2015

	Unaudited January 31, 2015	Unaudited January 31, 2014	Audited April 30, 2014
<b>ASSETS:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<u>73,775,565</u>	<u>51,716,335</u>	<u>50,183,909</u>
<b>Current assets</b>			
Cash and cash equivalents	178,289,379	133,239,401	136,283,747
Accounts receivable and prepayments	80,428,636	77,213,172	77,859,110
Inventories	210,722,712	202,605,272	234,444,144
Due from related party	-	137,020	-
Taxation recoverable	<u>2,476,738</u>	<u>1,532,094</u>	<u>1,708,980</u>
	<u>471,917,465</u>	<u>414,726,959</u>	<u>450,295,981</u>
<b>Current liabilities</b>			
Bank overdraft	-	359,594	-
Accounts payable	59,957,556	58,640,107	70,356,085
Due to related party	<u>349,590</u>	<u>209,790</u>	<u>187,495</u>
	<u>60,307,146</u>	<u>59,209,491</u>	<u>70,543,580</u>
<b>Net Current Assets</b>	<u>411,610,319</u>	<u>355,517,468</u>	<u>379,752,401</u>
<b>Total Assets Less Current Liabilities</b>	<u><u>485,385,884</u></u>	<u><u>407,233,803</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>398,485,737</u>	<u>320,333,656</u>	<u>343,036,163</u>
	<u><u>485,385,884</u></u>	<u><u>407,233,803</u></u>	<u><u>429,936,310</u></u>

Approved for issue by the Board of Directors on February 26, 2015 and signed on its behalf by:

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

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

**Blue Power Group Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**Nine months ended January 31, 2015**

	<b>Unaudited 3 months to January 31, 2015</b>	<b>Unaudited 3 months to January 31, 2014</b>	<b>Unaudited 9 months to January 31, 2015</b>	<b>Unaudited 9 months to January 31, 2014</b>	<b>Audited April 30, 2014</b>
Revenue	263,870,869	259,082,914	800,352,766	779,919,568	1,045,837,048
Cost of revenue	<u>(213,300,960)</u>	<u>(212,079,853)</u>	<u>(626,898,443)</u>	<u>(621,241,795)</u>	<u>(827,540,842)</u>
Gross profit	50,569,909	47,003,061	173,454,323	158,677,773	218,296,206
Administrative and other expenses	<u>(41,265,414)</u>	<u>(34,506,437)</u>	<u>(116,054,636)</u>	<u>(96,768,055)</u>	<u>(134,958,430)</u>
	9,304,495	12,496,624	57,399,687	61,909,718	83,337,776
Other income	<u>3,108,876</u>	<u>3,542,932</u>	<u>6,058,065</u>	<u>10,830,769</u>	<u>2,206,611</u>
Profit before net finance costs and taxation	<u>12,413,371</u>	<u>16,039,556</u>	<u>63,457,752</u>	<u>72,740,487</u>	<u>85,544,387</u>
Finance income	897,140	-	3,287,044	-	10,775,079
Finance cost	<u>(906,420)</u>	<u>(819,783)</u>	<u>(2,820,372)</u>	<u>(2,340,582)</u>	<u>(3,217,054)</u>
Net financial income	<u>(9,280)</u>	<u>(819,783)</u>	<u>466,672</u>	<u>(2,340,582)</u>	<u>7,558,025</u>
<b>Profit for the year</b>	12,404,091	15,219,773	63,924,424	70,399,905	93,102,412
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit attributable to members, being total comprehensive income for the year</b>	<u><b>12,404,091</b></u>	<u><b>15,219,773</b></u>	<u><b>63,924,424</b></u>	<u><b>70,399,905</b></u>	<u><b>93,102,412</b></u>
Earnings per stock unit	<u><b>\$ 0.22</b></u>	<u><b>\$ 0.27</b></u>	<u><b>\$ 1.13</b></u>	<u><b>\$ 1.25</b></u>	<u><b>\$ 1.65</b></u>

Blue Power Group Limited  
Consolidated Statement of Changes in Equity  
Nine months ended January 31, 2015

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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
Dividends paid		(8,474,850)	(8,474,850)
Total comprehensive income for the period	<u>-</u>	<u>70,399,905</u>	<u>70,399,905</u>
Balances as at January 31, 2014 (unaudited)	<u>86,900,147</u>	<u>320,333,656</u>	<u>407,233,803</u>
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	<u>-</u>	<u>63,924,424</u>	<u>63,924,424</u>
Balance as at January 31, 2015 (unaudited)	<u>86,900,147</u>	<u>398,485,737</u>	<u>485,385,884</u>

Blue Power Group Limited  
Consolidated Statement of Cash Flows  
Nine months ended January 31, 2015

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	<b>Unaudited</b> <b>January 31, 2015</b>	<b>Unaudited</b> <b>January 31, 2014</b>	<b>Audited</b> <b>April 30, 2014</b>
<b>Cash Flows From Operating Activities</b>			
Profit for the quarter	63,924,424	70,399,905	93,102,412
Adjustments for:			
Interest Income	(3,287,044)	(3,815,185)	(3,602,259)
Interest expense	1,144	12,724	28,509
Depreciation	2,680,132	3,617,676	5,150,101
	<u>63,318,656</u>	<u>70,215,120</u>	<u>94,678,763</u>
Inventories	23,721,432	(25,752,518)	(57,591,390)
Accounts receivables and prepayments	(2,569,526)	(9,886,884)	(10,532,822)
Due from related party	-	(137,020)	-
Accounts payable	(10,398,529)	(28,451,915)	(16,735,937)
Cash provided by operations	74,072,033	5,986,783	9,818,614
Interest paid	(1,144)	(12,724)	(28,509)
Interest received	3,287,044	3,815,185	3,602,259
Taxation deducted at source	(767,758)	(278,818)	(455,704)
<b>Cash provided by operating activities</b>	<b><u>76,590,175</u></b>	<b><u>9,510,426</u></b>	<b><u>12,936,660</u></b>
<b>Cash Flows From Investing Activity</b>			
Purchase of property, plant and equipment	(26,271,788)	(12,337,303)	(12,337,302)
<b>Cash used by investing activity</b>	<b><u>(26,271,788)</u></b>	<b><u>(12,337,303)</u></b>	<b><u>(12,337,302)</u></b>
<b>Cash Flows From Financing Activities</b>			
Related party advances received/(repaid)	162,095	(280,800)	(303,095)
Long-term loan repaid	-	(552,525)	(552,525)
<b>Cash used by financing activities</b>	<b><u>162,095</u></b>	<b><u>(833,325)</u></b>	<b><u>(855,620)</u></b>
Net cash provided/(used) before dividends	50,480,482	(3,660,202)	(256,262)
Dividends paid	(8,474,850)	(8,474,850)	(8,474,850)
Net increase/(decrease) in cash and cash equivalents	42,005,632	(12,135,052)	(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>178,289,379</u></b>	<b><u>132,879,807</u></b>	<b><u>136,283,747</u></b>
Comprised of:			
Cash and bank balances	178,289,379	133,239,401	136,283,747
Bank overdraft	-	(359,594)	-
	<u>178,289,379</u>	<u>132,879,807</u>	<u>136,283,747</u>

Blue Power Group Limited  
Consolidated Segment Reporting  
Nine months ended January 31, 2015

	<b>Lumber Division</b>	<b>Soap Division</b>	<b>Total</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
Turnover	545,676,759	254,676,007	800,352,766
Profit from operations	17,457,390	39,942,297	57,399,687
Other income	3,140,252	2,917,813	6,058,065
Net finance income	128,371	338,301	466,672
Profit before taxation	20,726,013	43,198,411	63,924,424
Taxation	-	-	-
<b>Profit for the period</b>	<b>20,726,013</b>	<b>43,198,411</b>	<b>63,924,424</b>
<b>Segment assets</b>			
Non-current	33,572,886	40,202,679	73,775,565
Current assets	260,303,258	211,614,207	471,917,465
	<u>293,876,143</u>	<u>251,816,886</u>	<u>545,693,029</u>
<b>Segment liabilities</b>			
Current liabilities	56,348,022	3,959,124	60,307,146
<b>Other segment items:</b>			
Capital expenditure	7,157,425	19,114,363	26,271,788
Depreciation	949,697	1,730,435	2,680,132

Blue Power Group Limited  
Consolidated Segment Reporting  
Nine months ended January 31, 2014

	<b>Lumber Division</b>	<b>Soap Division</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	542,993,001	236,926,567	779,919,568
Profit from operations	33,476,353	28,433,365	61,909,718
Other income	6,017,915	4,812,854	10,830,769
Net finance costs	<u>(2,213,818)</u>	<u>(126,764)</u>	<u>(2,340,582)</u>
Profit for the period	<u><b>37,280,450</b></u>	<u><b>33,119,455</b></u>	<u><b>70,399,905</b></u>
<b>Segment assets</b>			
Non-current	27,957,996	23,758,339	51,716,335
Current assets	255,742,023	167,722,862	423,464,885
	<u>283,700,019</u>	<u>191,481,201</u>	<u>475,181,220</u>
<b>Segment liabilities</b>			
Current liabilities	<u>49,412,779</u>	<u>9,796,712</u>	<u>59,209,491</u>
<b>Other segment items:</b>			
Capital expenditure	8,116,283	4,221,020	12,337,303
Depreciation	798,910	2,818,766	3,617,676
	<u>8,915,193</u>	<u>7,039,786</u>	<u>15,954,979</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 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

JANUARY 31, 2015

TOTAL SHARES OUTSTANDING: 56,499,000

## DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
KENNETH BENJAMIN**	SELF	3,130,200	5.5403
FELICE CAMPBELL	SELF	0	0.0000
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* (LAURA TANNA)	SELF	10,000	0.0177
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	9,104,983	16.12
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