



Blue Power Soap Division
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Lumber Depot Division
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Chairman's Report for the Quarter ended July 31, 2016

Although overall sales for the first quarter of the new financial year increased by 12%, from \$302 million to \$339 million, profits before and after tax saw increases of over 100%. The results reflect the achievement of improved margins in both divisions, lower administrative costs and substantial financial income.

Profits before tax for the three months stood at \$42 million compared to \$21 million in the same period last year, an increase of 105%. Estimated tax for this quarter is \$5 million, resulting in profits after tax of \$37 million or an increase of 101% over the previous year. The contribution of Lumber Depot division to the after tax tally was \$17 million (\$7 million in 2015), while Blue Power division added \$20 million (\$12 million in 2015). Earnings per stock unit for the quarter doubled from \$0.33 to \$0.66.

In summary:

1. Export sales increased by over 13% in the first quarter after a substantial rise in the previous year.
2. Lumber Depot division has performed exceptionally well with higher sales and higher margins due partly to more construction activity in the economy and partly to better management of our supplies from local and overseas vendors.
3. In the Blue Power division, our new products with the new wrapping have allowed us to increase our sales of bath soaps although the laundry soap sales show a slight decline. In terms of shelf space in retail stores, we have managed to maintain and increase our presence in the chain stores as well individual outlets. Our advertising campaigns along with better performance by our distributor is having an effect on sales.
4. Our cash balances continue to improve as a result of which we do benefit from exchange rate changes.

Given positive indications from the market regarding the acceptability of our manufactured products, we have made the decision to reorganize the production facilities at Victoria Avenue where we will add an extra line for bathing soaps, complete the preparation and commissioning of new warehouse space and streamline the production of our laundry soap line while adding two new wrapping machines. Our Castile line of single-wrapped bathing soaps will see an increase in the number of products along with a more attractive set of wrappers in the second quarter. Spending on these projects will be in the form of capital expenditure of over \$30 million which will be financed from internal resources and will be disbursed in the first half of the financial year..


We continue to enjoy a good relationship with our customers, distributors, suppliers and staff which should enable us to compete successfully as we go forward.

Dhiru Tanna
Chairman
August 18, 2016

Blue Power Group Limited
Consolidated Statement of Financial Position
Three months ended July 31, 2016

	Unaudited July 31, 2016	Unaudited July 31, 2015	Audited April 30, 2016
ASSETS:			
Non-current assets			
Property, plant and equipment	69,204,637	69,368,342	63,546,928
Deferred tax asset	456,523	-	456,513
	<u>69,661,160</u>	<u>69,368,342</u>	<u>64,003,441</u>
Current assets			
Cash and cash equivalents	293,563,661	167,684,327	258,643,148
Accounts receivable and prepayments	105,094,306	74,176,086	99,461,391
Inventories	215,005,045	266,306,424	219,122,742
Taxation recoverable	-	387,458	-
	<u>613,663,012</u>	<u>508,554,295</u>	<u>577,227,281</u>
Current liabilities			
Accounts payable	71,657,959	58,333,359	69,062,007
Due to related party	349,590	349,590	349,590
Current portion of long term liabilities	1,482,003	1,482,003	1,976,004
Taxation payable	8,144,752	-	5,555,470
	<u>81,634,304</u>	<u>60,164,952</u>	<u>76,943,071</u>
Net Current Assets	<u>532,028,708</u>	<u>448,389,343</u>	<u>500,284,210</u>
Total Assets Less Current Liabilities	<u>601,689,868</u>	<u>517,757,685</u>	<u>564,287,651</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	509,520,397	423,121,938	472,118,180
	<u>596,420,544</u>	<u>510,022,085</u>	<u>559,018,327</u>
NON-CURRENT LIABILITIES			
Long-term loan	5,269,324	7,245,328	5,269,324
Deferred tax liability	-	490,272	-
	<u>5,269,324</u>	<u>7,735,600</u>	<u>5,269,324</u>
Total Equity And Non-Current Liabilities	<u>601,689,868</u>	<u>517,757,685</u>	<u>564,287,651</u>

Approved for issue by the Board of Directors on August 23, 2016 and signed on its behalf by:


Director
Dr. Dhuru Tanna


Director
Peter Millingen

Blue Power Group Limited
Consolidated Statement of Profit or loss and Other Comprehensive Income
Three months ended July 31, 2016

	Unaudited July 31, 2016	Unaudited July 31, 2015	Audited April 30, 2016
Revenue	338,698,587	301,926,831	1,215,627,817
Cost of revenue	<u>(256,324,091)</u>	<u>(237,620,553)</u>	<u>(962,515,011)</u>
Gross profit	82,374,496	64,306,278	253,112,806
Administrative and other expenses	<u>(48,936,613)</u>	<u>(46,034,778)</u>	<u>(181,946,827)</u>
	33,437,883	18,271,501	71,165,979
Other income	<u>6,352,358</u>	<u>2,541,220</u>	<u>3,736,477</u>
Profit before net finance costs and taxation	<u>39,790,241</u>	<u>20,812,721</u>	<u>74,902,456</u>
Finance income	3,849,032	1,275,999	14,824,555
Finance cost	<u>(1,032,668)</u>	<u>(1,302,547)</u>	<u>(4,268,054)</u>
Net financial income	<u>2,816,364</u>	<u>(26,548)</u>	<u>10,556,501</u>
Profit for the period	42,606,605	20,786,172	85,458,957
Taxation	<u>(5,204,388)</u>	<u>(2,182,548)</u>	<u>(9,384,241)</u>
Profit attributable to members, being total comprehensive income for the period	<u>37,402,217</u>	<u>18,603,624</u>	<u>76,074,716</u>
Earnings per stock unit	<u>\$ 0.66</u>	<u>\$ 0.33</u>	<u>\$ 1.35</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Three months ended July 31, 2016

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2015 (audited)	86,900,147	404,518,314	491,418,461
Total comprehensive income for the quarter	<u>-</u>	<u>18,603,624</u>	<u>18,603,624</u>
Balances as at July 31, 2015 (unaudited)	<u>86,900,147</u>	<u>423,121,938</u>	<u>510,022,085</u>
Balances as at April 30, 2016 (audited)	86,900,147	472,118,180	559,018,327
Total comprehensive income for the quarter	<u>-</u>	<u>37,402,217</u>	<u>37,402,217</u>
Balance as quarter end July 31, 2016 (unaudited)	<u>86,900,147</u>	<u>509,520,397</u>	<u>596,420,544</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Three months ended July 31, 2016

	Unaudited July 31, 2016	Unaudited July 31, 2015	Audited April 30, 2016
Cash Flows From Operating Activities			
Profit for the quarter	37,402,217	18,603,624	76,074,716
Adjustments for:			
Interest Income	(3,849,032)	(1,275,999)	(5,517,340)
Interest expense	169,548	1,302,547	792,452
Depreciation	3,330,065	3,165,531	13,145,564
Taxation	5,204,388	2,182,548	9,384,241
Cash generated before changes in working capital	42,257,186	23,978,251	93,879,633
Inventories	4,117,697	(16,790,178)	30,393,504
Accounts receivables and prepayments	(5,632,915)	1,198,800	(24,086,505)
Accounts payable	2,595,952	(5,824,548)	4,904,101
Cash provided by operations	43,337,920	2,562,325	105,090,733
Interest paid	(169,548)	(1,302,547)	(792,452)
Interest received	3,849,032	1,275,999	5,517,340
Taxation paid	(2,589,282)	(153,132)	(2,358,681)
Cash provided by operating activities	44,428,122	2,382,645	107,456,940
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	(9,013,608)	(212,202)	(4,370,822)
Cash used by investing activity	(9,013,608)	(212,202)	(4,370,822)
Cash Flows From Financing Activities			
Proceeds from long -term loan	-	-	-
Related party advances received	-	-	-
Long-term loan repaid	(494,001)	(494,000)	(1,976,004)
Cash (used)/provided by Financing Activities	(494,001)	(494,000)	(1,976,004)
Net cash provided before dividends	34,920,513	1,676,443	101,110,114
Dividends paid	-	-	(8,474,850)
Net increase in cash and cash equivalents	34,920,513	1,676,443	92,635,264
Cash and cash equivalents at beginning of the period	258,643,148	166,007,884	166,007,884
Cash and cash equivalents at end of period	\$ 293,563,661	167,684,327	258,643,148
Comprised of:			
Cash and bank balances	\$ 293,563,661	167,684,327	258,643,148

Blue Power Group Limited
Consolidated Segment Reporting
Three months ended July 31, 2016

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	240,636,898	98,061,689	338,698,587
Profit from operations	16,078,136	17,359,747	33,437,883
Other income	967,379	5,384,979	6,352,358
Net finance income	2,656,673	159,691	2,816,364
Profit before taxation	19,702,188	22,904,417	42,606,605
Taxation	(2,414,171)	(2,790,217)	(5,204,388)
Profit for the period	17,288,017	20,114,200	37,402,217
Segment assets			
Non-current	27,307,200	42,353,960	69,661,160
Current assets	396,089,119	217,573,893	613,663,012
	423,396,319	259,927,853	683,324,172
Segment liabilities			
Current liabilities	58,797,943	22,836,361	81,634,304
Non-Current liabilities	-	5,269,324	5,269,324
	58,797,943	28,105,685	86,903,628
Other segment items:			
Capital expenditure	205,489	8,808,119	9,013,608
Depreciation	1,208,848	2,121,217	3,330,065

Blue Power Group Limited
Consolidated Segment Reporting
Three months ended July 31, 2015

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	211,978,189	89,948,642	301,926,831
Profit from operations	6,748,357	11,523,143	18,271,500
Other income	1,151,926	1,389,294	2,541,220
Net finance costs	(351,658)	325,110	(26,548)
Profit before taxation	7,548,625	13,237,547	20,786,172
Taxation	(792,606)	(1,389,942)	(2,182,548)
Profit for the period	6,756,019	11,847,605	18,603,624
Segment assets			
Non-current	31,530,112	37,838,230	69,368,342
Current assets	269,753,558	238,800,737	508,554,295
	301,283,670	276,638,967	577,922,637
Segment liabilities			
Current liabilities	51,760,395	8,404,557	60,164,952
Non-Current liabilities	490,272	7,245,328	7,735,600
	52,250,667	15,649,885	67,900,552
Other segment items:			
Capital expenditure	129,513	82,689	212,202
Depreciation	949,343	2,216,188	3,165,531

Blue Power Group Limited
Consolidated Segment Reporting
Year ended April 30, 2016

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	860,184,477	355,442,340	1,215,626,817
Profit from operations	25,802,797	45,363,182	71,165,979
Other income	2,805,554	930,923	3,736,477
Net finance income	5,242,414	5,314,087	10,556,501
Profit for the year	33,850,765	51,608,192	85,458,957
Segment assets			
Non-current	28,662,925	35,340,516	64,003,441
Current assets	339,660,606	237,566,675	577,227,281
	368,323,531	272,907,191	641,230,722
Segment liabilities			
Current liabilities	62,380,597	14,562,474	76,943,071
Non- current liabilities	-	5,269,324	5,269,324
	62,380,597	19,831,798	82,212,395
Other segment items:			
Capital expenditure	651,100	3,719,722	4,370,822
Depreciation	3,847,844	9,297,720	13,145,564

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, 2016.



JULY 31, 2016

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
CATHERINE GOODALL	SELF	0	0.0000
JEFFREY HALL (SWEE TEEN CHUA)	SELF	257,070	0.4550
PETER MILLINGEN	SELF	921,100	1.6303
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
**SHEILA BENJAMIN MCNEIL	CONNECTED PARTY	155,265	0.2748
**GUARDSMAN GROUP	CONNECTED PARTY	687,285	1.2165
***KAREL DAWES	CONNECTED PARTY	3,807	0.0067

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	11,821,964	20.92
KENNETH BENJAMIN & SISTER	3,285,465	5.82
JANE FRAY	3,095,400	5.48
NOEL DAWES	1,412,715	2.50
SILVER INVESTMENTS LIMITED	1,077,816	1.91
JPS EMPLOYEE SUPERANNUATION FUND	921,451	1.63
PETER MILLINGEN	921,100	1.63
PAM-INDIVIDUAL RETIREMENT SCHEME	891,451	1.58
GUARDSMAN GROUP LTD	687,285	1.22