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 Year ended April 30, 2017

Your company improved its performance over the previous year with higher sales, significantly higher profits and increased exports. Overall sales for the twelve months are up from $1,215 million to $1,395 million (+15%) with the Lumber Depot Division showing an increase of 11% and the Blue Power Division improving by 24%. Profits before tax rose by 63% (from $85 million to $140 million) and after tax profits improved by 60% (from $76 million to $123 million). Earnings per stock unit increased by 60% from $1.35 to $2.16. Export sales continued their growth, increasing by 31%. Almost 16% of Blue Power Division's overall sales came from exports.

During the course of the year investments totaling $65 million were undertaken to increase warehousing capacity, streamline production processes, revamp our packaging, introduce new products, undertake co-packing for three more distributors and improve the sales facilities at Papine. In the process, we added 18 more jobs between the two Divisions of the company.

In the domestic market, a large number of retail outlets now carry our products and it is not as difficult as it used to be to find Blue Power products on the shelves of supermarkets and other types of shops although the majority of bathing soaps on the shelves are imported. We have achieved this while maintaining our special relationship with wholesalers in Kingston who tend to move substantial quantities of product by supplying smaller shops and street vendors. In the export arena, we have continued to support the distributors of Blue Power products who have shown improved results. In addition, we have established relationships with three local distributors who acquire their branded products from us for export. At the same time, the Lumber Division continues to efficiently provide materials needed for construction by small contractors and large firms.

In the Soap Division we now have the capacity to produce substantially more product on a timely basis and our thrust in the coming year will be to work with our existing distributors and the companies for whom we co-pack to achieve more sales. We believe the competitiveness of the Jamaican dollar will permit us to do better.

On behalf of the Board, I would like to thank our customers and our staff for their support during the year with a promise to continue to strive for better.

Dhiru Tanna
Chairman
June 8, 2017

Directors: Dhiru Tanna (Chairman) Hon. Kenneth Benjamin, O.J.,C.D. Felice Campbell Catherine Goodall Jeffrey Hall Peter Millingen Laura Tanna, O.D. Noel Dawes (Managing)

APRIL 30, 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		11,800,083	20.89
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

BLUE POWER GROUP LIMITED

FINANCIAL STATEMENTS

APRIL 30, 2017

KPMG
Chartered Accountants
P.O. Box 76
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT
To the Members of
BLUE POWER GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Blue Power Group Limited ("the company") comprising the separate financial statements of the company and the consolidated financial statements of the company and its subsidiaries ("the group"), set out on pages 8 to 40 which comprise the group's and company's statement of financial position as at April 30, 2017, the group's and company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at April 30, 2017, and of the group's and company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

R. Tarun Handa
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers
W. Gihan C. de Mel
Nyssa A. Johnson
Wilbert A. Spence
Rochelle N. Stephenson

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
BLUE POWER GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 *Inventories*

Key Audit Matter	*How the matter was addressed in our audit*
Due to the significant volume of stock items and the broad product range that the group carries, there is an inherent risk that material misstatement could arise due to the volume or cost of inventory being incorrectly recorded. Also, certain elements of the group's inventory cost calculations are manual in nature as are certain controls around store inventory.	Our audit procedures in response to this matter, included: • Observation of annual inventory count and selecting a sample of items for testing and agreeing count quantities to final inventory listings. • Testing controls over management review and recording of inventory costing. • Testing a sample of inventory lines to assess whether all elements of the costs attributable to them had been accurately reflecting in the costing calculations; and agreeing the cost of inventories to supporting documentation e.g. purchase invoices.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
BLUE POWER GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matter (continued)

2 *Carrying amount of trade receivables*

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the group's trade receivables may not be recoverable due to changes in the ageing profile of trade receivables and changes in the business and economic environment in which specific customers operate. There is judgment involved in determining the levels of allowance for impairment on these balances, because of the inherent uncertainty involved in estimating the timing and amount of future collections.	Our audit procedures in response to this matter, included: • Testing the recording and ageing of trade receivables. • Testing subsequent receipts for selected customer accounts. • Evaluating the adequacy of the allowance for impairment recognized in respect of trade receivables by assessing management's assumptions used and re-performing the calculation.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
BLUE POWER GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
BLUE POWER GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 6 to 7, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Rajan Trehan.

KPMG

Chartered Accountants
Kingston, Jamaica

June 9, 2017

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
BLUE POWER GROUP LIMITED

Appendix to the Independent Auditors' report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's/group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Appendix to the Independent Auditors' report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BLUE POWER GROUP LIMITED

Group Statement of Financial Position
April 30, 2017

	Notes	2017	2016
NON-CURRENT ASSETS			
Property, plant and equipment	3(a)	114,030,965	63,546,928
Deferred tax asset	11	-	456,513
		114,030,965	64,003,441
CURRENT ASSETS			
Cash and cash equivalents	4	276,294,542	258,643,148
Accounts receivable and prepayments	5	123,244,778	99,461,391
Inventories	6	243,425,764	219,122,742
		642,965,084	577,227,281
CURRENT LIABILITIES			
Accounts payable	7	75,957,099	69,062,007
Due to related party	8(b)	329,790	349,590
Current portion of long-term loan	9	-	1,976,004
Taxation payable		7,556,818	5,555,470
		83,843,707	76,943,071
NET CURRENT ASSETS		559,121,377	500,284,210
TOTAL ASSETS LESS CURRENT LIABILITIES		$673,152,342	564,287,651
EQUITY			
Share capital	10	86,900,147	86,900,147
Retained earnings		584,331,808	472,118,180
		671,231,955	559,018,327
NON-CURRENT LIABILITIES			
Long-term loan	9	-	5,269,324
Deferred tax liability	11	1,920,387	-
		1,920,387	5,269,324
TOTAL EQUITY AND NON-CURRENT LIABILITIES		$673,152,342	564,287,651

The financial statements on pages 8 to 40 were approved for issue by the Board of Directors on June 9, 2017 and signed on its behalf by:

Director
Dr. Dhiru Tanna

Director
Peter Millingen

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Group Statement of Profit or Loss and Other Comprehensive Income
Year ended April 30, 2017

	Notes	2017	2016
Revenue	12	1,395,452,657	1,215,627,817
Cost of revenue	13	(1,068,170,197)	(962,515,011)
Gross profit		327,282,460	253,112,806
Administrative and other expenses	13	(216,923,682)	(181,946,827)
		110,358,778	71,165,979
Other income		8,233,075	3,736,477
Profit before net finance income and taxation		118,591,853	74,902,456
Finance income	14	25,235,307	14,824,555
Finance costs	14	(4,316,469)	(4,268,054)
Net finance income	14	20,918,838	10,556,501
Profit before taxation		139,510,691	85,458,957
Taxation	15	(17,692,233)	(9,384,241)
Profit attributable to members, being total comprehensive income for the year	16	$ 121,818,458	76,074,716
Earnings per stock unit	17	$ 2.16	1.35

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Group Statement of Changes in Equity
Year ended April 30, 2017

	Share capital (note 10)	Retained earnings	Total
Balances at April 30, 2015	86,900,147	404,518,314	491,418,461
Total comprehensive income:			
Profit, being total comprehensive income for the year	-	76,074,716	76,074,716
Transactions with owners:			
Dividends paid (note 18)	-	(8,474,850)	(8,474,850)
Balances at April 30, 2016	86,900,147	472,118,180	559,018,327
Total comprehensive income:			
Profit, being total comprehensive income for the year	-	121,818,458	121,818,458
Transactions with owners:			
Dividends paid (note 18)	-	(9,604,830)	(9,604,830)
Balances at April 30, 2017	$86,900,147	584,331,808	671,231,955

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Group Statement of Cash flows
Year ended April 30, 2017

	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		121,818,458	76,074,716
Adjustments for:			
Depreciation	3(a)	11,899,965	13,145,564
Interest income	14	(14,163,102)	(5,517,340)
Interest expense	14	607,627	792,452
Gain on disposal of property, plant and equipment		(668,546)	-
Taxation	15	17,692,233	9,384,241
Cash generated before changes in working capital		137,186,635	93,879,633
Accounts receivable and prepayments		(20,752,872)	(24,086,505)
Inventories		(24,303,022)	30,393,504
Accounts payable		6,895,092	4,904,101
Due to related party		(19,800)	-
		99,006,033	105,090,733
Taxation paid		(13,313,985)	(2,358,681)
Interest paid		(607,627)	(792,452)
Cash provided by operating activities		85,084,421	101,939,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3(a)	(65,578,115)	(4,370,822)
Proceeds from sale of property, plant and equipment		3,862,659	-
Interest received		11,132,587	5,517,340
Cash (used)/provided by investing activities		(50,582,869)	1,146,518
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loan		(7,245,328)	(1,976,004)
Dividends paid	18	(9,604,830)	(8,474,850)
Cash used by financing activities		(16,850,158)	(10,450,854)
Net increase in cash and cash equivalents		17,651,394	92,635,264
Cash and cash equivalents at beginning of year		258,643,148	166,007,884
Cash and cash equivalents at end of year		$276,294,542	258,643,148

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Company Statement of Financial Position
April 30, 2017

	Notes	2017	2016
NON-CURRENT ASSETS			
Property, plant and equipment	3(b)	98,800,551	47,989,981
Interest in subsidiary	8(a)	17,189,612	17,189,612
Deferred tax asset	11	-	456,513
		115,990,163	65,636,106
CURRENT ASSETS			
Cash and cash equivalents	4	276,294,542	258,643,148
Accounts receivable and prepayments	5	123,244,778	99,461,391
Inventories	6	243,425,764	219,122,742
		642,965,084	577,227,281
CURRENT LIABILITIES			
Accounts payable	7	75,957,099	69,062,007
Due to related party	8(b)	329,790	349,590
Current portion of long-term loan	9	-	1,976,004
Taxation payable		7,556,818	5,555,470
		83,843,707	76,943,071
NET CURRENT ASSETS		559,121,377	500,284,210
TOTAL ASSETS LESS CURRENT LIABILITIES		$675,111,540	565,920,316
EQUITY			
Share capital	10	86,900,147	86,900,147
Retained earnings		586,291,006	473,750,845
TOTAL EQUITY		673,191,153	560,650,992
NON-CURRENT LIABILITIES			
Long-term loan	9	-	5,269,324
Deferred tax liability	11	1,920,387	-
		1,920,387	5,269,324
TOTAL EQUITY AND NON-CURRENT LIABILITIES		$675,111,540	565,920,316

The financial statements on pages 8 to 40 were approved for issue by the Board of Directors on June 9, 2017 and signed on its behalf by:

Director
Dr. Dhiru Tanna

Director
Peter Millingen

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Company Statement of Profit or Loss and Other Comprehensive Income
Year ended April 30, 2017

	Notes	2017	2016
Revenue	12	1,395,452,657	1,215,627,817
Cost of revenue	13	(1,068,170,197)	(962,515,011)
Gross profit		327,282,460	253,112,806
Administrative and other expenses	13	(216,597,149)	(181,620,294)
		110,685,311	71,492,512
Other income		8,233,075	3,736,477
Profit before net finance income and taxation		118,918,386	75,228,989
Finance income	14	25,235,307	14,824,555
Finance costs	14	(4,316,469)	(4,268,054)
Net finance income	14	20,918,838	10,556,501
Profit before taxation		139,837,224	85,785,490
Taxation	15	(17,692,233)	(9,384,241)
Profit attributable to members, being total comprehensive income for the year	16	$ 122,144,991	76,401,249

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Company Statement of Changes in Equity
Year ended April 30, 2017

	Share capital (note 10)	Retained earnings	Total
Balances at April 30, 2015	86,900,147	405,824,446	492,724,593
Total comprehensive income:			
Profit, being total comprehensive income for the year	-	76,401,249	76,401,249
Transactions with owners:			
Dividends paid (note 18)	-	(8,474,850)	(8,474,850)
Balances at April 30, 2016	86,900,147	473,750,845	560,650,992
Total comprehensive income:			
Profit, being total comprehensive income for the year	-	122,144,991	122,144,991
Transactions with owners:			
Dividends paid (note 18)	-	(9,604,830)	(9,604,830)
Balances at April 30, 2017	$86,900,147	586,291,006	673,191,153

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Company Statement of Cash flows
Year ended April 30, 2017

	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		122,144,991	76,401,249
Adjustments for:			
Depreciation	3(b)	11,573,432	12,819,031
Gain on disposal of property, plant and equipment		(668,546)	-
Interest income	14	(14,163,102)	(5,517,340)
Interest expense	14	607,627	792,452
Taxation	15	17,692,233	9,384,241
Cash generated before changes in working capital		137,186,635	93,879,633
Accounts receivable and prepayments		(20,752,872)	(24,086,505)
Inventories		(24,303,022)	30,393,504
Accounts payable		6,895,092	4,904,101
Due to related party		(19,800)	-
		99,006,033	105,090,733
Taxation paid		(13,313,985)	(2,358,681)
Interest paid		(607,627)	(792,452)
Cash provided by operating activities		85,084,421	101,939,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3(b)	(65,578,115)	(4,370,822)
Proceeds from sale of property, plant and equipment		3,862,659	-
Interest received		11,132,587	5,517,340
Cash (used)/provided by investing activities		(50,582,869)	1,146,518
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loan		(7,245,328)	(1,976,004)
Dividends paid	18	(9,604,830)	(8,474,850)
Cash used by financing activities		(16,850,158)	(10,450,854)
Net increase in cash and cash equivalents		17,651,394	92,635,264
Cash and cash equivalents at beginning of year		258,643,148	166,007,884
Cash and cash equivalents at end of year		$276,294,542	258,643,148

The accompanying notes form an integral part of the financial statements.

BLUE POWER GROUP LIMITED

Notes to the Financial Statements
April 30, 2017

1. Incorporation and identity

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 main activities of the company and the group comprise the manufacture and sale of soap and the sale of lumber, hardware supplies and related products.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act.

New and amended standards that became effective during the year:

Certain new, revised and amended standards which were in issue came into effect for the current financial year. The group has assessed them and has adopted those which are relevant to its financial statements.

- IAS 1, *Presentation of Financial Statements*, effective for annual reporting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:
  - specific single disclosures that are not material do not have to be presented even if they are minimum requirements of a standard.
  - the order of notes to the financial statements is not prescribed.
  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material.
  - specific criteria are now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI.
  - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

New and amended standards that became effective during the year (continued):

- Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation,* are effective for accounting periods beginning on or after January 1, 2016.
  - The amendment to IAS 16, *Property, Plant and Equipment* explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
  - The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.
- Improvements to IFRS *2012-2014* cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016.
  - IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset, e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

    IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets* and *Financial Liabilities (Amendment to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.
  - IAS 34, *Interim Financial Reporting,* has been amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report". The interim financial report is incomplete if the interim financial statements and any disclosures incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

The adoption of these amendments did not result in any material changes to the presentation and disclosure in the financial statements.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

New and amended standards issued that are not yet effective:

At the date of authorisation of the financial statements, the following new and amended standards, which were in issue, were not yet effective and had not been early adopted by the group. Those which management considered may be relevant to the group are as follows:

- Amendments to IAS 7, *Statement of Cash Flows*, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:
  - The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.
  - A deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.
  - Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.
  - An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.
  - Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

- IFRS 9, *Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

New and amended standards issued that are not yet effective (continued):

- IFRS 9, *Financial Instruments (continued)*

  IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue–Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

  The group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

  There are new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

- IFRS 16, *Leases,* which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising new assets and liabilities.

  The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short-term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

  Early adoption is permitted if IFRS 15 Revenue from Contracts with customers is also adopted.

Management is currently assessing the impact, if any, on the financial statements in the future when the standards or amendments are adopted.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(b) Basis of measurement and functional currency:

The financial statements are prepared using the historical cost basis and are presented in Jamaica dollars ($), which is the functional currency of the group.

(c) Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expense for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, based on default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(ii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

(iii) Residual value and expected useful life of property, plant and equipment:

The residual value and the expected useful life of an asset are reviewed at least at each financial year-end. If expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the group.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(c) Use of estimates and judgements (continued):

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(d) Basis of consolidation:

(i) A "subsidiary" is an enterprise controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

The consolidated financial statements include the financial statements of the company and its wholly-owned subsidiaries, Papine Properties Limited and Cotrade Limited made up to April 30, 2017. Cotrade Limited is a wholly owned subsidiary of Papine Properties Limited, which is owned by Blue Power Group Limited. The company and its subsidiaries are collectively referred to as "the group". These subsidiaries are currently dormant and the shareholdings are the same for 2017 and 2016. Papine Properties Limited is registered in the British Virgin Islands and Cotrade Limited is registered in Jamaica.

(ii) Transactions eliminated on consolidation

Balances and transactions between companies within the group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions between the group and its subsidiaries are eliminated to the extent of the group's interest in the subsidiary. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(e) Property, plant and equipment:

(i) Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in profit and loss.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(e) Property, plant and equipment (continued):

(ii) Depreciation:

Depreciation is computed on a straight-line basis at annual rates estimated to write down the cost of the assets to their estimated residual values at the end of their expected useful lives. No depreciation is charged on freehold land or capital work-in-progress. Annual depreciation rates are as follows:

Buildings	2.5%
Leasehold improvements	10%
Plant and machinery	10%
Furniture, fixtures and office equipment	10 - 15%
Computers	22.50%
Motor vehicle	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

(f) Cash and cash equivalents:

Cash and cash equivalents comprise cash, bank balances and resale agreements.

Resale agreements are short-term transactions whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price. The difference between the purchase and resale considerations is recognised as interest income on the accrual basis over the period of the agreements, using the effective interest method.

Bank overdraft, repayable on demand and forming an integral part of the group's cash management activities, is included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Inventories:

Inventories are stated at the lower of cost, determined on the weighted average basis, and net realisable value. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. In the case of manufactured inventories, net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Accounts receivable:

Trade and other accounts receivables are measured at amortised cost, less impairment losses.

(i) Accounts payable:

Trade and other payables are measured at amortised cost.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(j) Impairment:

The carrying amounts of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or group of operating assets exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount:

The recoverable amount of the group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the group of operating assets to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Borrowings:

Banks and other loans are recognised initially at cost. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective interest basis.

(l) Employee benefits:

Employees' entitlement to annual leave and other benefits are recognised when they accrue to employees.

(m) Revenue:

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(n) Net finance cost:

(i) Interest income arises mainly on bank deposits and is recognised in profit or loss as it accrues, taking into account the yield on the asset.

(ii) Finance cost comprises interest payable on long-term loan, calculated using the effective interest rate method, material bank charges and foreign exchange losses and is recognised in profit or loss.

(o) Taxation:

Taxation on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the values were determined.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(q) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity or any member of a group of which it is a part provides key management services to the reporting entity or to the parent of the reporting entity.

(c) A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(r) 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.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(r) Segment reporting (continued):

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 soap
(ii) Lumber division - Sale of lumber, hardware supplies and related products

The manufacturing operations are conducted at 4 Victoria Avenue, Kingston, Jamaica and the lumber division operations are carried out mainly at Papine in St. Andrew, Jamaica.

Transactions between business segments have been eliminated.

(s) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents and accounts receivable and prepayments. Similarly, financial liabilities include accounts payable, due to related party and long term loan.

(t) Determination of fair value:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other generally accepted valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

3. Property, plant and equipment

(a) The Group:

	Land and building	Leasehold improvements	Plant and machinery	Furniture and fixtures	Computers and office equipment	Motor vehicle	Total
At cost:							
April 30, 2015	17,189,612	9,229,043	72,899,547	9,722,299	8,411,121	5,240,343	122,691,965
Additions	-	1,368,740	1,244,723	252,660	1,504,699	-	4,370,822
April 30, 2016	17,189,612	10,597,783	74,144,270	9,974,959	9,915,820	5,240,343	127,062,787
Additions	-	21,373,568	32,250,014	189,519	944,772	10,820,242	65,578,115
Disposals	-	-	-	-	-	(5,240,343)	(5,240,343)
April 30, 2017	17,189,612	31,971,351	106,394,284	10,164,478	10,860,592	10,820,242	187,400,559
Depreciation:							
April 30, 2015	1,306,132	6,435,912	30,278,355	5,783,808	6,566,088	-	50,370,295
Charge for the year	326,533	771,816	9,820,751	262,036	654,342	1,310,086	13,145,564
April 30, 2016	1,632,665	7,207,728	40,099,106	6,045,844	7,220,430	1,310,086	63,515,859
Charge for the year	326,533	2,118,681	7,138,977	238,418	619,863	1,457,493	11,899,965
Disposals	-	-	-	-	-	(2,046,230)	(2,046,230)
April 30, 2017	1,959,198	9,326,409	47,238,083	6,284,262	7,840,293	721,349	73,369,594
Net book values:							
April 30, 2017	$15,230,414	22,644,942	59,156,201	3,880,216	3,020,299	10,098,893	114,030,965
April 30, 2016	$15,556,947	3,390,055	34,045,164	3,929,115	2,695,390	3,930,257	63,546,928
April 30, 2015	$15,883,480	2,793,131	42,621,192	3,938,491	1,845,033	5,240,343	72,321,670

(b) The Company:

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Computers and office equipment	Motor vehicle	Total
At cost:						
April 30, 2015	9,229,043	72,899,547	9,722,299	8,411,121	5,240,343	105,502,353
Additions	1,368,740	1,244,723	252,660	1,504,699	-	4,370,822
April 30, 2016	10,597,783	74,144,270	9,974,959	9,915,820	5,240,343	109,873,175
Additions	21,373,568	32,250,014	189,519	944,772	10,820,242	65,578,115
Disposals	-	-	-	-	(5,240,343)	(5,240,343)
April 30, 2017	31,971,351	106,394,284	10,164,478	10,860,592	10,820,242	170,210,947
Depreciation:						
April 30, 2015	6,435,912	30,278,355	5,783,808	6,566,088	-	49,064,163
Charge for the year	771,816	9,820,751	262,036	654,342	1,310,086	12,819,031
April 30, 2016	7,207,728	40,099,106	6,045,844	7,220,430	1,310,086	61,883,194
Charge for the year	2,118,681	7,138,977	238,418	619,863	1,457,493	11,573,432
Disposals	-	-	-	-	(2,046,230)	(2,046,230)
April 30, 2017	9,326,409	47,238,083	6,284,262	7,840,293	721,349	71,410,396
Net book values:						
April 30, 2017	$22,644,942	59,156,201	3,880,216	3,020,299	10,098,892	98,800,551
April 30, 2016	$ 3,390,055	34,045,164	3,929,115	2,695,390	3,930,257	47,989,981
April 30, 2015	$ 2,793,131	42,621,192	3,938,491	1,845,033	5,240,343	56,438,190

4. Cash and cash equivalents

	The Group and the Company	
	2017	2016
Cash in hand	10,832,920	6,961,194
Call deposits (a)	42,296,410	71,724,347
Resale agreements (b)	223,165,212	179,957,607
	$276,294,542	258,643,148

(a) Call deposits include US$34,050 (2016: US$30,605) which earns interest at an average rate of 0.20% (2016: 0.20%).

(b) The fair value of securities obtained by the company under resale agreements approximates the carrying value of the agreements. The resale agreements are held with JN Fund Managers Limited and JN Bank Limited and include $57,226,707 (2016: $13,174,582) and US$1,295,511 (2016: US$1,357,062) which earn interest at a rate of 7.10% (2016: 5.75%) and 6% (2016: 6%) respectively. During the year, the company's chairman also served as a director of JN Fund Managers Limited and JN Bank Limited.

5. Accounts receivable and prepayments

	The Group and the Company	
	2017	2016
Trade receivables (a)	126,239,881	98,981,150
Deposits and prepayments	2,541,971	8,672,988
Other	5,685,776	2,556,719
	134,467,628	110,210,857
Less: Allowances for impairment losses	(11,222,850)	(10,749,466)
	$123,244,778	99,461,391

(a) Included in trade receivables is $9,612,827 (2016: $2,625,483) due from related parties in the ordinary course of business.

The aging of trade receivables at the reporting date was:

	The Group and the Company			
	2017		2016	
	Gross	Impairment	Gross	Impairment
Not past due	46,506,775	-	46,396,998	-
Past due 31-90 days	54,749,626	-	41,834,686	-
More than 90 days	24,983,480	(11,222,850)	10,749,466	(10,749,466)
	$126,239,881	(11,222,850)	98,981,150	(10,749,466)

5. Accounts receivable and prepayments (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	The Group and the Company	
	2017	2016
Balance at beginning of year	10,749,466	8,751,038
Impairment loss expensed	473,384	1,998,428
Balance at end of year	$11,222,850	10,749,466

6. Inventories

	The Group and the Company	
	2017	2016
Merchandise	73,129,013	73,272,696
Raw materials	99,267,328	86,153,248
Packaging materials	19,584,074	20,702,609
Manufactured finished goods	11,231,130	3,395,344
Work in progress	1,879,563	1,193,745
	205,091,108	184,717,642
Goods in transit	40,934,656	35,683,721
	246,025,764	220,401,363
Less: Allowance for impairment	(2,600,000)	(1,278,621)
	$243,425,764	219,122,742

No provision has been made in these financial statements for duties and other expenses to be incurred in clearing goods-in-transit.

During the year, raw materials, merchandise and changes in finished goods included in cost of revenue amounted to $1,037,795,836 (2016: $936,363,803). Inventories written-off amounted to $2,368,967 (2016: $Nil).

7. Accounts payable

	The Group and the Company	
	2017	2016
Trade payables	29,809,518	30,571,660
Other payable, accruals and provisions	38,106,295	29,236,327
Statutory payables	1,961,361	1,878,203
General consumption tax payable	6,079,925	7,375,817
	$75,957,099	69,062,007

Included in accounts payable is $643,449 (2016: $6,575,000) due to related parties.

8. Due from/(to) related parties and related party transactions

	The Company	
	2017	2016
(a) Interest in subsidiary:		
(i) Due from a subsidiary after twelve months: Cotrade Limited	17,189,512	17,189,512
(ii) Shares at cost in Papine Properties Limited	100	100
	$17,189,612	17,189,612

The balance due from Cotrade Limited is classified as non-current by the Board of Directors of the company, is interest free and not subject to any fixed repayment terms.

	The Group and the Company	
	2017	2016
(b) Due to related party within twelve months:		
Alacrity Limited	$329,790	349,590

(c) Related party transactions:

Charged/(credited) to income:

	The Group and the Company	
	2017	2016
	$	$
Rental from a related party – JN Bank Limited	(1,733,845)	(1,821,526)
Rental to a related party – Alacrity Limited	1,640,000	1,440,000
Sales to related parties	(47,834,698)	(4,251,028)
Key management personnel expense	51,661,831	49,278,887

9. Long-term loan

	The Group and the Company	
	2017	2016
Loan	-	7,245,328
Less: Current portion	-	(1,976,004)
	-	5,269,324

The loan was granted by JN Fund Managers Limited to facilitate the financing of the company's energy saving capital expenditure programme. It bore interest at 9.5%, was paid monthly in the amount of $164,667 plus interest. The loan was secured by a legal mortgage over a property owned by the company and the assignment of all risk peril insurance over the buildings. The loan was fully repaid during the year.

10. Share capital

	2017	2016
Authorised:		
99,000,000 (2016: 99,000,000) ordinary shares of no par value		
Stated capital:		
Issued and fully paid:		
56,499,000 (2016: 56,499,000) ordinary stock units of no par value	$86,900,147	86,900,147

11. Deferred taxation

Deferred tax asset/(liability) is attributable to the following:

	The Group and the Company				
	April 30, 2015	Recognised in income	April 30, 2016	Recognised in income	April 30, 2017
Unrealized exchange loss	-	2,412	2,412	(3,424)	(1,012)
Property plant and equipment	(396,498)	897,486	500,988	(1,994,662)	(1,493,674)
Interest receivable	(93,774)	46,887	(46,887)	(378,814)	(425,701)
	$(490,272)	946,785	456,513	(2,376,900)	(1,920,387)

12. Revenue

Revenue represents the sale of soaps, construction and related hardware supplies and is stated net of General Consumption Tax and after deducting discounts and rebates.

13. Expenses by nature

	The Group		The Company	
	2017	2016	2017	2016
Cost of sales:				
Wharfage, freight and customs	6,958,949	5,524,677	6,958,949	5,524,677
Raw material	1,037,795,836	936,363,803	1,037,795,836	936,363,803
Utilities	2,959,510	2,290,866	2,959,510	2,290,866
Salaries and wages	20,455,902	18,335,665	20,455,902	18,335,665
	$1,068,170,197	962,515,011	1,068,170,197	962,515,011
Administrative expenses:				
Salaries and wages	106,647,825	88,925,069	106,647,825	88,925,069
Repairs and Maintenance	11,451,601	10,926,519	11,451,601	10,926,519
Utilities	2,898,328	2,829,493	2,898,328	2,829,493
Depreciation	11,899,965	13,145,564	11,573,432	12,819,031
Audit fees	2,300,000	2,100,000	2,300,000	2,100,000
Professional fees	9,872,548	6,423,583	9,872,548	6,423,583
Advertising and Promotion	11,668,115	10,278,789	11,668,115	10,278,789
Travel and Motor vehicles	17,806,764	10,290,891	17,806,764	10,290,891
Statutory Contributions	9,606,305	8,496,317	9,606,305	8,496,317
Insurance	9,483,399	9,587,198	9,483,399	9,587,198
Bad Debts	473,384	1,998,428	473,384	1,998,428
Taxes, penalties and levy	2,394,420	1,887,589	2,394,420	1,887,589
Rental	2,640,000	1,440,000	2,640,000	1,440,000
Security	8,511,627	6,246,598	8,511,627	6,246,598
Miscellaneous	105,000	141,499	105,000	141,499
Office Expenses	9,164,401	7,229,290	9,164,401	7,229,290
	$ 216,923,682	181,946,827	216,597,149	181,620,294

14. Net finance income

	The Group and the Company	
	2017	2016
Finance income:		
Interest income	14,163,102	5,517,340
Foreign exchange gain	11,072,205	9,307,215
	25,235,307	14,824,555
Finance costs:		
Interest expense	(607,627)	(792,452)
Bank charges and fees	(3,708,842)	(3,475,602)
	(4,316,469)	(4,268,054)
	$20,918,838	10,556,501

15. Taxation

(a) The expense is based on the profit for the year adjusted for tax purposes and is made up as follows:

	The Group and the Company	
	2017	2016
	$	$
Current tax expenses:		
Income tax	15,315,333	10,331,026
Deferred tax expenses:		
Origination and reversal of other temporary difference	2,376,900	(946,785)
Total taxation expense	17,692,233	9,384,241

(b) Reconciliation of actual tax charge/(credit):

	The Group		The Company	
	2017	2016	2017	2016
Profit for the year	139,510,691	85,458,957	139,837,224	85,785,490
Computed "expected" tax at 25% (2016: 25%)	34,877,673	21,364,739	34,959,306	21,446,373
Tax effect of differences between treatment for financial statement and taxation purposes:				
Depreciation and capital allowances, net	2,862,829	(238,999)	2,781,196	(320,633)
Expenses not allowable for tax purposes	(2,356,036)	(2,357,257)	(2,356,036)	(2,357,257)
	35,384,466	18,768,483	35,384,466	18,768,483
Adjustment for the effect of tax remission [note (c)]	(17,692,233)	(9,384,242)	(17,692,233)	(9,384,242)
	$ 17,692,233	9,384,241	17,692,233	9,384,241

15. Taxation (continued)

(c) Remission of income tax:

The company's shares were listed on the Junior Market of the Jamaica Stock exchange, effective April 22, 2010. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5	100%
Years 5 to 10	50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

16. Disclosure of expenses

Profit attributable to members is stated after charging:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Directors' emoluments:				
Fees	2,700,000	1,800,000	2,700,000	1,800,000
Management remuneration	32,883,854	32,527,219	32,883,854	32,527,219

17. Earnings per stock unit

Earnings per ordinary stock unit, is calculated by dividing the profit attributable to shareholders by the weighted average number of stock units in issue during the year.

	2017	2016
Profit attributable to shareholders	$121,818,458	76,074,716
Weighted average number ordinary stock units in issue	56,499,000	56,499,000
Basic and diluted earnings per stock unit	$ 2.16	1.35

18. Dividends

	2017	2016
17 cents (2016: 15 cents) per qualifying ordinary stock unit	$ 9,604,830	8,474,850

During the year, a dividend of $0.17 (2016: $0.15) per stock unit was declared on July 13, 2016 (2016: July 8, 2015) and paid on August 29, 2016 (2016: August 24, 2015).

19. Segment financial information

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	2017		
	The Group		
	Lumber Division $	Soap Division $	Total $
Revenue	955,896,180	439,556,477	1,395,452,657
Profit from operations	41,917,494	68,441,284	110,358,778
Other income	3,778,117	4,454,958	8,233,075
Net finance income	15,816,637	5,102,201	20,918,838
Profit for the year	61,512,248	77,998,443	139,510,691
Segment assets			
Non-current assets	38,450,605	75,580,360	114,030,965
Current assets	373,007,373	269,957,711	642,965,084
	411,457,978	345,538,071	756,996,049
Segment liabilities			
Current liabilities	42,058,120	41,785,587	83,843,707
Non-current liabilities	490,272	1,430,115	1,920,387
	42,548,392	43,215,702	85,764,094
Other segment items:			
Capital expenditure	16,521,633	49,056,482	65,578,115
Depreciation	3,703,579	8,196,386	11,899,965

19. Segment financial information (continued)

	2016		
	The Group		
	Lumber Division $	Soap Division $	Total $
Revenue	860,184,477	355,443,340	1,215,627,817
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 assets	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

20. Financial instruments

The group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

The Board of Directors, together with management, has overall responsibility for the establishment and oversight of the group's risk management framework.

20. Financial instruments (continued)

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities.

(a) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(i) Currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The group is exposed to foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaica dollar. The main currency giving rise to this risk is the United States dollars (US$).

The group manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

The table below shows the group's main foreign currency exposure at the reporting date.

	The Group and the Company Net foreign currency monetary assets/(liabilities)			
	2017		2016	
	US$	J$	US$	J$
Cash and cash equivalents	1,329,559	170,299,932	1,387,667	170,350,001
Interest receivable	26,588	3,405,612	-	-
Accounts payable	(17,353)	(2,222,662)	(2,707)	(332,303)
Net position	1,338,794	171,482,882	1,384,960	170,017,698

Exchange rates for the US dollar, in terms of Jamaica dollars ($), were as follows:

April 30, 2017	$128.09
April 30, 2016	$122.76

20. Financial instruments (continued)

(a) Market risk (cont'd):

(i) Currency risk (cont'd):

Sensitivity analysis

A 6% (2016: 8%) strengthening of the US$ against the Jamaica dollar would have increased profit for the year by $10,385,718 (2016: $13,601,416) respectively.

A 1% (2016: 1%) weakening of the US$ against the Jamaica dollar would have decreased profit for the year by $1,730,953 (2016: $1,700,177) respectively.

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis for 2016.

(ii) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Interest-bearing financial assets mainly comprise bank deposits and resale agreements, which have been contracted at variable interest rates for the duration of their terms.

The company's cash and cash equivalents are subject to interest rate risk; however, it manages this risk by maintaining deposits and negotiating the most advantageous interest rates. Interest rates on certain loan are fixed and are not affected by fluctuations in market interest rates.

At the reporting date the interest profile of the group's interest bearing financial instruments was:

	The Group and the Company	
	2017	2016
	$	$
Fixed rate:		
Assets	42,186,944	64,979,740
Liabilities	-	(7,245,328)
	42,186,944	57,734,412
Variable rate:		
Assets	223,165,212	179,957,607

Fair value sensitivity analysis for fixed rate instruments

The group does not hold any financial instruments that are carried at fair value. Therefore, a change in interest rates, at the reporting dates, would not affect profit or loss or the value of the group's financial instruments.

20. Financial instruments (continued)

(a) Market risk (cont'd):

(ii) Interest rate risk (cont'd):

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points (2016: 50 basis points) in interest rates at the reporting date would have increased profit by $2,231,652 (2016: $899,788) while a 100 basis points (2016:100 basis points) decline in interest rates at the reporting date would have decreased profit by $2,231,652 (2016: $1,799,576).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

(b) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Credit exposures arise principally from the group's receivables from customers and deposits held with financial institutions.

At reporting date, 93% (2016: 70%) of the company's cash resources were held with one financial institution which is believed to be a substantial counter-party with a minimal risk of default. Otherwise, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial assets on the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are maintained with financial institutions that are appropriately licensed and regulated, therefore management believes that the risk of default is low.

Trade receivables

The group's exposure to this risk is minimal in that approximately 81% of its trade debtors are under 90 days. Management has established a credit policy under which each customer is analysed for creditworthiness prior to being offered a credit facility. Each customer is given a maximum time allowed for having balances outstanding and procedures are in place to restrict customer orders if outstanding debts are not cleared within the credit period.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables (see note 5).

20. Financial instruments (continued)

(c) Liquidity risk:

Liquidity risk is the risk that the group will not meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The management of the group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments, and has a revolving line of credit in place on which the company can draw amounts when needed and repay without penalty.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	The Group and the Company					
	Carrying amount	Contractual cashflow	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years
April 30, 2017:						
Accounts payable	75,957,099	75,957,099	75,957,099	-	-	-
Due to related party	329,790	329,790	329,790	-	-	-
	$76,286,889	76,286,889	76,286,889	-	-	-
April 30, 2016:						
Accounts payable	69,062,007	69,062,007	69,062,007	-	-	-
Long-term loan	7,245,328	8,479,133	1,305,669	1,257,110	2,375,058	3,541,296
Due to related party	349,590	349,590	349,590	-	-	-
	$76,656,925	77,890,730	70,717,266	1,257,110	2,375,058	3,541,296

(d) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors, other than financial risks, such as those arising from legal, regulatory requirements and other natural disasters.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management.

20. Financial instruments (continued)

(e) Capital management:

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital as well as meet externally imposed capital requirements.

The Board of Directors monitors the return on capital, which is defined as profit for the year divided by total stockholders' equity.

The group is not subject to any externally imposed capital requirements.

(f) Fair value disclosure:

The carrying value of cash and cash equivalents, accounts receivable and prepayments, amount due to related party and accounts payable are assumed to approximate their fair values due to their short-term nature. Long-term liability is carried at contracted settlement value, which is believed to approximate fair value as the loan is at market rates and terms.