



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

Managing Director's Report for the Quarter ended January 31, 2019

The third quarter ended January 31, 2019 shows increased sales and improved profits. Overall sales for the three-month period are up by 5% from \$388 million to \$409 million with the Lumber Depot Division showing an increase of 13% while the Blue Power Division declined by 11%. For the nine-month period, however, Lumber Depot Division sales increased by 10% while the Blue Power Division sales grew by 12%. In the period under review profits have been bolstered by significant benefits due to changes in the exchange rate. The overall increase in sales for this quarter was accompanied by net finance income which was \$18.54 million compared to a net financial cost of \$4.40 million for the same period last year. Thus, due to improved sales and net financial income, profit after tax was up by 51% from \$79 million last year to \$120 million this year in the first nine months.

Our efforts to improve our export performance continue to show results. Export sales showed an increase of 42% on a year-to-date basis, rising from \$74 million in the previous year to \$103 million in the current year.

There appears to be more trading activity in terms of our shares on the JSE. We will present a comparative analysis at the end of the financial year.

The laundry soap business continues to face heightened competition from local and international manufacturers. We will continue to monitor the situation to protect the gains we have made.


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.

Noel Dawes
Managing Director
February 25, 2019

Blue Power Group Limited
Consolidated Statement of Financial Position
Nine months ended January 31, 2019

	Unaudited January 31, 2019	Unaudited January 31, 2018	Audited April 30, 2018
ASSETS:			
Non-current assets			
Property, plant and equipment	156,476,018	111,625,862	159,417,069
Investment	218,188,648	-	148,500,000
	<u>374,664,666</u>	<u>111,625,862</u>	<u>307,917,069</u>
Current assets			
Cash and cash equivalents	181,791,475	315,506,169	188,082,833
Accounts receivable and prepayments	128,662,516	136,150,078	118,333,630
Inventories	299,899,810	254,204,390	290,023,331
	<u>610,353,801</u>	<u>705,860,637</u>	<u>596,439,794</u>
Current liabilities			
Accounts payable	98,559,955	66,747,073	105,543,930
Due to related party	49,940	189,990	28,980,434
Taxation payable	13,510,094	8,863,199	6,164,516
	<u>112,119,989</u>	<u>75,800,262</u>	<u>140,688,880</u>
Net Current Assets	<u>498,233,812</u>	<u>630,060,375</u>	<u>455,750,914</u>
Total Assets Less Current Liabilities	<u>872,898,478</u>	<u>741,686,237</u>	<u>763,667,983</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	785,068,636	652,865,703	675,838,141
	<u>871,968,783</u>	<u>739,765,850</u>	<u>762,738,288</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	929,695	1,920,387	929,695
	<u>929,695</u>	<u>1,920,387</u>	<u>929,695</u>
Total Equity And Non-Current Liabilities	<u>872,898,478</u>	<u>741,686,237</u>	<u>763,667,983</u>

Approved for issue by the Board of Directors on Feb 28, 2019, and signed on its behalf by:



Noel Dawes Director



Peter Millingen Director

Blue Power Group Limited
Consolidated Statement of Profit or loss and Other Comprehensive Income
Nine months ended January 31, 2019

	Unaudited 3 months to January 31, 2019	Unaudited 3 months to January 31, 2018	Unaudited 9 months to January 31, 2019	Unaudited 9 months to January 31, 2018	Audited April 30, 2018
Revenue	408,621,826	388,301,366	1,270,930,172	1,149,490,850	1,507,586,013
Cost of revenue	<u>(316,884,397)</u>	<u>(302,170,440)</u>	<u>(975,312,486)</u>	<u>(897,764,282)</u>	<u>(1,184,451,047)</u>
Gross profit	91,737,429	86,130,926	295,617,686	251,726,568	323,134,966
Administrative and other expenses	<u>(59,707,973)</u>	<u>(55,751,639)</u>	<u>(178,992,783)</u>	<u>(159,205,044)</u>	<u>(210,719,857)</u>
	32,029,456	30,379,287	116,624,903	92,521,524	112,415,109
Other income	<u>628,783</u>	<u>246,798</u>	<u>1,075,025</u>	<u>2,022,072</u>	<u>3,446,243</u>
Profit before net finance costs and taxation	<u>32,658,239</u>	<u>30,626,085</u>	<u>117,699,928</u>	<u>94,543,596</u>	<u>115,861,352</u>
Finance income	6,557,413	1,319,372	22,993,115	8,644,377	14,864,152
Finance cost	<u>(1,441,395)</u>	<u>(5,432,425)</u>	<u>(4,454,978)</u>	<u>(13,047,756)</u>	<u>(14,797,968)</u>
Net financial (cost)/income	<u>5,116,018</u>	<u>(4,113,053)</u>	<u>18,538,137</u>	<u>(4,403,379)</u>	<u>66,184</u>
Profit for the period	37,774,257	26,513,032	136,238,065	90,140,217	115,927,536
Taxation	<u>(4,588,108)</u>	<u>(3,247,457)</u>	<u>(16,272,760)</u>	<u>(10,871,522)</u>	<u>(13,686,393)</u>
Profit attributable to members, being total comprehensive income for the period	<u>33,186,149</u>	<u>23,265,575</u>	<u>119,965,305</u>	<u>79,268,695</u>	<u>102,241,143</u>
Earnings per stock unit	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>	<u>\$ 0.14</u>	<u>\$ 0.18</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Nine months ended January 31, 2019

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2017 (audited)	86,900,147	584,331,808	671,231,955
Dividends paid	-	(10,734,800)	(10,734,800)
Total comprehensive income for the quarter	-	<u>79,268,695</u>	<u>79,268,695</u>
Balances as at January 31, 2018 (unaudited)	<u>86,900,147</u>	<u>652,865,703</u>	<u>739,765,850</u>
Balances as at April 30, 2018 (audited)	86,900,147	675,838,141	762,738,288
Dividends Paid	-	(10,734,810)	(10,734,810)
Total comprehensive income for the quarter	-	<u>119,965,305</u>	<u>119,965,305</u>
Balance as quarter end January 31, 2019 (unaudited)	<u>86,900,147</u>	<u>785,068,636</u>	<u>871,968,783</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Nine months ended January 31, 2019

	Unaudited January 31, 2019	Unaudited January 31, 2018	Audited April 30, 2018
Cash Flows From Operating Activities			
Profit for the quarter	119,965,305	79,268,695	102,241,143
Adjustments for:			
Interest Income	(10,370,223)	(8,644,377)	(14,864,152)
Interest expense	138,969	3,378,575	-
Depreciation	12,209,089	11,861,936	16,494,784
Gain on disposal of property, plant and equipment	-	-	485,833
Taxation	16,272,760	10,871,522	13,686,393
Cash generated before changes in working capital	138,215,900	96,736,351	118,044,001
Inventories	(9,876,479)	(10,778,626)	(46,597,567)
Accounts receivables and prepayments	(10,328,886)	(12,905,300)	7,527,410
Accounts payable	(6,983,975)	(9,210,026)	29,586,831
Due to related party	(28,930,494)	(139,800)	28,650,644
Cash provided by operations	82,096,066	63,702,599	137,211,319
Interest paid	(138,969)	(3,378,575)	-
Taxation paid	(6,183,176)	(9,565,141)	(16,069,387)
Cash provided by operating activities	75,773,921	50,758,883	121,141,932
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	(12,012,044)	(9,456,833)	(64,766,721)
Proceeds from sale of property, plant and equipment	-	-	2,400,000
Purchase of Investments	(69,688,648)	-	(148,500,000)
Interest received	10,370,223	8,644,377	12,247,890
Cash used by investing activity	(71,330,469)	(812,456)	(198,618,831)
Cash Flows From Financing Activities			
Dividends paid	(10,734,810)	(10,734,800)	(10,734,810)
Cash (used)/provided by Financing Activities	(10,734,810)	(10,734,800)	(10,734,810)
Net increase in cash and cash equivalents	(6,291,358)	39,211,627	(88,211,709)
Cash and cash equivalents at beginning of the period	188,082,833	276,294,542	276,294,542
Cash and cash equivalents at end of period	\$ 181,791,475	315,506,169	188,082,833

Blue Power Group Limited
Consolidated Segment Reporting
Nine months ended January 31, 2019

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	890,330,686	380,599,486	1,270,930,172
Profit from operations	50,489,561	66,135,342	116,624,903
Other income	628,783	446,242	1,075,025
Net finance (cost)/income	8,750,121	9,788,016	18,538,137
Profit before taxation	59,868,465	76,369,600	136,238,065
Taxation	(6,996,464)	(9,276,296)	(16,272,760)
Profit for the period	52,872,001	67,093,304	119,965,305
Segment assets			
Non-current	307,758,101	66,906,565	374,664,666
Current assets	280,602,347	329,751,454	610,353,801
	588,360,448	396,658,019	985,018,467
Segment liabilities			
Current liabilities	80,599,556	31,520,433	112,119,989
Non-Current liabilities	490,272	439,423	929,695
	81,089,828	31,959,856	113,049,684
Other segment items:			
Capital expenditure	9,767,273	2,244,771	12,012,044
Depreciation	3,883,867	8,325,222	12,209,089

Blue Power Group Limited
Consolidated Segment Reporting
Nine months ended January 31, 2018

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	808,715,235	340,775,615	1,149,490,850
Profit from operations	42,974,388	49,547,136	92,521,524
Other income	1,945,764	76,308	2,022,072
Net finance (cost)/income	(389,669)	(4,013,710)	(4,403,379)
Profit before taxation	44,530,483	45,609,734	90,140,217
Taxation	(5,193,231)	(5,678,291)	(10,871,522)
Profit for the period	39,337,252	39,931,443	79,268,695
Segment assets			
Non-current	35,512,145	76,113,717	111,625,862
Current assets	424,773,352	281,087,285	705,860,637
	460,285,497	357,201,002	817,486,499
Segment liabilities			
Current liabilities	63,173,977	12,626,285	75,800,262
Non-Current liabilities	490,272	1,430,115	1,920,387
	63,664,249	14,056,400	77,720,649
Other segment items:			
Capital expenditure	384,663	9,072,170	9,456,833
Depreciation	3,323,123	8,538,813	11,861,936

Blue Power Group Limited
Consolidated Segment Reporting
Year ended April 30, 2018

	Lumber Division	Soap Division	Total
	₹	₹	₹
Revenue	1,067,226,465	440,359,548	1,507,586,013
Profit from operations	54,738,572	57,676,537	112,415,109
Other income	3,369,936	76,307	3,446,243
Net finance (cost)/income	3,909,064	(3,842,880)	66,184
Profit for the year	62,017,572	53,909,964	115,927,536
Segment assets			
Non-current	83,727,461	224,189,608	307,917,069
Current assets	442,139,868	154,299,926	596,439,794
	525,867,329	378,489,534	904,356,863
Segment liabilities			
Current liabilities	63,240,139	77,448,741	140,688,880
Non-current liabilities	490,272	439,423	929,695
	63,730,411	77,888,164	141,618,575
Other segment items:			
Capital expenditure	54,049,192	10,717,529	64,766,721
Depreciation	4,309,973	12,184,811	16,494,784

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, 2018.

BLUE POWER GROUP LIMITED

31-Jan-19

TOTAL SHARES OUTSTANDING: 564,990,000

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
KENNETH BENJAMIN**	SELF	31,302,000	5.5403
FELICE CAMPBELL	SELF	0	0.0000
NOEL DAWES***	SELF	14,127,150	2.5004
CATHERINE GOODALL	SELF	0	0.0000
JEFFREY HALL (SWEE TEEN CHUA)	SELF	2,274,338	0.4025
PETER MILLINGEN	SELF	8,211,000	1.4533
DHIRU TANNA* (LAURA TANNA)	SELF	100,000	0.0177
LAURA TANNA*	SELF	0	0.0000
*ANTIBES HOLDINGS LTD	CONNECTED PARTY	283,008,000	50.0908
**SHEILA BENJAMIN MCNEIL	CONNECTED PARTY	1,552,650	0.2748
**GUARDSMAN GROUP	CONNECTED PARTY	6,872,850	1.2165
***KAREL DAWES	CONNECTED PARTY	38,070	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	283,008,000	50.09
MAYBERRY WEST INDIES LIMITED	112,481,400	19.91
KENNETH BENJAMIN & SISTER	32,854,650	5.82
JANE FRAY	30,954,000	5.48
NOEL DAWES	14,127,150	2.50
SILVER INVESTMENTS LIMITED	10,778,160	1.91
JPS EMPLOYEE SUPERANNUATION FUND	9,214,510	1.63
PETER MILLINGEN	8,211,000	1.45
PAM-INDIVIDUAL RETIREMENT SCHEME	8,914,510	1.58
GUARDSMAN GROUP LTD	6,872,850	1.22

TOTAL UNITS OWNED BY TOP 10	517,416,230	91.58
-----------------------------	-------------	-------