



Blue Power Soap Division
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Lumber Depot Division
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Managing Director's Report for the Quarter ended July 31, 2019

The first quarter ended July 31, 2019 shows a small increase in sales and lower profits compared to the previous year. Overall sales for the three-month period are up by 1.7% from \$436 million to \$444 million with the Lumber Depot Division showing an increase of 9% while the Blue Power Division dropped by 14%. The primary reason for the reduced profit was the reduction in net finance income to \$9.6 million compared to \$23.0 million for the same period last year. Thus, despite improved sales the decline in net financial income impacted on profit after tax which was down by 26% from \$60.2 million in prior year to \$44.7 million this year, due entirely to a reduction in the level of foreign exchange earnings when compared to the previous year. Earnings per share declined from \$0.11 to \$0.08 or 27%.

The first quarter saw a decline in export sales as a result of a slow down in orders from Guyana orders and the United States. . We have also noticed significant activity by our competitors in both those markets and are providing appropriate support to our distributors.

We have also begun the production of two new products lines. One range will developed for Trinidad and Tobago entity. The other product line is a beauty soap for a United States company concentrating on supplying the diaspora from the Dominican Republic. We hope both of these products will help to improve our export performance.

At the Extraordinary General Meeting held on August 14, 2019 resolutions relating to the separation of the two segments of the Group were approved. Shareholders will soon get their shares in Lumber Depot Limited which has already been formed after the takeover of the assets and liabilities of the Lumber Depot division. In addition, the company plans to raise additional funds through an IPO.

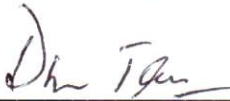
On behalf of the Board, I would like to thank our customers and our staff for their support during the year with a promise to continue to strive for better.

Noel Dawes
Managing Director
August 23, 2019.

Blue Power Group Limited
Consolidated Statement of Financial Position
Three months ended July 31, 2019

	<u>Unaudited</u> <u>July 31, 2019</u>	<u>Unaudited</u> <u>July 31, 2018</u>	<u>Audited</u> <u>April 30, 2019</u>
ASSETS:			
Non-current assets			
Property, plant and equipment	152,177,259	155,833,577	154,207,566
Investment	<u>265,776,000</u>	<u>158,400,000</u>	<u>197,542,590</u>
	<u>417,953,259</u>	<u>314,233,577</u>	<u>351,750,156</u>
Current assets			
Cash and cash equivalents	214,500,079	185,504,626	176,794,096
Accounts receivable and prepayments	140,536,456	143,496,790	132,951,371
Inventories	<u>302,376,852</u>	<u>264,289,119</u>	<u>321,189,755</u>
	<u>657,413,387</u>	<u>593,290,535</u>	<u>630,935,222</u>
Current liabilities			
Accounts payable	117,886,312	83,614,595	72,543,581
Due to related party	-	49,940	-
Taxation payable	<u>14,296,984</u>	<u>10,731,179</u>	<u>11,645,064</u>
	<u>132,183,296</u>	<u>94,395,714</u>	<u>84,188,645</u>
Net Current Assets	<u>525,230,091</u>	<u>498,894,821</u>	<u>546,746,577</u>
Total Assets Less Current Liabilities	<u>943,183,350</u>	<u>813,128,398</u>	<u>898,496,733</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	<u>855,441,580</u>	<u>725,298,556</u>	<u>810,754,963</u>
	<u>942,341,727</u>	<u>812,198,703</u>	<u>897,655,110</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	<u>841,623</u>	<u>929,695</u>	<u>841,623</u>
	<u>841,623</u>	<u>929,695</u>	<u>841,623</u>
Total Equity And Non-Current Liabilities	<u>943,183,350</u>	<u>813,128,398</u>	<u>898,496,733</u>

Approved for issue by the Board of Directors on 26/8/2019, 2019 and signed on its behalf by:


 _____ Director
 Dr. Dhiru Tanna


 _____ Director
 Peter Millingen

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

	Unaudited July 31, 2019	Unaudited July 31, 2018	Audited April 30, 2019
Revenue	443,914,291	436,446,347	1,665,774,917
Cost of revenue	<u>(345,204,548)</u>	<u>(332,694,514)</u>	<u>(1,288,532,000)</u>
Gross profit	98,709,743	103,751,833	377,242,917
Administrative and other expenses	<u>(58,317,987)</u>	<u>(58,300,872)</u>	<u>(243,333,126)</u>
	40,391,756	45,450,961	133,909,791
Other income	<u>727,448</u>	<u>-</u>	<u>1,946,546</u>
Profit before net finance costs and taxation	<u>41,119,204</u>	<u>45,450,961</u>	<u>135,856,337</u>
Finance income	10,844,473	24,642,526	29,327,872
Finance cost	<u>(1,244,404)</u>	<u>(1,625,349)</u>	<u>(6,189,374)</u>
Net financial income	<u>9,600,069</u>	<u>23,017,177</u>	<u>23,138,498</u>
Profit for the period	50,719,273	68,468,138	158,994,835
Taxation	<u>(6,032,656)</u>	<u>(8,272,914)</u>	<u>(19,721,471)</u>
Profit attributable to members, being total comprehensive income for the period	<u>44,686,617</u>	<u>60,195,224</u>	<u>139,273,364</u>
Earnings per stock unit	<u>\$ 0.08</u>	<u>\$ 0.11</u>	<u>\$ 0.25</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Three months ended July 31, 2019

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</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>-</u>	<u>60,195,224</u>	<u>60,195,224</u>
Balances as at July 31, 2018 (unaudited)	<u>86,900,147</u>	<u>725,298,555</u>	<u>812,198,702</u>
Balances as at April 30, 2019 (audited)	86,900,147	810,754,963	897,655,110
Total comprehensive income for the quarter	<u>-</u>	<u>44,686,617</u>	<u>44,686,617</u>
Balance as at quarter ended July 31, 2019 (unaudited)	<u>86,900,147</u>	<u>855,441,580</u>	<u>942,341,727</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Three months ended July 31, 2019

	Unaudited July 31, 2019	Unaudited July 31, 2018	Audited April 30, 2019
Cash Flows From Operating Activities			
Profit for the quarter	44,686,617	60,195,224	139,273,364
Adjustments for:			
Interest Income	(3,665,706)	(6,380,619)	(12,414,829)
Interest expense	-	138,969	-
Depreciation	4,165,445	3,788,110	17,822,114
Write-off of property, plant and equip	-	-	1,549,121
Taxation	6,032,656	8,272,914	19,721,471
Cash generated before changes in working capital	51,219,012	66,014,598	165,951,241
Inventories	18,812,903	25,734,212	(31,166,424)
Accounts receivables and prepayments	(7,585,085)	(25,163,160)	(8,239,473)
Accounts payable	45,342,731	(21,929,335)	(33,000,349)
Due to related party	-	(28,930,494)	(28,980,434)
Cash provided by operations	107,789,561	15,725,821	64,564,561
Interest paid	-	(138,969)	-
Taxation paid	(3,380,736)	(3,706,250)	(14,328,995)
Cash provided by operating activities	104,408,825	11,880,602	50,235,566
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	(2,135,138)	(204,618)	(14,161,732)
Purchase of Investments	(68,233,410)	(9,900,000)	(49,042,590)
Interest received	3,665,706	6,380,619	12,414,829
Cash (used) by investing activity	(66,702,842)	(3,723,999)	(50,789,493)
Cash Flows From Financing Activities			
Dividends paid	-	(10,734,810)	(10,734,810)
Cash (used) by Financing Activities	-	(10,734,810)	(10,734,810)
Net increase/(decrease) in cash and cash equivalents	37,705,983	(2,578,207)	(11,288,737)
Cash and cash equivalents at beginning of the period	176,794,096	188,082,833	188,082,833
Cash and cash equivalents at end of period	\$ 214,500,079	185,504,626	176,794,096

Blue Power Group Limited
Consolidated Segment Reporting
Three months ended July 31, 2019

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	325,238,543	118,675,748	443,914,291
Profit from operations	24,517,665	15,874,091	40,391,756
Other income	547,898	179,550	727,448
Net finance income	(902,043)	10,502,112	9,600,069
Profit before taxation	24,163,520	26,555,753	50,719,273
Taxation	(2,863,558)	(3,169,098)	(6,032,656)
Profit for the period	21,299,962	23,386,655	44,686,617
Segment assets			
Non-current	19,124,189	398,829,070	417,953,259
Current assets	205,020,241	452,393,146	657,413,387
	<u>224,144,430</u>	<u>851,222,216</u>	<u>1,075,366,646</u>
Segment liabilities			
Current liabilities	86,751,854	45,431,442	132,183,296
Non-Current liabilities	490,272	351,351	841,623
	<u>87,242,126</u>	<u>45,782,793</u>	<u>133,024,919</u>
Other segment items:			
Capital expenditure	1,233,011	902,127	2,135,138
Depreciation	1,015,560	3,149,885	4,165,445

Blue Power Group Limited
Consolidated Segment Reporting
Three months ended July 31, 2018

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	298,636,632	137,809,715	436,446,347
Profit from operations	18,675,820	26,774,141	45,449,961
Net finance costs	10,052,666	12,964,511	23,017,177
Profit before taxation	28,728,486	39,738,652	68,467,138
Taxation	(3,447,418)	(4,825,495)	(8,272,913)
Profit for the period	25,281,068	34,913,157	60,194,225
Segment assets			
Non-current	241,170,050	73,063,527	314,233,577
Current assets	297,158,804	296,131,731	593,290,535
	538,328,854	369,195,258	907,524,112
Segment liabilities			
Current liabilities	62,257,381	31,868,334	94,125,715
Non-Current liabilities	490,272	439,423	929,695
	62,747,653	32,307,757	95,055,410
Other segment items:			
Capital expenditure	110,500	94,118	204,618
Depreciation	1,026,497	2,761,613	3,788,110

Blue Power Group Limited
Consolidated Segment Reporting
Year ended April 30, 2019

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	1,196,972,405	468,802,512	1,665,774,917
Profit from operations	58,999,616	74,910,175	133,909,791
Other income	1,359,937	586,609	1,946,546
Net finance income	13,293,584	9,844,914	23,138,498
Profit for the year	73,653,137	85,341,698	158,994,835
Segment assets			
Non-current	24,677,534	327,072,622	351,750,156
Current assets	197,300,700	433,634,522	630,935,222
	221,978,234	760,707,144	982,685,378
Segment liabilities			
Current liabilities	53,824,011	30,364,634	84,188,645
Non-current liabilities	490,272	351,351	841,623
	54,314,283	30,715,985	85,030,268
Other segment items:			
Capital expenditure	10,622,266	3,539,466	14,161,732
Depreciation	5,065,036	12,757,078	17,822,114

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, 2019.



31-Jul-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 JAMAICAN EQUITIES LTD	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
PAM-INDIVIDUAL RETIREMENT SCHEME	8,914,510	1.58
PETER MILLINGEN	8,211,000	1.45
GUARDSMAN GROUP LTD	6,872,850	1.22

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