Annual Report of
BCC LANKA LTD
For the financial year ended
31 March 2022

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BCC LANKA LIMITED – PB 221

CORPORATE INFORMATION

Name of the Company	-	BCC Lanka Ltd.
Company Registration No.	-	PB 221
Establishment of the company	-	BCC Lanka Limited was incorporated as a Public Company on 04.11.1988 under the Government Corporations or Government-Owned Business Establishments Act No. 23 of 1987.
Registered Office	-	Hultsdorf Mills, No.21, Meeraniya Street, Colombo 12.
Business Address	-	Hultsdorf Mills, No.21, Meeraniya Street, Colombo 12. Phone: 011-2422111-5 Email:bcclankaltd@gmail.com
Board of Directors	-	The Board of Directors of the Company as at 09th February 2023 Mr. D P De Kams - Chairman Mr. W S R J Kumara Mr. N K A G Naragala Mr. A H M Azmin Mr. D M S P Dayananda Mr. K T S Chandrasiri Mr. N D M J Wijesena
Company Secretaries	-	S S P Corporate Services (Private) Limited No. 101,Inner Flower Road, Colombo 03
Auditor	-	National Audit Office

Our Vison

"To Be the Premium Brand Name in a Sustainably Developed, Prosperous Sri Lanka While Maintaining the Century Old Traditions."

Our Mission

"Satisfying The Consumer While Maintaining a Sustainable Environment, Core Values and Employee Satisfaction"

BCC LANKA LIMITED

CHAIRMAN'S REVIEW

FOR FINANCIAL YEAR ENDED ON 31ST MARCH 2022

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report and the Audited Financial Statements of B C C Lanka Limited for the financial year ended 31st March 2022.

The Company recorded a super profit of Rs.122.96 million and this is almost three times the profit of the previous year when compared to the profit of the previous year. Also, this year recorded the highest revenue in recent history and this year's sales revenue was Rs. 825 million have been recorded. This is a 170% increase in sales revenue compared to the previous year.

Thereby, I wish to thank our loyal & dedicated staff for their unstinted support to get all these achievements. Our performance is the result of sustained hard work by the senior management and the entire team.

Further, I would like to extend my special gratitude for the generous support and wise guidance received from the Honorable Minister of Ministry of Industries – Dr. Ramesh Pathirana , and the Honorable State Minister of Ministry of Primary Industries Mr. Chamara Sampath Dasanayaka. In addition, I wish to express my appreciation to the Secretary of the Ministry of Industries and the General Treasury for their constant and outstanding cooperation in bringing up the standards of the institute and achieving set-up targets.

Dayan De Kams
Chairman
B C C LANKA LIMITED

B C C LANKA LIMITED – PB 221
Annual Report of the Board of Directors
on the Affairs of the Company

The Board of Directors of B C C Lanka Limited are pleased to present the Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2022.The Financial Statements have been prepared according to the Sri Lanka Accounting Standards.

Results for the year

The operating profit during the financial year amounted to Rs. 124,377,082.00. Profit Before Taxation of the Company during the financial year under review was Rs. 124,752,054.00. The Company has reported a Net Profit of Rs.122,962,200.00.

Stated Capital

The Stated Capital of the Company is LKR 100,000,000/- . 100% of the shareholding of the Company amounting to 10,000,000 ordinary shares is held by the Secretary to the Treasury .

Board of Directors

The Board of Directors of B C C Lanka Limited for the period 01 April 2021 to 31 March 2022 was as follows;

Mr. W. M. S C Welegama - ceased to be Director / Chairman w e f 09.01.2023

Ms. K A C Priyadarshini - ceased to be a Director w e f 02.03.2022

Mr. P B R Kumara – ceased to be a Director w e f 26.10.22

Mr. B N D Gunasekara - ceased to be a Director w e f 16.11.2022

Mr. G R M L Bandara - ceased to be a Director w e f 16.11.2022

Mr. M P W Karunarathne - ceased to be a Director w e f 16.11.2022

Mr. K B G S Vimukthi - ceased to be a Director w e f 22.12.2022

Directors' Interests in Contracts

Directors have complied with Section 192 of the Companies Act No.07 of 2007.

Auditors

Auditor General continued to be the Auditor of the Company in terms of the 19th Amendment to the Constitution of Sri Lanka.

Company Secretaries

S S P Corporate Services (Private) Limited continues to be the corporate secretaries of the Company.

Registered Office

The registered office of the Company is at Hultsdorf Mills, No. 21 Meeraniya Street Colombo 12.

Mr. Dayan De Kams **Chairman** Chairman B C C Lanka Limited Hultsdorf Mills, P O Box 281, Meeraniya Street, Colombo 12.	**Director** N K A G. Nawagala Director BCC Lanka Limited Meeraniya Street Colombo 12	S S P CORPORATE SERVICES (PRIVATE) LIMITED Secretaries **S S P Corporate Services** **(Private) Limited** **Secretaries**

09.02.2023

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BCC LANKA LIMITED

The main production facilities of BCC Lanka Ltd comprises a Soap Factory, Coconut Oil Refinery. A brief description of products manufactured by these plants are given below.

1. Soap Factory

The Soap Factory Produces laundry soap, toilet soap, and disinfectants and detergents. The products with their brand names are given below.

1) Toilet Soap – Sandal Wood
   Suvendra Floral
   Suvendra Herbal
   Health Joy
2) Laundry Soap – Sovereign Bar
   Sno-Wite
3) Disinfectants – Pynol
   Toilet Bowl Cleaner
4) Detergents – Dish Wash Liquid
   Dish Wash Powder
   Snow-Wite Care Detergent Liquid
5) Air Fresheners

2. Refinery Products

The Refinery produces Coconut Oil under the brand names of White Coconut Oil and Cooks Joy. These products are marketed in following container

Cooks Joy - 500ml, 01ltr, 05ltr, 20ltr

White Oil - 500ml,01ltr, 05ltr, 20ltr

AUDIT COMMITTEE REPORT 2021/2022

Audit Committee (AC) of BCC Lanka Ltd is a subcommittee of the Board of Directors (BoD) and it provides the assistance to the Board of Directors for taking remedial action for the accomplishment of the objectives of the organization. Audit Committee reports together with the observations and recommendations are submitted to the BoD in support with addressing issues and challenges of the dynamic environment. Also, it helps to ensure proper internal control system and to mitigate the probable risks.

ROLE AND RESPONSIBILITIES

The scope and responsibilities of the Audit Committee of BCC Lanka Ltd are governed by the Guideline on Corporate Governance for State Owned Enterprises issued by the Department of Public Enterprises in 2021. The scope of Audit Committee can be given as follows in line with the said guideline.

a) Financial Reporting

- Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas, and recent professional and regulatory pronouncements and understand their impact on the Financial Statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual Financial Statements, and consider whether they are complete and consistent with information known to committee members, and ensure that the information is presented in accordance with the appropriate accounting standards and policies.
- Review other sections of the Annual Report (AR) and related regulatory filings before the release and consider the accuracy and completeness of the information.
- Review with management and the external auditors that all matters required to be communicated to the AC have been properly communicated.
- Review interim financial reports with management and if required with the external auditor before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.
- Review reports prepared by management and/or the independent auditor setting forth significant financial reporting issues, judgments made and key audit matters in connection with the preparation of the Financial Statements.

b) Internal Audit

- Approve the annual audit plan and all major changes to the plan.

- Ensure that there are no unjustified restrictions or limitations in the scope of the internal audit.
- Review the internal audit activity's performance relative to its plan.
- Review the effectiveness of the internal audit functions
- Consider the effectiveness of the entity's internal control system, including security and the control of information technology.
- Monitor the effectiveness, impartiality of the internal auditors, receiving regular reports from the internal audit function and addressing relevant issues concerning the subsidiaries of the SOE, if any on a regular basis.
- Ensure that the scope of the internal auditor through the review of internal matters.
- Review the procurement procedure and progress of implementation of the procurement plan.

c) Risk Management

AC should review the risk management framework of the SOE, if a separate RC is not established. The scope of the risk functions would include;

- Identification, evaluation, and assessment of the risk profile of the SOE having taken into account the SOE's legal and regulatory background, macro-economic dynamics etc.;
- Develop and implement a risk management framework and internal control system including a risk rating mechanism;
- Recommend strategies to mitigate the risks;
- Examine and determine the sufficiency of the SOE's internal processes for reporting on and managing key risk areas.

d) Relationship with External Auditors

- Understand the scope of the external auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with the management's responses.
- On a regular basis, meet with the external auditors, separately, to discuss any matters that the committee or auditors believe should be discussed privately.

e) Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations, directives and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory authorities, and any observations of the auditors.
- Review the process for communicating the code of conduct to entity personnel, and for monitoring compliance therewith.

- Obtain regular updates from management and entity legal counsel regarding compliance matters.
- Establish a process to ensure compliance with laws and regulations relating to statutory obligations including EPF, ETF, taxes, custom duties, foreign exchange, and other levies applicable to the entity.

COMMITTEE COMPOSITION

The Board members who served on the Audit Committee during the year ended 31 March 2022 were Ms. K.A.C. Priyadarshani (Chairperson up to 02.03.20222) Mr. W.S.R. Jagath Kumara (Chairperson from 02.03.2022), Mr. M.P.W. Karunarathne (Member/Director), Mr. K.B.G.S. Vimukthi (Member/Director). Superintendent of Audit of National Audit Office Ms. Udeni Perera and Chief Internal Auditor of Ministry of Industries Ms. B.K.M.J. Rodrigo were represented at the committee meetings as observers.

TASKS OF AUDIT COMMITTEE

The committee reserves the adequacy, timing and existence of the internal control system of company and in compliance of business operation, adequacy of disclosures in financial reporting system. Also, the committee ensure the consistence of accounting policies adopted and compliance with financial reporting system including SLFRS/LKAS used for preparation of financial statements.

Further, the Audit committee performed the following tasks during the last year.

- Reviewed the adequacy of internal control system to safeguard the all assets and to improve transparency of operational management.
- Discussed the audit report issued by the Auditor General and observations thereon.
- Reviewed the Year-end Financial Statements and recommended for Board approval.
- Reviewed the Annual Internal Audit Plan for the year.
- Discussed the key strategic issues faced by the company.
- Discussed the implementation of process account system for the soap manufacturing factory and way forward of the organization
- Took steps to settle long outstanding balances

MEETINGS

During the year under the review, three (3) Audit Committee meetings have been conducted to discuss duties entrusted to them as noted above.

CONCLUTION

The Audit committee has submitted its comments on the identified issues to the Board of Directors and Management. Accordingly, it is required to take remedial measures including internal checks and balances to address certain issues as recommended by the Audit committee.

W.S.R. Jagath Kumara

Chairperson

Audit Committee

National Audit Office

IMT/A/BCC/FA/2021-22/03 30th November, 2022

Chairman BCC Lanka Limited

Report of the Auditor General on the Financial Statements and other Legal and Regulatory Requirements of the BCC Lanka Limited for the year ended 31st March 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018

I am sending the above report herewith.

Sgd. /W.P.C.Wickremaratne
Auditor General

Copy: 1. Secretary – Ministry of Industry

2. Secretary – Ministry of Finance, Economic Stabilization and National Policies

IMT/A/BCC/FA/2021-22/03 30th November, 2022

Chairman
BCC Lanka Limited

Report of the Auditor Generalon the Financial Statements and other Legal and Regulatory Requirements of the BCC Lanka Limitedfor the year ended 31 March 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018

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1. Financial Statements

1.1 Opinion

The audit of the Financial Statements of the BCC Lanka Limitedfor the year ended 31 March 2022 comprising the statement of financial position as at 31 March 2022 and the statement of comprehensive income, the statement of changes in equity for the year then ended and the statement of cash flows for the year then ended and notes to the financial statements, a summary of significant accounting policies was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions in the National Audit Act, No. 19 of 2018. My Report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities on the financial statements are further described in the Section on Auditor’s Responsibilities on the Audit of the Financial Statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other information included in the Company's 2021/22 Annual Report

The other information comprises the information included in the Company's 2021/22annual report, but does not includein the financial statements and my auditors' report thereon which I have obtained prior to the date of this auditor's report. The management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assuranceor conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information as identified above whenever it becomes available and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained in the audit or by other means.

If I conclude that there are material misstatements when going through the Annual Report 2021/22 of the Company, the said facts should be communicated to those charged with governance in order to rectify them. If there are any further misstatements which have not been rectified, such misstatements will be included in my Report to be tabled in Parliament in due course in pursuance of provisions in Article 154(6) of the Constitution.

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

The management is responsible for the preparation of financial statements in accordance with the Sri Lanka Accounting Standards and presented in a fair manner and to determine the internal control that is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, it is the responsibility of the management to assess the Company's ability to continue as a going concern and it is also the responsibility of the management to prepare the accounts on the going concern basis and to disclose the matters related to going concern, unless it either intends to liquidate the Company or to cease the operational activities when there is no other alternative.

Those charged with governance are responsible for overseeing the financial reporting process of the Company.

In terms of Sub Section 16(1) of the National Audit Act, No. 19 of 2018, the Company shall require to maintain proper books and records of all its income, expenditure, assets and liabilities to enable preparation of annual and periodic financial statements of the Company.

1.5 Auditor's Responsibility for the Audit of the Financial Statements

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My objective is 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 the auditor's report that includes my opinion. Although reasonable assurance is a high level of assurance, but it is not a guarantee to the effect that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect material misstatement when they exist. Misstatements can be arisen to a quantitative extent due to the effects of fraud and error on individual or aggregate basis, and it is expected to influence on the economic decisions taken by the users on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism. I also:

- identify and assess the risks of material misstatements 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 my 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 or the override of internal control.

- obtain an understanding of internal control relevant to the Company 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 internal control.

- evaluate the appropriateness of the accounting policies adopted, reasonableness of the accounting estimates and the related disclosures made by the management.

- conclude on the appropriateness of the use of going concern basis of accounting 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 I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate whether the underlying transactions and events relevant to the structure and content of the financial statements are included appropriately and reasonably and evaluate the overall presentation of the financial statements with disclosures.

I will communicate with those charged with governance regarding the significant audit findings, significant deficiencies in internal control and other matters that have been identified during my audit.

2. Report on other Legal and Regulatory Requirements

2.1. National Audit Act, No. 19 of 2018 and Companies Act No. 7 of 2007 include specific provisions in respect of the following requirements.

2.1.1 I have obtained all the information and explanations that is required for the audit as per the requirements of Section 163(2) of the Companies Act No. 7 of 2007 and Section 12(a) of the National Audit Act, No. 19 of 2018 and as far as appears from my examination, proper financial records have been maintained by the Company.

2.1.2 The financial statements presented were consistent with that of the preceding year as per the requirement of Section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 Recommendations made by me on the financial statements in the previous year have been included in financial statements presented in the year under review as per the requirement of Section 6(1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2. Based on the procedures which had been adopted and the evidence obtained which were limited to the matters that are material, nothing has come to my attention to express following statements.

2.2.1 As per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018, whether any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company beyond the normal course of business.

2.2.2. Except for the below mentioned observation, whether the Company has not compiled with any applicable written law or other general or special directions issued by the governing body of the Company as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018.

During the Company's restructuring process in 2006, despite employees had been placed in relevant salary steps and salaries were paid in terms of the Circular No. 30 dated 22nd September 2006, action had not been taken to obtain the approval for the schemes of recruitments of the relevant posts and the cadre from the Department of Management Services. 44 permanent officers and 06 contract basis officers, totally 50 officers have been employed in the Company as at 31 March 2022 and Rs.34,687,639 had been paid as salaries and wages during the year under review. Further, 15-29 employees from a man power services had also been deployed by the Company for its duties and a sum of Rs.9,081,507 had been paid to them.

2.2.3. As per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018, whether the Company has not performed according to its powers, functions and duties.

2.2.4. As per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018, whether the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws, except for the following observations.

(a) The land to an extent of 12 acres 3 roodes and 8.77 perches which is owned by the BCC Company was valued at Rs.Mn8,195 and stated under the lands in the financial statements of the year under review. Even though a land to an extent of 6 acres of the said land has been transferred to the Ministry of Justice in writing to construct the Court Complex of Colombo by the Cabinet of Ministers Decision No. 15/1874/702/010-VII dated 17 December 2015 and the Cabinet of Ministers Decision No. 16/0597/731/009-I dated 20 April 2016, action has not been taken by the Company to value the said land and to obtain compensation in this respect.

(b) There are 32 warehouses to an extent of 111,130 square feet and 04 oils tanks with an oil capacity of 3,600 metric tons available in the land premises of the Company. The warehouses has been rented out at a rate of Rs.55/- to Rs.70/- per square feet and a warehouse of 2,864 square feet was remained idle without being rented out. Due to the fact that the said warehouses had not been repaired properly, it was compelled to rent them at lower rates despites the high commercial value of the said premises.

2.3. Other Matters

(a) The interest to be paid during the year under review with respect to the loans amounting to Rs. 58,265,037 which had been obtained from the Coconut Development Board during the years 1985, 2002 and 2004 and the loan amounting to Rs. 10,000,000 obtained from the Kalubovitiyana Tea Company in 2003 was stood at Rs.57,165,249 and Rs.51,118,341 respectively. Since the Company has not taken action to settle the said loans, Rs. 6,747,521 as interest amount has been accrued annually to the amount to be repaid.

(b) Even though a balance Rs. 4,508,696 has been stated as the amount to be paid to the Janatha Estate Development Board, such balance has not been stated in the accounts of the Janatha Estate Development Board, thus it remained as a controversial matter during the audit.

(c) Any action had not been taken by the Company to settle a balance to a sum of Rs. 41,532,452 which have been long outstanding for more than 10 years pertaining to payable assessment tax, turn over tax, security levy, goods and services tax and trade creditors' balances.

(d) Purchase advances, rent receivable from the related parties and trade creditors' balance as at 31March 2022 stood at Rs.1,420,474, Rs.5,306,200 and Rs.138,676,697 respectively. Action had not been taken by the Company to recover loan balances to sums of Rs.1,420,474, Rs.1,961,088 and Rs.1,167,208 respectively from the aforesaid amounts within the period spanning over 05 to 12 years.

(e) Management has not taken any measure to review the useful life of plant, property andequipment to a value of Rs.43,068,294 which is still in use despite being fully depreciated.

(f) Pursuant to the decision of the Cabinet of Ministers, premises to an extent of 03 acres in which the factory of the Continental Lanka (Pvt) Ltd had been functioned in the Export Processing Zone of Wathupitiwla had been allocated to the BCC Company under its relocating and restructuring process on 26March 2012.Despite machinery of the soap manufacturing facility in the head office premises were moved and installed in the

Export Processing Zone of Wathupitiwala in 2012, it remained idle in the said location from the date of installation to the date of audit.

(g) 02 vehicles received from the Ministry of State Enterprise Development, 03 vehicles of the Company which had been revalued and one forklift which had not been revalued were kept in the vehicle yard of the Company premises over a period of 02 to 04 years since they were not in the running condition. However action has not been taken to hand over them to the Ministry, to dispose them or to take any other suitable action.

(h) When examining the Action Plan or progress of the Company, the Progress Report has not been prepared in a manner to identify the expected targets, physical and financial progress achieved and 03 activities out of 06 activities mentioned therein have also not been performed.

Sgd. /W.P.C.Wickremaratne
Auditor General

BCC LANKA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the Month Ended 31th March 2022

	Notes	2022 Rs.	2021 Rs.
Revenue	**04**	**825,151,793**	305,525,059
Cost of Sales	**05**	**(620,525,436)**	(199,894,401)
Gross Profit		**204,626,357**	105,630,658
Other Operating Income	**06**	**2,919,979**	530,937
Administrative Expenses	**07**	**(72,059,757)**	(57,449,846)
Distribution Cost	**08**	**(11,109,497)**	(8,431,436)
Profit from Operations		**124,377,082**	40,280,313
Finance Income	**10**	**7,457,723**	10,133,153
Finance Cost	**11**	**(7,082,752)**	(6,812,599)
Net Finance Income		**374,972**	3,320,554
Profit before Taxation		**124,752,054**	43,600,867
Income Tax Reversal / (Expen	**12**	**(1,789,854)**	(2,431,957)
Profit for the Year		**122,962,200**	41,168,910
Other Comprehensive Income / (Expenses)			
Actuarial Gain/(Loss) on Retirement Benefit Obligations	**21**	**1,575,720**	(301,870)
Actuarial Gain/(Loss) on Deferred Taxes	**24**	**4,444,254**	-
Total Comprehensive income /(loss) for the year		**128,982,174**	**40,867,040**
		-	-

The notes from pages 13 to 24 form an intergral part of these financial statements.
Figures in brackets indicate deductions.

BCC LANKA LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31st March 2022

	Note	2022 Rs.	2021 Rs.
Non Current Assets			
Property Plant and Equipment	13	8,221,122,324	8,206,273,520
Available for Sale- Investment	14	240,000	240,000
Deferred Tax Asset	24	6,312,460	-
		8,227,674,784	8,206,513,520
Current Assets			
Inventories	15	59,390,147	49,318,418
Trade and Other Receivables	16	162,124,051	62,240,234
Current Tax Assets	17	1,733,996	3,523,850
Cash and Cash Equivalent	18	222,694,390	204,753,964
		445,942,584	319,836,466
Total Assets		8,673,617,368	8,526,349,986
EQUITY AND LIABILITIES			
Stated Capital	19	100,000,000	100,000,000
Revaluation Reserve	20	8,215,475,600	8,193,775,600
Retained Earnings		75,278,952	(53,703,222)
Total Equity		8,390,754,552	8,240,072,378
Non Current Liabilities			
Retirement Benefit Obligation	21	11,453,590	11,718,836
Loans and Borrowings	22	176,548,806	169,801,285
Deferred Tax Liability	24	1,868,206	-
		189,870,603	181,520,121
Current Liabilities			
Trade and Other Payables	23	92,992,214	104,757,486
		92,992,214	104,757,486
Total Liabilities		282,862,816	286,277,607
Total Equity and Liabilities		8,673,617,368	8,526,349,985

Figures in brackets indicate deductions

The significant Accounting Policies from page 5 to 12 and Notes to the Financial Statements from page 13 to 24 form an integral part of these Financial Statements.

It is certified that these Financial Statements have been prepared in compliance with the requirements of Companies Act No. 07 of 2007.

S/Lar

S.M.C.W Ranjan
General Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements Signed for and on behalf of the Board.

W.M.S.C Welegama.
Chairman / Director

M.P.W. Karunaratne
Director

Colombo.
Date: 30/08/2022

BCC LANKA LIMITED

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March 2022

	Stated Capital Rs.	Revaluation Reserve	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2020	100,000,000	8,193,775,600	(94,570,262)	8,199,205,338
Profit for the Year	-	-	41,168,910	41,168,910
Other comprehensive income			(301,870)	(301,870)
Balance as at 1st April 2021	**100,000,000**	**8,193,775,600**	**(53,703,222)**	**8,240,072,378**
Profit for the year	-	-	122,962,200	122,962,200
Other comprehensive income/(expenses)			6,019,974	6,019,974
Revaluation of Motor Vehicles		21,700,000		21,700,000
Balance as at 31st March 2022	**100,000,000**	**8,215,475,600**	**75,278,952**	**8,390,754,552**

Figures in brackets indicate deductions.

The significant Accounting Policies from page 5 to 12 and Notes to the Financial Statements from page 13 to 24 form an intergral part of these Financial Statements.

BCC LANKA LIMITED

STATEMENT OF CASH FLOWS

For the Year ended 31 st March 2022

	Notes	2022 Rs.	2021 Rs.
Cash Flow from Operating Activities			
Profit/(Loss) before Taxation		**124,752,054**	43,600,867
Adjustments for -			
Depreciation	**13**	**8,364,207**	2,711,855
Interest Income	**10**	**(7,457,723)**	(10,133,153)
Increase in provision for retirement benefit obligation	**21**	**2,179,992**	1,985,617
Interest cost	**11**	**6,747,521**	6,747,521
Operating Profit / (Loss) before Working Capital Changes		**134,586,051**	44,912,707
Changes in Working Capital:			
Increase in inventories	**15**	**(10,071,729)**	(21,711,811)
(Increase) / Decrease in Trade and Other Receivables	**16**	**(99,883,817)**	(422,058)
Increase/(Decrease) in Trade and Other Payables	**23**	**(11,765,272)**	4,782,410
Cash Generated from Operations		**12,865,232**	27,561,248
Retiring Gratuity paid	**21**	**(869,518)**	(426,050)
Net Cash generated from Operating Activities		**11,995,714**	27,135,198
Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment	**13**	**(1,513,021)**	(1,556,226)
Investing in Tresury bills		**-**	-
Interest Received	**10**	**7,457,723**	10,133,153
Net Cash Flow from / (Used in) Investing Activities		**5,944,702**	8,576,927
Cash Flow from Financing Activities			
WHT Paid		**-**	-
ESC Paid		**-**	-
Net Cash from Used in Financing Activities		**-**	**-**
Net Increase/(Decrease) in Cash and Cash Equivalents		**17,940,426**	35,712,125
Cash and Cash Equivalents at the Beginning of the Year	**18**	**204,753,964**	169,041,839
Cash and Cash Equivalents at the End of the Year		**222,694,390**	204,753,964
Analysis of Cash and Cash Equivalents at the End of the year			
People's Bank	**18**	**34,721,023**	28,555,689
Cash in Hand	**18**	**217,000**	217,000
Short Term Investment - People's Bank	**18**	**187,756,367**	175,981,274
		222,694,390	204,753,963

Figures in brackets indicate deductions.

The significant Accounting Policies from pages 5 to 12 and Notes from pages 13 to 19 form an integral part of these Financial Statements.

1. Reporting entity

1.1 Domicile and Legal Forms

BCC Lanka Limited is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office and the principal place of business is situated at Hultsdorf Mills, No. 21, Meeraniya Street, Colombo 12.

1.2 Principal Activities and Nature of Operations

The Principal activities of the Company during the year review include..

- Filtering, Packing & Trading of coconut oil.
- Manufacturing and trading of toilet soap, household soap, disinfectant and detergent requisites.
- Renting Buildings.

2. Basis Of Preparation

2.1 Statement of compliance

The Statements of Financial Position, statement of Comprehensive Income, Statement of changes in equity, Statement of cash flows, together with Accounting policies and notes, ('Financial Statements'') of the Company as at 31st March 2022 and for the year then ended, comply with Sri Lanka Accounting Standards (SLFRSs and LKASs) as laid down by the Institute of Chartered Accountants of Sri Lanka, and the requirements of Companies Act No. 7 of 2007.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis, except that the retirement benefit Obligations are measured at the present value of the defined benefit plans as explained in the respective notes to the financial statements.

2.3 Comparative Information

The Accounting policies applied by the Company are, unless otherwise stated, consistent with those used in the previous year. Previous year figures and phrases have been re-arranged, wherever necessary, to confirm to the current year's presentation.

2.4 Events occurring after the date of Statement of Financial Position

All material events have been considered and appropriate adjustment or disclosures have been made in these financial statements.

2.5 Functional and Presentation Currency

These Financial Statements are presented in Sri Lanka Rupees (LKR), which is the Company's functional currency and the presentation Currency. All financial Information has been rounded to the nearest one rupee unless stated otherwise.

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are 5immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 01 - "Presentation of Financial Statements".

2.7 Approval of Financial Statements

The Finance statements of the Company for the year ended 31st March 2022 were approved and authorized for issue by the board of Directors in accordance with Resolation of the Directors on 31 December 2022.

2.8 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements in accordance with Sri Lanka Accounting Standers and as per the provisions of the Companies Act No. 07 of 2007.

The Board of Directors acknowledges this responsibility and such responsibilities include the following components:

Information on the financial performance of the Company for the year under review.

- Information on the financial position of the company as at the year end.
- Information to the users on the movement of the cash and cash equivalents.
- Notes to the financial statements including the Accounting Policies and other explanatory notes.
-

2.9 Use of Estimates and Judgements

The preparation of the financial statements in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Financial Statements are described in the following notes:

- Employee Retirement Benefits
- Depreciation on Property, plant and equipment
- Provisions for impairment.

2.10 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company continue to be prepared on a going concern basis.

2.11 Events after the Reporting Date

Events after the Reporting date are those events , favourable and unfavourable , that Occur between the Reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period are considered and appropriate disclosures are made where necessary.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements. unless otherwise indicated.

3.1 Property, Plant and Equipment

3.1.1 Cost

Property, Plant and Equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses. All items of Property, Plant and Equipment are initially recorded at cost.

The cost of Property, Plant and Equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its condition for its intended use.

3.1.2 Subsequent Cost

The subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be reliably measured. The costs of the day to day servicing property, plant and equipment are charged to the Statement of Comprehensive Income.

3.1.3 Depreciation

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives of Property, Plant and Equipment are as follows;

Class of tangible assets	Useful life
Plant and machinery	10 Years
Buildings	20 Years
Tools & Equipment	04 Years
Motor vehicle	04 Years
Office equipment	04 Years
Furniture and fittings	04 Years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The company decides to divide the annual depreciation of property, plant and equipment in to products and services sectors at the following rates.

Class of tangible assets	Product sector	service sector
Plant and machinery	**70%**	**30%**
Buildings	40%	60%
Tools & Equipment	30%	70%
Motor vehicle	-	100%
Office equipment	-	100%
Furniture and fittings	-	100%

3.1.4 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.1.5 Revaluation

The Company revalues its land and buildings at least once in every five years which is measured at its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses.

3.2 Intangible Asset

3.2.1 Recognition and Measurement

An intangible Asset is recognized if it is probable that future economic benefit s will Flow to the entity and the cost of the asset can be measured reliably in accordance With LKAS 38 "Intangible Asset" .Intangible assets with finite useful lives are Measured at cost less accumulated amortization and accumulated impairment losses.

3.2.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognized in the statement of profit or loss and other comprehensive income as incurred.

3.2.3 Amortization

Amortization is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

3.2.4 Derecognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.3 Employee Retirement Benefits

3.3.1 Defined Contribution plans

A Defined contribution plan is a post- employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as an employee benefit expense in the statement of profit or loss and other comprehensive income in the periods during services is rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payment is available.

3.3.1.1 E P F and E T F

All executive staff and the office staff are members of BCC Staff Provident Fund and other employees who are eligible for Employees Provident Fund. All Employees are members of Employees Trust Fund. The Company contributes 15% and 3% respectively of such employees' gross emoluments.

3.3.2 Defined Benefit plans

A defined benefit plan is a post – employment benefit plan other than a defined contribution plan. The defined benefit obligation is calculated annually by the company, using internally generated method. The company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The assumptions based on which the results of the valuation were determined are included in the financial statements. The liability is not externally funded, nor actuarially valued.

The company recognizes all actuarial gains and losses arising from defined benefit plan in other comprehensive income and expenses related to defined benefit plans in staff expenses in profit or loss.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 "Employee Benefits". However, under the payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 year of continued service.

3.4 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.5 Statement of Profit or Loss and other Comprehensive Income

3.5.1 Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, into account contractually defined terms of payment.

3.5.1.1 Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of Ownership of the goods have passed to the buyer, usually on delivery of the goods.

Disaggregation of revenue

SLFRS 15 Requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature , amount ,timing , and uncertainty of revenue and cash flows are affected by economic factors.The Company's revenue represent amount received and receivable for goods supplied to the customers and no disaggregation is required.

3.5.1.2 Rental Income

Rental income is recognized in profit and loss as it accrues.

3.5.1.3 Finance Income

Finance Income comprises interest income on treasury bill investment and interest on fixed deposit .Interest income is recognized as it accrues in the profit or loss , using the effective interest method.

3.5.2 Expenditure

The expenses are recognized on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property, plant & equipment in a state of efficiency is charged against income in arriving at the profit for the year.

3.5.2.1 Finance Expenses

Finance cost comprise interest expenses on borrowings.

3.6 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is comprised of all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

All inventory items except manufactured inventories and work-in-progress are measured using first in, first out basis.

3.7 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as Current assets. If not , they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

3.8 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash balances, fixed deposits, treasury bill investment, and short term highly liquid investment.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income.

3.9.1 Current Tax

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

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

The relevant details are disclosed in the respective notes to the financial statements.

3.9.2 Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes.

3.10 Comparatives

Except when a standard permit or requires otherwise, comparative information is disclosed in respect of the previous period. Where the presentation or classification of items in the Financial Statements are amended, comparative amounts are reclassified unless it is impracticable.

3.11 Cash flow statement

The Cash Flow Statement has been prepared using the indirect method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS 7) - Statement of Cash Flows. Câsh and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalent include cash in hand, balances with banks and repurchase agreements.

3.12 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective notes to the financial statements.

3.12 Subsequent Events

All material post reporting events have been considered and where appropriate adjustment or disclosures have been made in the respective notes to the Financial Statements.

BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March		2022	2021
		Rs .	Rs.
04	**Revenue**		
	Soap	**53,366,645**	45,841,540
	Refinary	**691,848,117**	193,856,378
	Rent Income	**79,937,031**	65,827,141
		825,151,793	305,525,059
05	**Cost of Sales**		
05.1	**Inventory as at 01st April**		
	Soap Department	**23,580,117**	19,115,400
	Refinary Department	**25,356,985**	8,109,891
	Drum Department	**381,316**	381,316
	Sub Total	**49,318,418**	27,606,607
05.2	**Purchases**		
	Soap Department	**39,648,755**	38,119,072
	Refinery Department	**574,285,386**	168,232,117
	Sub Total	**613,934,140**	206,351,189
05.3	**Direct Expenses**		
	Wages	**11,153,025**	8,902,151
	Employees' Provident Fund	**554,524**	542,312
	Employees' Trust Fund	**110,905**	108,462
	Chemicals	**45,706**	47,602
	Sub Total	**11,864,160**	9,600,527
05.4	**Production Overhead**		
	Salary	**1,944,423**	2,301,893
	Employees' Provident Fund	**202,107**	259,340
	Employees' Trust Fund	**40,421**	51,868
	Depreciation Note13.2	**1,028,137**	949,166
	Power	**921,905**	1,033,062
	Building & Premises Maintenance - Rent buildings	**298,500**	201,600
	Upkeep of Machinery	**363,372**	857,567
	Sub Total	**4,798,865**	5,654,496
05.5	**Inventory as at 31st March**		
	Soap Factory	**20,768,477**	23,580,117
	Refinery	**38,240,354**	25,356,985
	Drum Plant	**381,316**	381,316
	Sub Total	**59,390,147**	49,318,418
	Cost of Sales Summary		
	Inventory as at 01st April	**49,318,418**	27,606,607
	Purchases	**613,934,140**	206,351,189
	Direct Expenses	**11,864,160**	9,600,527
	Production Overhead	**4,798,865**	5,654,496
	Inventory as at 31st March	**(59,390,147)**	(49,318,418)
	Total	**620,525,436**	199,894,401

05.6 Cost Of Sales- Soap , Refinary & Rent

	Soap	Refinary	Rent
Inventoty as at 01.04.2021	23,580,117	25,356,985	-
Purchases	39,648,755	574,285,386	-
Direct Expenses			
Wages	4,472,521	6,680,503	-
E P F	337,168	217,356	-
E T F	67,434	43,471	-
Chemicals	-	45,706	-
Production Overhead			
Salary	1,026,077	918,346	
E P F	115,776	86,331	
E T F	23,155	17,266	
Depreciation	347,158	347,158	333,821
Power	332,932	588,973	-
Upkeep of Machinery	181,686	181,686	-
Building & Premises Maintenance			298,500
Inventoty as at 31.03.2022	(20,768,477)	(38,240,354)	-
	49,364,301	**570,528,814**	**632,321**

05.7 Gross Profit

		Soap	Refinary	Rent
Revenue		53,366,645	691,848,117	79,937,031
Cost Of Sales	Note 5.6	(49,364,301)	(570,528,814)	(632,321)
		4,002,344	**121,319,303**	**79,304,710**

For the Year Ended 31st March

	2022 Rs .	2021 Rs.
06 Other Operating Income		
Sundry Income	**2,374,467**	-
Weighing Income	**80,700**	500
Water Income	**137,122**	225,437
Supply Registration Income	**327,690**	305,000
	2,919,979	530,937

		2022 Rs .	2021 Rs.
07 Administrative Expenses			
Salaries and Wages		**33,093,528**	29,097,372
Salaries and Wages - Employees' Provident Fund		**3,514,170**	3,316,401
Salaries and Wages - Employees Trust Fund		**703,243**	663,280
Directors' Remuneration		**684,804**	547,384
Bonus, Sick Leave Bonus		**2,232,016**	1,964,649
Staff Welfare		**1,049,493**	813,924
Staff Training		**-**	88,500
Telephone Charges		**605,067**	586,003
Postage		**69,310**	85,197
Printing and Stationery		**721,684**	440,397
Auditors' Remuneration		**222,000**	407,000
Professional Fees		**531,500**	452,181
License and Registration		**143,451**	216,042
Rent		**1,920**	1,920
Electricity		**2,322,685**	2,546,646
Water		**370,405**	423,625
Insurance		**1,243,363**	1,458,301
Security		**6,462,362**	4,802,092
Rate and Taxes		**1,416,800**	1,416,800
Vehicle Maintenance		**1,594,330**	706,054
Traveling and Subsistence		**601,808**	342,976
Gratuity		**2,179,992**	1,985,618
Office Equipment Maintenance		**676,559**	243,643
Subscription and Periodicals		**31,090**	29,110
Laboratory Expenses		**340,835**	300,851
Depreciation	(Note 13.2)	**7,336,071**	1,762,688
Annual Service Agreement		**59,413**	169,713
Building & Premises Maintenance		**804,391**	978,753
Donation		**-**	4,008
Transport Charges		**503,900**	103,110
Fuel		**1,582,966**	1,054,983
Refreshment		**69,856**	71,757
Vehicle Rent		**360,000**	360,000
Weighing Charges		**250**	1,550
Ceremony Expenses		**-**	6,650
Advertisement		**530,494**	-
Penalties and Surcharges		**-**	666
		72,059,757	57,449,844

BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March			**2022**	2021
			Rs .	Rs.
08	**Selling and Distribution Expenses**			
	Advertisement		**2,311,200**	711,910
	Sales Promotions		**2,018,657**	2,392,476
	Discounts		**5,786,554**	2,326,873
	Trade Stall Rent charges		**209,900**	9,650
	Handling and Distribution Expenses		**781,186**	2,988,527
	Tender fees		**2,000**	2,000
			11,109,497	8,431,436
09	**Profit from Operations is Stated after charging all expenses including following :**			
	Directors' Remuneration		**684,804**	547,384
	Depreciation on property,plant & equipment-		**7,336,071**	1,762,688
	Auditors' Remuneration		**222,000**	407,000
	Donations		**-**	4,008
	Professional & Legal fees		**531,500**	452,181
	Staff costs	(Note 9.1)	**39,490,934**	35,062,671
			48,265,309	38,235,932
9.1	**Staff Costs**			
	Salaries, Wages and Other Related Expenses		**33,093,528**	29,097,372
	Defined Benefit Plan Costs-Employee Benefits		**2,179,992**	1,985,618
	Defined Contribution Plan Costs -EPF & ETF		**4,217,414**	3,979,682
			39,490,934	35,062,672
10	**Finance Income**			
	Interest income from fixed deposit		**4,357,246**	7,572,999
	Interest income from treasury bills		**3,100,478**	2,560,153
			7,457,723	10,133,152
11	**Finance Cost**			
	Interest on Coconut Development Authority Loan		**4,011,609**	4,011,609
	Interest on Kalubowitiyana Loan		**2,735,912**	2,735,912
	Bank Charges		**335,231**	65,078
			7,082,752	6,812,599
12	**Income Tax Expenses**			
	Current Tax Expenses	Note 12.1	**1,789,854**	2,431,957
			1,789,854	2,431,957
12.1	**Reconciliation of Accounting Profits to Income Tax Expenses**			
	Profit Before Income Tax Expenses		124,752,054	43,600,867
	Other Income/Exempt Income		(7,457,723)	(10,133,153)
	Disallowable Expenses		10,544,199	4,702,145
	Allowable Expenses		(2,471,267)	(1,852,495)
	Profit from Trade or Business		125,367,263	36,317,364
	Interest on fixed deposit & treasury bills		7,457,723	10,133,153
	Taxable Income		132,824,986	46,450,517
	Deduction from Carry forward Loss		(125,367,262)	(36,317,366)
	Taxable Income		7,457,724	10,133,151
	Tax Liability @ 24%		1,789,854	2,431,957
	Total Current Tax Charges		1,789,854	2,431,957

13 Property, Plant and Equipment

COST./ REVALUATION	Balance as at 01.04.2021 Rs.	Additions Rs.	Transfer	Balance as at 31.03.2022 Rs.
Freehold assets				
Land	8,195,200,000	-		**8,195,200,000**
Building	11,424,371	-		**11,424,371**
Building - Investment	7,191,604	-		**7,191,604**
Furniture and Fittings	6,195,352	268,024		**6,463,375**
Tools and Equipment	4,061,931	280,338		**4,342,270**
Office Equipment	6,334,411	437,899		**6,772,310**
Plant and Machinery	35,928,793	526,760		**36,455,553**
Motor Vehicle	22,018,189	21,700,000	21,689,688	**22,028,501**
	8,288,354,652	23,213,021	21,689,688	**8,289,877,985**
ACCUMULATED DEPRECIATION				
Freehold assets				
Building	8,050,582	474,973		**8,525,555**
Building - Investment	5,100,032	359,580		**5,459,612**
Furniture and Fittings	5,882,144	232,320		**6,114,464**
Tools and Equipment	2,982,724	561,386		**3,544,110**
Office Equipment	5,573,734	559,663		**6,133,397**
Plant and Machinery	32,473,738	751,285		**33,225,023**
Motor Vehicle	22,018,179	5,425,000	21,689,679	**5,753,500**
	82,081,133	8,364,207	21,689,679	**68,755,661**
WRITTEN DOWN VALUE				
Freehold assets				
Land	8,195,200,000			**8,195,200,000**
Building	3,373,789			**2,898,816**
Building - Investment	2,091,572			**1,731,992**
Furniture and Fittings	313,208			**348,912**
Tools and Equipment	1,079,207			**798,160**
Office Equipment	760,678			**638,913**
Plant and Machinery	3,455,055			**3,230,530**
Motor Vehicle	10			**16,275,001**
Net book value	8,206,273,519			**8,221,122,324**

13.1 Details of Land

In the year of 2013, by the Department of Government Valuation was revalue the total land (12 Acres, 03 Roodsand 8.77 perch) and as the value of rupees 8195 Million is included in the Financial Statements of the year2021/2022.

Ownership of a 06 acres part of BCC Land was transferred to the Ministry of Justic on 11th April,2019 in accordance with the Cabinet No. 15/1874/702/010 and No. 16/0332/731.

After received the valuation report of the transferred BCC Land will arrange to write off the land value of the financial statement in the next financial year.

BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13.2 Depreciation

A class wise analysis of the Depreciation of the company as at the reporting date is as follows.

	Total	Production Overhead	Administrative Expenses
Building	834,553	333,821	500,732
Furniture & fittings	232,320	-	232,320
Tools & Equipment	561,386	168,416	392,970
Office Equipment	559,663	-	559,663
Plant & Machinary	751,285	525,900	225,386
Motor Vehicle	5,425,000	-	5,425,000
	8,364,207	1,028,137	7,336,071

13.3 Details of Motor Vehicles Stated at Valuation.

A Valuation of Motor Vehicles of BCC Lanka Ltd was carried out by Automobile Association of Ceylon as at31st March 2022 using "Forced Sale Value"method and incorporated in the financial statements of theCompany.

Book Value of Revaluation Vehicles	Revaluation Value of Vehicles
21,689,688	21,700,000

14 Available for Sale -Investment

Company	No. of Shares	Market Price	Market Value As at 31.03.2022 Rs.	Market Value As at 31.03.2021 Rs.
Ceylon Hotel Corporation	10,000	24.00	**240,000**	240,000

15 Inventories

		2022	2021
Raw Materials and Consumables	(15.1)	**48,856,146**	31,432,494
Finished Goods	(15.2)	**10,534,001**	17,885,925
		59,390,147	49,318,419

15.1 Raw Materials and Consumables

Soap	**14,075,644**	**17,854,436**
Refinery	**34,399,186**	**13,196,741**
Drum Plant	**381,316**	**381,316**
	48,856,146	**31,432,493**

15.2 Finished Goods

Soap	**6,692,833**	**5,725,681**
Refinery	**3,841,168**	**12,160,244**
	10,534,001	**17,885,925**

			2022 Rs.	2021 Rs.
16	**Trade and Other Receivables**			
	Trade Debtors	16.1	**138,370,326**	42,469,849
	Deposits, Advances and Prepayments	16.2	**2,928,895**	3,827,068
	Other Receivable	16.3	**19,333,577**	14,968,317
	Staff Loans	16.4	**1,491,250**	975,000
			162,124,049	62,240,234
16.1	**Trade Debtors**			
	Distributor Debtors		**16,457,089**	9,687,249
	Direct Buyers		**93,224,174**	17,066,374
	Corporation Debtors		**35,776**	35,776
	Corporation Debtors - Related Parties	(16.1.1)	**26,469,313**	12,728,269
	Asphalt Debtors		**90,105**	90,105
	Government Debtors - Related Parties	(16.1.1)	**2,400,241**	3,185,785
			138,676,697	42,793,558

16.1.1 Related party Disclosures

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures" the details of which are reported below.

Trade Debtors - Related parties

Corporation debtors		
Ceylon Petroleum Coporation	**109,197**	435,349
Sri Lanka Ports Authority	**16,692**	2,925,434
Ceylon Electricity Board	**-**	62,401
Ceylon Fertilizer Co. Ltd.	**44,947**	80,006
Lanka Sathosa Ltd	**25,279,493**	3,302,992
National Housing Development Authority	**79,020**	
SL State Trading (General) Corp.	**939,964**	5,922,087
	26,469,313	12,728,269
Government debtors		
SL Airforce Welfare Society	**33,945**	33,945
Sri Lanka Navy	**21,762**	21,762
Sri Lanka Foundation	**353,760**	300,630
Sri Jayawardana General Hospital	**436,700**	120,010
Lady Righway Hospital	**4,628**	4,628
Medical Supply Division	**5,670**	279,671
Ministry of Health	**219,025**	8,028
Municipal Council - SriJayawardanapura	**100,799**	-
Ministry of Defence	**17,998**	-
STF Head Quarters	**21,406**	21,406
Institue of Oral Health	**92,594**	-
Homagama Hospital	**46,500**	46,500
Presidenttal Secretariat	**-**	17,500
Teaching Hospital -Ragama	**-**	64,396
Avissawella Hospital	**1,000**	1,000
Ministry of Industries	**-**	5,760
Univercity Of Peradeniya	**-**	353,094
Municipal Office - Dehiwala	**-**	150,793
Dept.Of Government Factory	**-**	15,601
Department of Examination	**-**	203,056
National Eye Hospital	**-**	156,006
Teaching Hospital - Karapitiya	**-**	200,016
The Soyza Hospital	**43,141**	-
Tuberculosts Control Chest Diseces	**49,680**	-
National Instiute of Mental Health - Angoda	**869,940**	-
Peradeniya Teaching Hospital	**-**	806,987
Sirimavo Badaranayake Children Hospital	**-**	374,998
Family Health Bureau	**17,296**	-
Apeksha Hospital - Maharagama	**64,396**	-
	2,400,241	3,185,787

NOTES TO THE FINANCIAL STATEMENTS

As at 31 st March

	2022 Rs.	2021 Rs.
16.1.2 Movment in provision for doubtful trade debtors		
Balance at the begenning of the year	**323,709**	383,709
Received for Bad & Doubtful Deb.	**(17,338)**	(60,000)
Balance at the end of the year	**306,371**	323,709
Trade Debtors - Net	**138,370,326**	42,469,849

16.1.3 Age Analysis of Trade Debtors are as follows.

	0 - 03 months	03-12 months	Over 12 months	Total
Distributor	16,469,647		(12,558)	16,457,089
Direct Buyers	72,522,559	20,568,074	133,542	93,224,176
Corporation	9,048,180	15,721,106	1,735,801	26,505,087
Asphalt			90,105	90,105
Government	1,221,352	1,035,951	142,939	2,400,241
	99,261,738	37,325,131	2,089,829	138,676,697

16.1.4 Provision for Bad & doubtful debtors

Distributor	12,150
Direct Buyers	85,839
Corporation	52,467
Rent	72,978
Government	82,938
Total	306,372

As at 31 st March

	2022 Rs.	2021 Rs.
16.2 Deposits,Advance & Prepayments		
Purchase Advance	**1,420,474**	2,503,673
Staff Welfare Prepayment	**-**	45,500
Annual Service Prepayment	**33,817**	41,230
Insurance Prepayment	**489,490**	384,435
Cash Sales Con.	**29,020**	-
Bid Bond Deposit	**15,000**	722,800
Sundry Deposit	**596,728**	654,628
Welfare Shop	**(1,019)**	(915)
Rajavasa Shop	**87,111**	92,349
Value Added Tax Receivable	**690,389**	161,022
License and Registration Prepayment	**1,282**	4,332
Interest Receivable	**987,077**	638,488
	4,349,369	5,247,542
16.2.1 Provision for doubtful advance		
Balance at the beginning of the year	**1,420,474**	1,420,474
Provision / (reversal) for the year	**-**	-
Written off during the year	**-**	-
Balance at the end of the year	**1,420,474**	**1,420,474**
Deposits ,Advance & Prepayments - Nett	**2,928,895**	**3,827,068**

NOTES TO THE FINANCIAL STATEMENTS

As at 31 st March

		2022 Rs.	2021 Rs.
16.3	**Other Receivable**		
	Rental Income Receivable - Related Parties (Note : 16.3.1)	5,306,200	14,906,828
	Rental Income Receivable - Non Related Parties	14,027,377	-
		19,333,577	14,906,828
16.3.1	**Rental Income Receivable - Related Parties**		
	Sri Lanka State Plantation Corporation	2,471,939	2,075,450
	Lanka Cement Ltd	1,120,111	1,120,111
	Sri Lanka Cement Corporation	886,150	886,150
	Coconut Development Authority	828,000	828,000
		5,306,200	4,909,711

16.3.2 Age Analysis of Rental Income Receivable

	0 - 03 months	03-12 months	Over 12 months	Total
Rental Income Receivable	15,170,210	1,334,519	2,828,849	19,333,577

As at 31 st March

		2022 Rs.	2021 Rs.
16.4	**Staff Loans**		
	Festival Advance - Salaries	823,125	575,000
	Festival Advance - Wages	668,125	400,000
		1,491,250	975,000
17	**Current Tax Assets**		
	Balance at the Beginning of the Year	3,523,850	5,955,807
	Claim for the year	(1,789,854)	(2,431,957)
	Balance as at the End of the Year	1,733,996	3,523,850
18	**Cash and Cash Equivalents**		
	People's Bank- 0056100163078093	34,637,698	28,555,689
	People's Bank- 004100170002337	83,325	-
	Cash in Hand	217,000	217,000
	Short Term Investment - People's Bank (Note 18.1)	187,756,367	175,981,274
	Cash and Cash Equivalents for Cash Flows purpose	222,694,390	204,753,963
18.1	**Short Term Investment - People's Bank**		
	FD No - 00002289 - 7	36,174,111	34,506,385
	FD No - 00002290 - 4	-	23,004,257
	FD No - 00002396 - 7	-	21,722,370
	FD No - 00003021- 8	8,220,857	7,846,526
	FD No - 00003063- 7	8,209,487	7,831,007
	FD No - 00003315- 3	15,718,295	14,969,805
	FD NO - 3697-1	6,402,702	6,083,328
	FD NO - 3698-0	6,402,702	6,083,328
	Tresury Bill - 01	12,183,520	11,620,023
	Tresury Bill -02	11,838,920	11,291,364
	Treasury Bill - 03	22,042,513	21,022,975
	Treasury Bill - 04	10,563,417	9,999,907
	Treasury Bill -05	19,999,935	-
	Treasury Bill - 06	14,999,987	-
	Treasury Bill - 07	14,999,921	-
		187,756,367	175,981,275

The Company held cash and cash equivalents with reputed People's Bank.

BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 st March	2022	2021
		Rs.	Rs.
19	**Stated Capital**		
	10,000,000 number of Ordinary Share Issued and Fully Paid	**100,000,000**	100,000,000
		100,000,000	100,000,000
20	**Capital Reserves**		
	Revaluation Reserve	**8,215,475,600**	8,193,775,600
		8,215,475,600	8,193,775,600
21	**Retirement Benefit Obligation**		
	Movement in the present Value of Defined Benefit Obligation		
	Balance as at the Beginning of the Year	**11,718,836**	9,857,398
	Current service cost	**1,114,523**	1,237,702
	Interest cost	**1,065,469**	747,915
	Actuarial (gain)/loss on obligation	**(1,575,720)**	301,870
	Benefit paid	**(869,518)**	(426,050)
	Balance as at the End of the Year	**11,453,590**	11,718,835

The retirement benefit obligation as at 31st March 2022 is calculated based on the actuarial valuation carried out by the our company. As recommended by the SriLanka Accounting Standards (LKAS 19)- Employee Benefit '' the project unit Credit (PUC) ' method has been used in this valuation.

21.1	**Actuarial assumptions**	**2022**	2021
	Principal actuarial assumptions at the reporting date.		
	Discount Rate	**10%**	10%
	Future Salary Increases	**10%**	10%
	Retirment Age (years)	**62**	60
22	**Loans and Borrowings**		
	The Coconut Development Authority	**111,418,856**	107,407,247
	Add: Capitalized Interest during 2021/22	**4,011,609**	4,011,609
		115,430,465	111,418,856
	Kalubowitiyana Tea Company Ltd	**58,382,429**	55,646,517
	Add: Capitalized Interest during 2021/22	**2,735,912**	2,735,912
		61,118,341	58,382,429
		176,548,806	**169,801,285**

22.1 Kalubovitiyana Loan

The Board of Directors approved in principle the settlement of long term oustanding to Kalubovitiyana Tea Company Limited and Board Paper no. BCC/2021/BP- 105 Dated 21st September 2021.

As at 31 st March			2022 Rs.	2021 Rs.
23	**Trade and Other Payables**			
	Trade Creditors	23.1	**11,946,208**	22,757,992
	Accrued Expenses	23.2	**2,318,807**	4,866,758
	Other Payables	23.3	**58,984,600**	59,311,086
	Deposits Payable	23.4	**19,742,598**	17,821,650
			92,992,214	104,757,486

23.1	**Trade Creditors**			
	Oil	23.1.3	**(0.00)**	4,486,786
	Soap	23.1.4	**2,687,632**	9,555,089
	Refinery		**4,748,990**	4,065,263
	Detergent		**(0.00)**	142,158
	Sundry		**891.00**	-
	J.E.D.B. Creditor	23.1.1	**4,508,696**	4,508,696
			11,946,208	**22,757,992**

23.1.1	**Trade Creditors- Related Parties**		
	Paranthan Chemical Co.	**-**	**3,612,661**
	Janatha Estate Developent Board	**4,508,696**	**4,508,696**
		4,508,696	**8,121,357**

23.1.2 Age Analysis of Trade Creditors are as follows.

	0 - 03 months	03- 12 months	Over 12 months	Total
Soap	**823,914**		**1,863,718**	**2,687,632**
Refinary	**1,735,631**		**3,013,359**	**4,748,990**
Sundry		**891**		**891**
J.E.D.B. Creditors			**4,508,696**	**4,508,696**
	2,559,545	**891**	**9,385,773**	**11,946,209**

23.1.3 Oil Creditors

The Board of Directors approved the settlement of oustandings due to Vijitha Oil Mills amounting to Rs. 3,079,850 and Ajantha Oil Mills amounting Rs. 1,406,936 on 30th September 2021

23.1.4 Soap Creditors

The Board of Directors approved the repayment of oustandings due to Paranthan Chemicals Company Limited amounting to Rs.3,612,661.31 on 21st January 2022 and settled on 01st March 2022.

As at 31st March		2022 Rs	2021 Rs.
23.2	**Accrued Expenses**		
	Security Charges	**633,284**	438,078
	Professional Fees	**69,485**	58,617
	Water Charges	**33,215**	24,498
	Telephone Charges	**90,781**	81,055
	Audit Fees	**222,000**	654,000
	Sick Leave Bonus	**-**	1,285,899
	Wages Soap Sundry	**853,631**	925,702
	Postage & Stmp fees	**4,900**	4,225
	Sundry allowance	**-**	839,200
	Vehical Rent	**-**	30,000
	Electricity	**411,032**	384,324
	Office Equipment	**-**	115,000
	Lab Expenses	**-**	26,160
	Rent	**480**	-
		2,318,807	4,866,758

As at 31 st March

			2022 Rs.	2021 Rs.
23.3	**Other Payables**			
	Turnover Tax		**141,280**	141,280
	Defense Levy - (NSL)		**1,079,762**	1,079,762
	Value Added Tax		**34,154,829**	34,187,473
	Goods and Services Tax (G.S.T)		**1,279,509**	1,279,509
	Rates and Taxes	(23.3.1)	**-**	21,608,510
	Salary & Wages-Outside Loan		**17,604**	1,823
	Stamp Duty Payable		**3,850**	3,625
	Salary & Wages Payable		**367,119**	248,000
	Employees' Provident Fund		**260,311**	230,134
	Employees' trust Fund		**71,825**	71,659
	Retention		**-**	197,000
	Receipt in Advance		**-**	262,310
	Land acquisition Compensation Advances	(23.3.1)	**21,608,510**	-
			58,984,600	59,311,085

23.3.1 Rate & Taxes

The amount of arrears of Rate & Taxes which should have been paid by the Company in relation to the land acquired from the Company for the construction of Court square is Rs. 21,608,510 paid by the Ministry Of Justic on 02.09.2021 pending reimbursement of land acquisition Compensation.

As at 31 st March

		2022 Rs.	2021 Rs.
23.4	**Deposits Payable**		
	Rental Deposits	**19,060,298**	17,539,350
	Supply Deposit	**642,300**	242,300
	Employee Deposit	**40,000**	40,000
		19,742,598	17,821,650

24 Defrred Tax Assets and Liabilities

24.1 Deferred Tax Assets

Defined Benefit Plans	1,603,502	-
Tax Losses	4,666,066	
Provision for Debtors	42,892	
	6,312,460	

24.2 Deferred Tax Liability

Property ,Plant & Equipment	510,206
Motor Vehicle Revaluation	1,358,000
	1,868,206

Deferred Tax (income) / Expenses	(4,444,254)