Annual Report of
BCC LANKA LTD
For the financial year ended
31 March 2020

Table of Contents

B C C LANKA LIMITED-PB 221

CORPORATE INFORMATION

Name of the Company	-	B C C Lanka Limited
Company Registration No.	-	PB 221
Registered Office	-	Hulftsdorf Mills, No.21,Meeraniya Street, Colombo 12.
Business Address	-	Hulftsdorf 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 for the as at 31st March 2020 was as follows:

Mr. W. M. S C Welegama - Chairman
Mr. K B G S Vimukthi
Mr. B N D Gunasekara
Mr. P B R Kumara
Mr. G R M L Bandara
Mr. M P W Karunarathne
Ms. M D I Abeygunawardena –
(Ceased to be a Director w. e. f. 27.07.2020)

Note : The following Directors were replaced during the period 01st April 2019 to 31 March 2020

Mr. T K H Hemachandra	-	w e f 25.04.2019
Mr. R P S Pushpakumara	-	w e f 15.01.2020
Ms. A R Wickramasinghe	-	w e f 16.01.2020 (resignation)
Mr. T D B Wijayagunawardane	-	w e f 28.02.2020
Mr. A G D de Silva	-	w e f 28.02.2020
Mr. I Y B Weerasooriya	-	w e f 28.02.2020
Mr. P H N Solomon	-	w e f 28.02.2020
Mr. R M C M A Rathnayake	-	w e f 28.02.2020

Company Secretaries - S S P Corporate Services (Private) Limited
No.101, Inner Flower Road, Colombo 03.

Auditors - Auditor General's Department

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"

B C C LANKA LIMITED

CHAIRMAN’S REVIEW

(FOR FINANCIAL YEAR ENDED ON 31ST MARCH 2020)

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 2020.

The Company achieved a gross profit of Rs. 109.3 Million while the company was able to reduce the cost of sales by Rs. 21.75 Millions. Further, the Company recorded Rs. 30 Millions of remarkable Profit after tax compared to last year.

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

I would like to extend my gratitude for the generous support and wise guidance received from the Honorable Minister and Secretary of the Ministry of Industries, and the General Treasury.

W M S C Welegama

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 2020.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. 25,973,168.00 Net Financial income of the Company during the financial year under review was Rs. 4,685,120.00 The Company has reported a Net Profit of Rs. 29,969,674.00

Stated Capital

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

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 Hulftsdorf Mills, No. 21 Meeraniya Street Colombo 12.

		S S P CORPORATE SERVICES (PRIVATE) LIMITED Secretaries
…………………………	………………………………	………………………..
Mr. W M S C Welegama Chairman	Director MPW Karunarathne	S S P Corporate Services (Pvt.) Limited Secretaries

29. 04. 2021
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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
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

REPORT OF THE AUDIT COMMITTEE – 2019

Audit Committee Consisted of following members during the financial year ended 31st March 2020 and two Audit committee Meetings were held.

01. Ms. A R Wickramasinghe – Chairman
02. Mr. A D G Silva – Member
03. Mr. P H Soloman – Member

In the Year 2019, the Committee

- In order to ensure the company's smooth operations, reviewed and made appropriate suggestions on the adequacy of many internal control mechanisms in the areas of inventories, production process, debt, human capital, revenues, payments, debtors, fixed assets, and procurement.
- Examined the financial reporting and overall internal control systems for their adequacy.
- Reviewed the Auditor General's report by paying close attention to the human resource management and personal emolument concerns.
- Examined the Auditor General Reports for the 2017/18 financial year and steps taken to rectifying accounting deficiencies and non-compliance of laws, rules, regulations and management decisions mentioned therein.

Although there were fewer audit committees as board appointments were delayed, the audit committee assisted the board in monitoring financial statements in accordance with appropriate Sri Lanka auditing standards and other applicable legal requirements, as well as ensuring compliance with relevant government rules and regulations and circulars.

A.R.Wickramasinghe
Chairman
Audit committee

මගේ අංකය எனது இல. My No.	IMU/A/BCC/FA/01/2020	ඔබගේ අංකය உமது இல Your No.		දිනය தேதி Date	05 March2021

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 31 March 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the BCC Lanka limited ("Company") for the year ended 31 March 2020 comprising the statement of financial position as at 31 March 2020 and the statement of comprehensive, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including 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 provisions of 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, except for the effects of the matters described in the basis for Qualifed Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

1.2 Basis for Qualified Opinion

(a) As per the paragraph 51 of the Sri Lanka Accounting Standard on property, plant and equipment (LKAS 16) the useful life of the assets shall be reviewed at least at each financial year end and if the expected life is differ from previous estimate the change shall be accounted in accordance with LKAS 08. However, though the fully depreciated motor vehicles and buildings amounting in to Rs.28,018,179 and Rs.1,924,915 (cost) respectively still in use had not been reviewed and accounted accordingly.

(b) Disclosures relating to the deferred tax in the note to the financial statement in accordance with paragraph 80 and 81 of the Sri Lanka Accounting Standard on Income Tax (LKAS 12) had not been made in the financial statements.

(c) The accuracy of the as turnover tax, defense levy, goods and services, rates and taxes and value added tax payable aggregating to Rs.57,648,266 shown in the financial statement for over a period of thirteen years could not ascertained in audit due to unavailability of sufficient and appropriate audit evidence.

(d) As per the financial statement of the Company, the amount payable to the Janatha Estate Development Board (JEDB) as at 31 March 2019 was Rs. 4,508,696. However, according to the financial statement of the JEDB there was no such a balance shown as receivable from the Company. Further, no other alternative evidence was made available for audit to ascertained the accuracy of this balance.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAUSS). My. responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such intimal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

These charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

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 an auditor’s report that includes my opinion, Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economy decisions of users taken on the basis of these financial

As part of an audit in accordance with Sri Lanka Auditing Standards, 1 exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 missions, misrepresentations, or the override of internal control.

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

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

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

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

I communicate with those charged with governance regarding, among other matters, significant

audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.

- Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163 (2) (d) of the Companies Act, No.7 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

- The financial statements of the Company comply with the requirement of section 151 of the Companies Act, No. 07 of 2007

- The financial statements presented is consistent with the preceding your as per the requirement of section 6 (1) (4) () of the National Audit Act No. 19 of 2018.

- The financial statements pressed includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (i) of the National Aud Act, No. 19 of 2018.

Based on the procedures performed and evidence obtained which limited to matters that are material, nothing has come to my attention

- to state that any member of the governing body of the Company has any director indirect interest in any contract entered into by the Company which are out of the normal course of business as per the requirement of section 12 (4) of the National Audit Act, No. 19 of 2015.

- to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (1) of the National Audit Act, No., 19 of 2018.

- to state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12. (e) of the National Audit Act, No. 19 of 2018.

- to state that 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 as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2015.

3. Other Audit Observation

a) Approval had been granted through the cabinet papers, No. අ ම ප /15/1874/702/010, dated 2015.12.09, No. අ ම ප /160597/731/009-1, dated 2016.04.26 and Noඅ ම ප /16/1277/724/052 dated 2016.07.12 in order to give six (06) acres to construct the court complex of Colombo, four (04) acres to rehabilitate the remand prison for facilitating the shifting of prison headquarters and two (02) acres, three (03) roods and 177 parches to the Urban Development Authority on a commercial matter the land in extent of twelve (12) acres, there (03) roods and 5.77 perches belonging to the DCC Lanka Limited However, activities relating to the transfer of six (06) are the Divisional Secretary on 11 April 2019 paying compensation were not completed in accordance with the procedure of acquiring the government lands. Nevertheless raining 06 acres, 03 roods and 8.77 perches of land owned by the company had not been revalued since 2013 and company had not yet taken to cancel the cabinet memorandum අ ම ප /16/1271/724/052 dated 2016.07.12 which was not function.

(b) The Company had obtained loans from the Coconut Development Authority amounting to Rs. 58,265,037 in the years 1985,2002 and 2004 and a loan of Rs. 10,000,000 obtained from the Kalubovitiyana Tea Factory Lad in the year 2003 and die interest payable for the loans as at the year under review was a 94,785,727.1lowever, the loan capital and the loan interest aggregating to R163,053,764 as at 31 March 2020 had remained without been settled.

(c) Nine refundable deposits of the tenant aggregating to Ra. 1,949,142 had not been claimed by the tenants even though the warehouses had not been occupied by the tenant over ten years. However, action had not been taken to settle the deposit.

W.P.C. Wickramaratne
Auditor General

BCC LANKA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 st March 2020

	Notes	2020 Rs.	2019 Rs.
Revenue	**04**	**251,632,204**	256,454,684
Cost of Sales	**05**	**(142,335,712)**	(164,078,442)
Gross Profit		**109,296,491**	92,376,242
Other Operating Income	**06**	**369,290**	772,204
Administrative Expenses	**07**	**(72,097,522)**	(67,694,696)
Distribution Cost	**08**	**(11,595,091)**	(9,571,062)
Profit from Operations	**09**	**25,973,168**	15,882,689
Finance Income	**10**	**11,476,899**	9,410,841
Finance Cost	**11**	**(6,791,779)**	(6,809,142)
Net Finance Income		**4,685,120**	2,601,699
Profit before Taxation		**30,658,288**	18,484,388
Income Tax Reversal / (Expenses)	**12**	**(688,614)**	-
Profit for the Year		**29,969,674**	18,484,388
Other Comprehensive Income / (Expenses)			
Actuarial Gain/(Loss) on Retirement Benefit Obligations	**22**	**33,072**	-
Total Comprehensive income /(loss) for the year		**30,002,746**	**18,484,388**
		-	-

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

	Note	2020 Rs.	2019 Rs.
Non Current Assets			
Property Plant and Equipment	13	**8,207,429,151**	8,206,567,124
Work in Progress	14	**-**	1,924,992
Available for Sale- Investment	15	**240,000.0**	240,000
		8,207,669,151	8,208,732,116
Current Assets			
Inventories	16	**27,606,607**	37,271,613
Trade and Other Receivables	17	**61,818,176**	56,822,862
Current Tax Assets	18	**5,955,807**	3,984,907
Cash and Cash Equivalent	19	**169,041,839**	124,547,615
		264,422,429	222,626,997
Total Assets		**8,472,091,580**	8,431,359,113
EQUITY AND LIABILITIES			
Stated Capital	20	**100,000,000**	100,000,000
Revaluation Reserve	21	**8,193,775,600**	8,193,775,600
Retained Earnings		**(94,570,262)**	(124,573,008)
Total Equity		**8,199,205,338**	8,169,202,592
Non Current Liabilities			
Retirement Benefit Obligation	22	**9,857,398**	7,904,356
Loans and Borrowings	23	**163,053,764**	156,306,243
		172,911,163	164,210,599
Current Liabilities			
Trade and Other Payables	24	**99,975,079**	97,945,921
		99,975,079	97,945,921
Total Liabilities		**272,886,242**	262,156,521
Total Equity and Liabilities		**8,472,091,580**	8,431,359,113

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.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

Date: ………………….

BCC LANKA LIMITED

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March 2020

	Stated Capital Rs.	Revaluation Reserve	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2018	100,000,000	8,193,775,600	(143,057,396)	8,150,718,204
Profit for the Year	-	-	18,484,388	18,484,388
Balance as at 1st April 2019	**100,000,000**	**8,193,775,600**	**(124,573,008)**	**8,169,202,592**
Profit for the year	-	-	29,969,674	29,969,674
Other comprehensive income			33,072	33,072
Balance as at 31st March 2020	**100,000,000**	**8,193,775,600**	**(94,570,262)**	**8,199,205,338**

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 31st March

	Notes	2020 Rs.	2019 Rs.
Cash Flow from Operating Activities			
Profit/(Loss) before Taxation		**30,658,288**	18,484,388
Adjustments for -			
Depreciation	**13**	**3,294,180**	5,560,831
Amortization	**14**	**1,924,992**	962,496
Interest Income	**10**	**(11,476,899)**	(9,410,841)
Increase in provision for retirement benefit obligation	**22**	**1,986,114**	1,848,289
Interest cost	**11**	**6,747,521**	6,747,521
Operating Profit / (Loss) before Working Capital Changes		33,134,196	24,192,684
Changes in Working Capital:			
Increase in inventories	**16**	**9,665,006**	9,205,677
(Increase) / Decrease in Trade and Other Receivables	**17**	**(6,966,214)**	(6,006,835)
Increase/(Decrease) in Trade and Other Payables	**19**	**2,029,149**	(98,198)
Cash Generated from Operations		**37,862,137**	27,293,328
Retiring Gratuity paid	**22**	**-**	(590,409)
Net Cash generated from Operating Activities		**37,862,137**	26,702,919
Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment	**13**	**(4,156,197)**	(2,191,413)
Investing in Tresury bills		**-**	-
Interest Received	**10**	**11,476,899**	9,410,841
Net Cash Flow from / (Used in) Investing Activities		**7,320,702**	7,219,428
Cash Flow from Financing Activities			
Interest paid		**-**	-
Esc Paid	**18**	**(688,614)**	-
Net Cash from Used in Financing Activities		**(688,614)**	-
Net Increase/(Decrease) in Cash and Cash Equivalents		**44,494,225**	33,922,348
Cash and Cash Equivalents at the Beginning of the Year		**124,547,615**	90,625,266
Cash and Cash Equivalents at the End of the Year		**169,041,839**	124,547,614
Analysis of Cash and Cash Equivalents at the End of the year			
National Development Bank PLC	**19**	**-**	1,277,921
People's Bank	**19**	**34,777,663**	18,763,984
Cash in Hand	**19**	**132,073**	214,000
Short Term Investment - People's Bank	**19**	**134,132,103**	104,291,710
		169,041,839	124,547,615

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 2020 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 2020 were approved and authorized for issue by the board of Directors in accordance with Resolation of the Directors on xx December 2020.

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 - Note
- 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

Amortisation 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.

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. Cash 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.

			2020 Rs .	2019 Rs.
04	**Revenue**			
	Soap		**33,728,414**	36,632,110
	Refinary		**153,424,436**	157,200,096
	Rent Income		**64,479,354**	62,622,477
			251,632,204	256,454,684
05	**Cost of Sales**			
	05.1 Inventory as at 01st April			
	Soap Department		**20,338,123**	21,673,799
	Refinary Department		**16,552,174**	23,818,903
	Drum Department		**381,316**	381,316
	Sub Total		**37,271,613**	45,874,019
	05.2 Purchases			
	Soap Department		**22,099,614**	27,890,837
	Refinery Department		**96,288,800**	115,983,064
	Drum Department		**-**	-
	Sub Total		**118,388,414**	143,873,901
	05.3 Direct Expenses			
	Wages		**8,040,858**	6,824,787
	Employees' Provident Fund		**501,642**	308,804
	Employees' Trust Fund		**100,328**	61,761
	Chemicals		**3,325**	97,633
	Sub Total		**8,646,153**	7,292,985
	05.4 Production Overhead			
	Salary		**2,587,199**	1,864,458
	Employees' Provident Fund		**315,476**	233,124
	Employees' Trust Fund		**63,095**	46,625
	Depreciation	Note13.2	**1,015,868**	724,483
	Power		**997,307**	960,169
	Building & Premises Maintenance - Rent buildings		**217,806**	157,100
	Upkeep of Machinery		**439,389**	323,192
	Sub Total		**5,636,139**	4,309,150
	05.5 Inventory as at 31st March			
	Soap Factory		**19,115,400**	20,338,123
	Refinery		**8,109,891**	16,552,174
	Drum Plant		**381,316**	381,316
	Sub Total		**27,606,607**	37,271,613
	Cost of Sales Summary	**Note 05**		
	Inventory as at 01st April	**Note 05.1**	**37,271,613**	45,874,019
	Purchases	**Note 05.2**	**118,388,414**	143,873,901
	Direct Expenses	**Note 05.3**	**8,646,153**	8,155,521
	Production Overhead	**Note 05.4**	**5,636,139**	3,446,614
	Inventory as at 31st March	**Note 05.5**	**(27,606,607)**	(37,271,613)
	Total		**142,335,712**	164,078,442

05.6 Cost Of Sales- Soap & Refinary

	Soap	Refinary	Rent
Inventoty as at 01.04.2019	20,338,123	16,552,174	-
Purchases	22,099,614	96,288,800	-
Direct Expenses			
Wages	3,877,752	4,163,106	-
E P F	307,730	193,912	-
E T F	61,546	38,782	-
Chemicals	-	3,325	-
Production Overhead			
Salary	1,704,224	882,975	
E P F	207,197	108,278	
E T F	41,439	21,656	
Depreciation	327,972	327,972	359,924
Power	663,963	333,344	-
Upkeep of Machinery	219,694	219,684	-
Building & Premises Maintenance			217,806
Inventoty as at 31.03.2020	(19,115,400)	(8,109,891)	-
	30,733,855	**111,024,128**	**577,730**

05.7 Gross Profit

		Soap	Refinary	Rent
Revenue		33,728,414	153,424,436	64,479,354
Cost Of Sales	Note 5.6	(30,733,855)	(111,024,128)	(577,730)
		2,994,560	**42,400,308**	**63,901,624**

For the Year Ended 31st March

06 Other Operating Income

	2020 **Rs .**	2019 Rs.
Sundry soap scraps	**67,673**	601,405
Lab Income	**9,207**	28,730
Water Income	**162,411**	44,070
Supply Registration Income	**130,000**	98,000
	369,290	772,204

		2020 Rs .	2019 Rs.
07	**Administrative Expenses**		
	Salaries and Wages	**34,693,972**	31,166,108
	Salaries and Wages - Employees' Provident Fund	**3,436,950**	2,907,220
	Salaries and Wages - Employees Trust Fund	**687,390**	582,132
	Directors' Remuneration	**272,500**	82,500
	Bonus, Sick Leave Bonus	**1,681,889**	1,472,431
	Staff Welfare	**912,240**	994,561
	Staff Training	**41,000**	21,000
	Telephone Charges	**744,115**	779,033
	Postage	**123,445**	58,500
	Printing and Stationery	**553,012**	402,715
	Auditors' Remuneration	**343,180**	80,000
	Professional Fees	**805,719**	369,906
	License and Registration	**198,709**	99,433
	Rent	**1,920**	1,920
	Electricity	**2,372,941**	2,304,814
	Water	**403,687**	467,518
	Insurance	**1,004,950**	978,082
	Security	**6,404,663**	4,688,710
	Rate and Taxes	**1,416,800**	1,416,800
	Vehicle Maintenance	**1,960,233**	2,349,811
	Traveling and Subsistence	**331,070**	329,356
	Gratuity	**1,986,114**	1,848,289
	Office Equipment Maintenance	**888,741**	567,292
	Subscription and Periodicals	**49,680**	20,656
	Laboratory Expenses	**173,592**	254,576
	Depreciation	**2,278,312**	4,836,351
	Annual Service Agreement	**248,011**	68,231
	Building & Premises Maintenance	**1,813,439**	1,476,797
	Donation	**261,500**	55,050
	Transport Charges	**48,300**	59,790
	Fuel	**1,277,761**	1,767,815
	Refreshment	**128,431**	100,095
	Vehicle Rent	**2,240,000**	2,651,000
	Weighing Charges	**2,600**	3,750
	Ceremony Expenses	**21,840**	58,867
	Amortization	**1,924,992**	962,496
	Penalties and Surcharges	**44,849**	105,495
	Bad & Doutful debt	**-**	383,709
	Disposal Of Obsolete stock loss	**-**	550,923
	National Building Tax	**318,974**	370,965
		72,097,522	67,694,696

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

			2020 Rs .	2019 Rs.
08	**Selling and Distribution Expenses**			
	Advertisement		**2,434,059**	502,770
	Sales Promotions		**2,258,520**	1,838,746
	Discounts		**2,243,109**	1,847,301
	Trade Fair Fees		**-**	75,475
	Handling and Distribution Expenses		**4,659,404**	5,296,545
	Tender fees		-	10,225
			11,595,091	9,571,062
09	**Profit from Operations is Stated after charging all expenses including following :**			
	Directors' Remuneration		**272,500**	82,500
	Depreciation on property,plant & equipment-		**2,278,312**	4,836,351
	Auditors' Remuneration		**343,180**	80,000
	Amortization		**1,924,992**	962,496
	Donations		**261,500**	55,050
	Professional & Legal fees		**805,719**	369,906
	Provision for bad & doubtful debts		**-**	383,709
	Staff costs	(Note 9.1)	**40,804,427**	28,539,714
			46,690,629	35,309,726
9.1	**Staff Costs**			
	Salaries, Wages and Other Related Expenses		**34,693,972**	31,166,108
	Defined Benefit Plan Costs-Employee Benefits		**1,986,114**	1,848,289
	Defined Contribution Plan Costs -EPF & ETF		**4,124,340**	3,489,353
			40,804,427	36,503,750
10	**Finance Income**			
	Interest income from fixed deposit		**10,006,910**	9,410,841
	Interest income from treasury bills		**1,469,988**	-
			11,476,899	9,410,841
11	**Finance Cost**			
	Interest on Coconut Development Authority Loan		**4,011,609**	4,011,608
	Interest on Kalubowitiyana Loan		**2,735,912**	2,735,913
	Bank Charges		**44,258**	61,621
			6,791,779	6,809,142
12	**Income Tax Expenses**			
	Current Tax Expenses	Note 12.1	**688,614**	-
			688,614	-
12.1	**Reconciliation of Accounting Profits to Income Tax Expenses**			
	Profit Before Income Tax Expenses		30,658,288	18,484,388
	Other Income/Exempt Income		(11,476,899)	(9,410,841)
	Disallowable Expenses		7,511,635	8,915,874
	Allowable Expenses		(2,295,025)	(3,556,247)
	Profit from Trade or Business		24,397,999	14,433,174
	Interest on fixed deposit & treasury bills		11,476,899	9,410,841
	Taxable Income		35,874,898	23,844,015
	Deduction from Carry forward Loss		(33,005,674)	(23,844,015)
	Taxable Income		2,869,224	-
	Tax Liability @ 24%		688,614	-
	Total Current Tax Charges		688,614	-

13 Property, Plant and Equipment

COST.	Balance as at 01.04.2019 Rs.	Additions Rs.	Balance as at 31.03.2020 Rs.
Freehold assets			
Land	8,195,200,000	-	**8,195,200,000**
Building	8,759,751	2,068,745	**10,828,496**
Building - Investment	7,191,604	-	**7,191,604**
Furniture and Fittings	5,751,696	295,736	**6,047,432**
Tools and Equipment	2,345,739	1,080,761	**3,426,500**
Office Equipment	5,446,457	710,955	**6,157,411**
Plant and Machinery	35,928,793	-	**35,928,793**
Motor Vehicle	22,018,189	-	**22,018,189**
	8,282,642,229	4,156,197	**8,286,798,425**
ACCUMULATED DEPRECIATION			
Freehold assets			
Building	7,130,430	540,230	**7,670,659**
Building - Investment	4,380,871	359,580	**4,740,451**
Furniture and Fittings	5,409,773	287,334	**5,697,107**
Tools and Equipment	1,892,240	542,687	**2,434,927**
Office Equipment	4,172,957	859,866	**5,032,823**
Plant and Machinery	31,070,644	704,483	**31,775,127**
Motor Vehicle	22,018,179		**22,018,179**
	76,075,095	3,294,180	**79,369,274**
WRITTEN DOWN VALUE			
Freehold assets			
Land	8,195,200,000		**8,195,200,000**
Building	1,629,321		**3,157,836**
Building - Investment	2,810,733		**2,451,153**
Furniture and Fittings	341,923		**350,325**
Tools and Equipment	453,499		**991,573**
Office Equipment	1,273,499		**1,124,588**
Plant and Machinery	4,858,149		**4,153,666**
Motor Vehicle	10		**10**
Net book value	8,206,567,134		**8,207,429,151**

13.1 Details of Land

BCC Lanaka Ltd owns a land on Meeraniya Street , Colombo 12, which is 12 Acres 03 Roods and 8.77 perches, and the Department of Government Valuation has valued the land in the year 2013 at Rupees 8195 Million.

According to Cabinet Memorandams no.15/1874/702/010 and no. 16/0332/731, 06 acres of land owned by the company has been transferred to the Ministry of Justice on 11th April 2019.

The Company has previously received a Loan of Rs.294 Million from the Bank Of Ceylon for 04 acres but only the remaining 02 acres will receive Rs.1760 Million from the Consolidated fund through the Land Reforms Commission at current Valuation.

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	899,810	359,924	539,886
Furniture & fittings	287,334	-	287,334
Tools & Equipment	542,687	162,806	379,881
Office Equipment	859,866	-	859,866
Plant & Machinary	704,483	493,138	211,345
Motor Vehicle	-	-	
	3,294,180	1,015,868	2,278,312

For the Year Ended 31st March	2020 Rs.	2019 Rs.
14 Work in Progress		
COST		
Balance at Beginning of the Year	**2,887,488**	2,887,488
Additions during the year	**-**	
Balance at End of the Year	**2,887,488**	2,887,488
Amortisation		
Balance at Beginning of the Year	962,496	**-**
Charge for the year	1,924,992	**962,496**
Balance at End of the Year	2,887,488	**962,496**
Net book Value	**-**	**1,924,992**

15 Available for Sale -Investment

Company	No. of Shares	Market Price	Market Value As at 31.03.2020 Rs.	Market Value As at 31.03.2019 Rs.
Ceylon Hotel Corporation	10,000	24.00	**240,000**	240,000

16 Inventories

		2020 Rs.	2019 Rs.
Raw Materials and Consumables	(16.1)	**22,134,265**	29,332,012
Finished Goods	(16.2)	**5,472,342**	7,939,601
		27,606,607	37,271,613

16.1 Raw Materials and Consumables

	2020 Rs.	2019 Rs.
Soap	**14,538,099**	**14,967,104**
Refinery	**7,214,849**	**13,983,591**
Drum Plant	**381,316**	**381,316**
	22,134,265	**29,332,011**

16.2 Finished Goods

	2020 Rs.	2019 Rs.
Soap	**4,577,301**	**5,371,018**
Refinery	**895,042**	**2,568,582**
	5,472,342	**7,939,600**

As at 31 st March		2020	2019
17 Trade and Other Receivables			
Trade Debtors	**17.1**	**43,266,828**	37,111,917
Deposits, Advances and Prepayments	**17.2**	**3,644,521**	3,692,632
Other Receivable	**17.3**	**14,906,828**	15,063,313
Staff Loans	**17.4**	**-**	955,000
		61,818,176	56,822,862

17.1 Trade Debtors

	2020	2019
Distributor Debtors	**4,831,975**	9,070,045
Direct Buyers	**23,726,079**	11,696,564
Corporation Debtors	**12,796,146**	12,661,618
Asphalt Debtors	**90,105**	90,105
Government Debtors	**2,206,233**	3,977,294
	43,650,537	37,495,626

17.1.1 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

	2020	2019
Ceylon Petroleum Coporation	**115,041**	183,313
Sri Lanka Ports Authority	**45,387**	29,892
Ceylon Electricity Board	**103,881**	56,102
Ceylon Fertilizer Co. Ltd.	**43,200**	-
Lanka Sathosa Ltd	**11,603,862**	12,339,089
M P C S Nattandiya	**35,775**	35,775
M P C S Kaduwela	**849,000**	-
National Food Development Board	**-**	5,926
National Housing Development Board	**-**	11,520
SL Airforce Welfare Society	**33,945**	33,945
Sri Lanka Navy	**21,762**	21,762
Sri Lanka Foundation	**498,180**	693,120
Sri Jayawardana General Hospital	**483,360**	-
Lady Righway Hospital	**4,628**	402,329
Medical Supply Division	**5,670**	42,665
Ministry of Health	**8,028**	8,028
General Hospital -Kaluthara	**35,217**	112,496
General Hospital -Kegalle	**117,109**	477,739
STF Head Quarters	**21,406**	21,406
General Hospital Gampaha	**119,991**	41,498
Homagama Hospital	**46,500**	46,500
Base Hospital -Panadura	**-**	39,599
Teaching Hospital -Ragama	**6,480**	-
Avissawella Hospital	**1,000**	1,000
Department of Government Printing	**-**	536,504
Municipal Office -Kandy	**-**	787,980
Reginal Director of Health Service	**-**	124,493
Ja-ela Pradeshiya sabawa	**-**	3,960
Urban Council- Kesbawa	**-**	67,950
Municipal Council - Kotte	**-**	85,352
Base Hospital - Wathupitiwala	**-**	99,600
Family Health Bureau	**-**	6,225
Government Analysis Department	**-**	24,899
National Building Research Organization	**-**	32,300
National Programme for Tuberculosis	**17,600**	-
Teaching Hospital - Kalubovila	**302,171**	208,845
Anti Malaria Campaign	**98,000**	-
National Instiute of Mental Health - Angoda	**112,500**	-
Peradeniya Teaching Hospital	**143,686**	57,100
Sirimavo Badaranayake Children Hospital	**129,000**	-
	15,002,379	16,638,912

As at 31 st March

	2020 Rs.	2019 Rs.
17.1.2 Movment in provision for doubtful trade debtors		
Balance at the begenning of the year	**383,709**	-
Provision for the year	**-**	383,709
Balance at the end of the year	**383,709**	383,709
Trade Debtors - Net	**43,266,828**	37,111,917

17.1.3 Age Analysis of Trade Debtors are as follows.

	0 - 03 months	03-12 months	Over 12 months	Total
Distributor	4,819,825		12,150	4,831,975
Direct Buyers	21,941,847	1,604,511	179,721	23,726,079
Corporation	9,409,143	115,042	3,271,961	12,796,146
Asphalt			90,105	90,105
Government	1,585,353	452,446	168,434	2,206,233
	37,756,167	2,171,998	3,722,372	43,650,537

17.1.4 Provision for Bad & doubtful debtors

Distributor	12,150
Direct Buyers	103,177
Corporation	52,467
Rent	72,978
Government	142,938
	383,709

As at 31 st March

	2020 Rs.	2019 Rs.
17.2 Deposits,Advance & Prepayments		
Purchase Advance	**2,033,172**	1,931,215
Staff Welfare Prepayment	-	39,000
Annual Service Prepayment	**118,030**	35,641
Insurance Prepayment	**311,430**	282,814
Telephone prepayment	**-**	274
Medical Insurance Prepayment	**2,933**	-
Bid Bond Deposit	**102,875**	1,539,260
Sundry Deposit	**100,000**	100,000
Welfare Shop	**3,456**	-
Value Added Tax Receivable	**-**	143,044
Nation Building Tax Receivable	-	16,947
License and Registration Prepayment	**12,904**	11,241
Received from staff provident fund	**25,260**	-
Interest Receivable	**2,354,934**	1,013,670
	5,064,995	5,113,106
17.2.1 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	**3,644,521**	**3,692,632**

As at 31 st March

		2020 Rs.	2019 Rs.
17.3	**Other Receivable**		
	Rental Income Receivable	**14,906,828**	15,063,313
		14,906,828	15,063,313

17.3.1 Rental Income Receivable - Related Parties

	2020 Rs.	2019 Rs.
Sri Lanka State Plantation Corporation	**1,975,899**	1,629,727
Lanka Cement Ltd	**1,120,111**	1,423,320
Sri Lanka Cement Corporation	**886,150**	886,150
Coconut Development Authority	**828,000**	828,000
Ministry of Justic	**60,000**	60,000
	4,870,160	4,827,196

17.3.2 Age Analysis of Rental Income Receivable

	0 - 03 months	03-12 months	Over 12 months	Total
Rental Income Receivable	**10,434,774**	**1,406,548**	**3,065,506**	**14,906,828**

As at 31 st March

		2020 Rs.	2019 Rs.
17.4	**Staff Loans**		
	Festival Advance - Salaries	-	580,000
	Festival Advance - Wages	-	375,000
		-	955,000
18	**Current Tax Assets**		
	Balance at the Beginning of the Year	**3,984,907**	1,462,790
	WHT Paid	**1,421,415**	1,282,052
	ESC Payment	**1,238,098**	1,240,066
	Claim for the year	**(688,614)**	-
	Balance as at the End of the Year	**5,955,807**	3,984,907
19	**Cash and Cash Equivalents**		
	National Development Bank PLC	-	1,277,921
	People's Bank	**34,777,663**	18,763,984
	Cash in Hand	**132,073**	214,000
	Short Term Investment - People's Bank(Note 19.1)	**134,132,103**	104,291,710
	Cash and Cash Equivalents for Cash Flows purpose	**169,041,839**	124,547,615
19.1	**Short Term Investment - People's Bank**		
	FD No - 00002289 - 7	**32,488,784**	29,786,692
	FD No - 00002290 - 4	**21,659,189**	19,857,795
	FD No - 00002396 - 7	**20,414,730**	18,723,302
	FD No - 00003021- 8	**7,354,553**	6,733,380
	FD No - 00003063- 7	**7,377,685**	6,764,083
	FD No - 00003315- 3	**13,762,304**	12,426,459
	FD NO - 3697-1	**5,537,500**	5,000,000
	FD NO - 3698-0	**5,537,500**	5,000,000
	Tresury Bill - 01	**9,999,921**	-
	Tresury Bill -02	**9,999,937**	-
		134,132,103	104,291,710

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

	2020 Rs.	2019 Rs.

20 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

21 Capital Reserves

Revaluation Reserve	**8,193,775,600**	8,193,775,600
	8,193,775,600	8,193,775,600

22 Retirement Benefit Obligation

Movement in the present Value of Defined Benefit Obligation

Balance as at the Beginning of the Year	**7,904,356**	6,646,476
Current service cost	**1,210,550**	1,848,289
Interest cost	**775,564**	-
Actuarial (gain)/loss on obligation	**(33,072)**	-
Benefit paid	**-**	(590,409)
Balance as at the End of the Year	**9,857,398**	7,904,356

The retirement benefit obligation as at 31st March 2020 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.

22.1 Actuarial assumptions	2020	2019
Principal actuarial assumptions at the reporting date.		
Discount Rate	**10%**	-
Future Salary Increases	**10%**	-
Retirment Age (years)	**60**	-

23 Loans and Borrowings

The Coconut Development Authority	**103,395,638**	99,384,029
Add: Capitalized Interest during 2019/20	**4,011,609**	4,011,608
	107,407,247	103,395,637
Kalubowitiyana Tea Company Ltd	**52,910,605**	50,174,692
Add: Capitalized Interest during 2019/20	**2,735,912**	2,735,913
	55,646,517	52,910,605
	163,053,764	**156,306,243**

As at 31 st March

		2020 Rs.	2019 Rs.
24 Trade and Other Payables			
Trade Creditors	24.1	**19,822,197**	17,755,092
Accrued Expenses	24.2	**3,129,790**	2,035,447
Other Payables	24.3	**59,139,035**	61,386,257
Deposits Payable	24.4	**17,884,056**	16,769,125
		99,975,079	97,945,921

24.1 Trade Creditors

	2020 Rs.	2019 Rs.
Oil	**4,486,786**	4,486,726
Soap	**6,263,362**	5,482,150
Refinery	**4,563,353**	3,277,521
J.E.D.B. Creditor	**4,508,696**	4,508,696
	19,822,197	**17,755,093**

24.1.1 Trade Creditors- Related Parties

	2020 Rs.	2019 Rs.
Paranthan Chemical Co.	**3,612,661**	**3,612,661**
Janatha Estate Developent Board	**4,508,696**	**4,508,696**
	8,121,357	**8,121,357**

24.1.2 Age Analysis of Trade Creditors are as follows.

	0 - 03 months	03- 12 month	03-12 m	Over 12 months	Total
Oil				**4,486,786**	**4,486,786**
Soap	**781,212**			**5,482,150**	**6,263,362**
Refinary	**1,546,819**			**3,016,534**	**4,563,353**
J.E.D.B. Creditors				**4,508,696**	**4,508,696**
	2,328,031			**17,494,166**	**19,822,197**

As at 31st March

	2020 Rs	2019 Rs.
24.2 Accrued Expenses		
Security Charges	**547,268**	-
Professional Fees	**21,336**	12,500
Water Charges	**59,067**	54,155
Telephone Charges	**93,075**	60,652
Audit Fees	**247,000**	240,000
Sick Leave Bonus	**1,124,901**	-
Wages Soap Sundry	**462,184**	1,278,773
Postage & Stmp fees	**3,500**	-
Sundry allowance	**179,950**	10,000
Vehical Rent	**30,000**	-
Electricity	**331,949**	379,366
Service Charges	**29,560**	-
	3,129,790	2,035,447

		2020 Rs.	2019 Rs.
24.3	**Other Payables**		
	Turnover Tax	**141,280**	141,280
	Defense Levy - (NSL)	**1,079,762**	1,079,762
	Value Added Tax	**33,539,205**	33,823,264
	Nations Building Tax	**-**	992,961
	Goods and Services Tax (G.S.T)	**1,279,509**	1,279,509
	Rates and Taxes	**21,608,510**	21,608,510
	E S C Payable	**-**	329,935
	Salary-Outside Loan	**194,935**	149,089
	Stamp Duty Payable	**4,025**	100
	Salary Payable	**30,591**	602,852
	Employees' Provident Fund	**599,143**	555,754
	Employees' trust Fund	**71,897**	66,690
	Wages-Outside Loan	**2,100**	2,300
	Wages payable	**29,018**	288,663
	Medical Insurance Payable	**1,800**	6,277
	Retention	**294,950**	197,000
	Receipt in Advance	**262,310**	262,309
		59,139,035	61,386,256
24.4	**Deposits Payable**		
	Rental Deposits	**17,508,156**	16,757,125
	Supply Deposit	**371,900**	-
	Tender Deposits	**4,000**	12,000
		17,884,056	16,769,125