



**Annual Report of
BCC LANKA LTD
For the financial year ended
31 March 2021**

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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	-	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 31 st March 2021 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 – replaced w e f 27.07.2020 *Ms. K A C Priyadarshani – appointed w e f 27.07.2020 Note: Mr. W S R Jagath Kumara was appointed to the Board w e f 02.03.2022 in place of Ms K A C Priyadarshini.
Company Secretaries	-	S S P Corporate Services (Private) Limited No.101, Inner Flower Road, Colombo 03.
Auditors	-	Auditor General's Department



Our Vision

“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 2021)

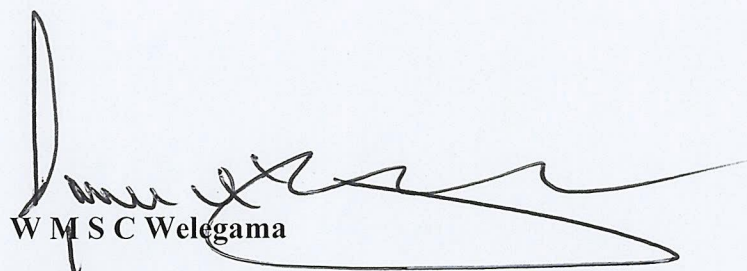
Chairman's Statement

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 2021.

The Company recorded a Rs. 41.16 Millions of remarkable Profit after Tax, compared to the last year whilst it is a 37 % profit growth. Further company was able to reduce the administrative costs and marketing & distribution costs by, Rs. 14 Million and Rs. 3.1 Million respectively, compared to the previous year in order to achieve the above mentioned profitability.

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 2021. 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. 40,280,313.00. Net Financial income of the Company during the financial year under review was Rs. 3,320,554.00. The Company has reported a Net Profit of Rs. 41,168,910.00.

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 Hultsdorf Mills, No. 21 Meeraniya Street Colombo 12.

Mr. W M S C welegama
Chairman

Director

28.04.2022

A:/d rep-21

S S P CORPORATE
SERVICES (PRIVATE) LIMITED

S S P Corporate Services
(Private) Limited
Secretaries

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
 Sno-Wite Care (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 2020/2021

Audit committee of BCC Lanka Ltd is a subcommittee of the Board and it provide the assistance to the Board of Directors. This committee should submit report with addressed issues and recommendations, to the Board of Directors to better assist the company in achieving its objectives by ensuring the adequacy of the internal control system and the prevalence of risk culture.

ROLE AND RESPONSIBILITIES

The Audit Committee of BCC Lanka Ltd scope and responsibilities are governed by the Department of Public Enterprises circular 55. Audit Committee is responsible to;

- Provide assistance to the Board to ensure the compliance with financial reporting requirement.
- Provide assistance to the Board to ensure introduce and implement adequate internal control system.
- Review the continuing impartiality of the internal auditors and their effectiveness.
- Review the internal and external audit report.
- Review the risks that company is exposed to, the actions taken to mitigate the risk and their effectiveness.

COMMITTEE COMPOSITION

The Board members who served on the Audit Committee during the year ended 31 March 2021 were Ms.KAC Priyadashani (Chairperson), Mr M P W Karunaratne (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.

MEETINGS

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

CONCLUSION

The Audit committee has submitted its comments on the identified issue 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.



K A C Priyadrshani
Chairperson
Audit Committee

Independent Auditor's Report

National Audit Office

My No. } IMT/A/BCC/FA/04/2020 Your No. } Date } 18 January 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 31 March 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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 2021 comprising the statement of financial position as at 31 March 2021 and the statement of comprehensive income, 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 Qualified 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 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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, fully depreciated currently in use property and equipment to the cost Rs. 65,050,274, The useful life of this property and equipment had not been reviewed and accounted for accordingly.
- (b) According to paragraphs 15 to 24 of Sri Lanka Accounting Standard (LKAS) No. 12, deferred tax liabilities and deferred tax assets should be recognized and accounted for, but the company had not acted in accordance with the standard.

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 Other informations included in the annual report 2020

Other information means the information included in the company's 2020/2021 annual report expected to be provided to me after the date of this audit report but not included in the financial statements and my audit report thereon. Management is responsible for this other information

I do not cover any other information in my opinion regarding financial statements and I do not express any kind of assurance or opinion about it.

In relation to my audit of financial statements, it is my responsibility to read the other information identified above when available and to consider whether other information in accordance with my knowledge obtained in the financial statements or during the audit or in any other way is quantitatively inconsistent.

after reading the Company's 2020 Annual Report, If I conclude that it has quantitative errors, those matters should be communicated to the governing parties for correction. If there are any further unresolved errors, they will be included in the report that I will table in Parliament in due course in accordance with Article 154 (6) of the Constitution.

1.4 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 management either intends to liquidate the Company or a cease operation, 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

1.5 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, I 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 misstatements, 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

- The relevance of using the going concern basis of accounting was determined based on the audit evidence obtained as to whether there is material uncertainty as to the going concern of the entity due to events or circumstances. If I conclude that there is sufficient uncertainty, my audit report should focus on the related disclosures in the financial statements, and if those disclosures are inadequate, I should modify my opinion. However, the continuance may terminate upon future events or circumstances.
- 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 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 for following requirements.
 - 2.1.1 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.
 - 2.1.2 The financial statements of the Company comply with the requirement of section 151 of the Companies Act, No. 07 of 2007
 - 2.1.3 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (3) of the National Audit Act No. 19 of 2018.
 - 2.1.4 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (4) of the National Aud Act, No. 19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained which limited to matters that are material, nothing has come to my attention
 - 2.2.1 According to the requirement mentioned in Section 12 (d) of the National Audit Act No. 19 of 2018, any member of the company's governing body has a relationship, directly or otherwise, outside the ordinary course of business in relation to any contract with which the company is involved.

- 2.2.2 According to the requirement mentioned in Section 12 (e) of the National Audit Act bearing No. 19 of 2018, except for the following inspection, the company has not acted in accordance with any relevant written law or other general or special directives issued by the company's governing body.

Reference to Rules/Directive

observations

Department of Management Services
Circular No. 30 dated September 22,
2006

In the year 2006, during the restructuring of the company, the salaries were established in each salary step according to the circular, but the relevant recruitment procedure has not been approved by the Management Services Department. As on March 31, 2011, 44 permanent officers and 5 officers were employed on contract basis, and for the year under review, Rs. 29,097.372 and Rs. Rs. 3,546,775 manpower supply, between 20 and 35 employees were assigned for the duties of the company and paid for it.

- 2.2.3 That the powers, duties and functions of the company have not been acted upon as per the requirement mentioned in Section 12 (g) of the National Audit Act No. 19 of 2018.

- 2.2.4 According to the requirement mentioned in Section 12 (h) of the National Audit Act No. 19 of 2018, except for the following observations, the resources of the company have not been procured and used in accordance with the relevant rules in a timely manner, efficiently and effectively.

- a) B.C.C. The land area of 8.77 perches of 12 acres owned by the company in the year 2013 was Rs. 8,195 million had been assessed. By Cabinet Decision No. 15/1874/702/010-VII dated December 17, 2015 and Cabinet Decision No. 16/0597/731/009-1 dated April 20, 2016, a portion of 6 acres of this land was allotted for the construction of Colombo Court Square. Although it has been given to the Ministry of Justice, the land transfer and compensation work has not been completed according to the government's land acquisition procedure.
- b) There are 32 warehouses of 118,345 square feet and 3 oil tanks with a capacity of 3,500 metric tons of oil in this area, which has an estimated value of Rs.8.195 million in 2013. These stores were rented for Rs. 50-70 per square foot and General Stores - First floor of 5140 square feet was given for Rs. 30 per square foot. These warehouses in the premises of the company with high commercial value had to be given at a low price due to lack of proper renovation. Also, 3 oil

tanks with a capacity of 3,500 MT worth Rs. 21,074,765 remained empty for many years, out of which 2 tanks were rented in March and June of 2021.

- c) The company procures coconut oil from suppliers, stores it in several small tanks, filters it and bottles it as white coconut oil, while only Cooks Joy oil undergoes a refining process. In the year under review, white coconut oil and Cooks Joy oil. 311.50 tons were produced and the income was Rs. 193,856,378. Currently, the company only procures coconut oil from a limited number of suppliers and bottles it. However, the company's attention was not focused on implementing a comprehensive program from the production of coconut oil, which is the origin of the product, to sales.
- d) The soap production in 2020/2021 was not continuous throughout the year as the company had not done so but the main stock items of the BCC soap factory located in Wathupitiwala should have restocked when they reached the reorder level. And the production was not done according to the maximum capacity of the company's machines.

Restriction of imports as the company buys the soap noodles required for soap production locally and abroad and mixes them to produce soap. The procurement committee held on March 18, 2021 had procured a stock of sovereign bars from the outside party due to high cost of foreign noodles. The soap purchased from an external party is only packaged and sold under the company's brand and since March 2021, the company's soap manufacturing machines have been inactive.

- e) In the year 2012, the soap manufacturing plant at the BCC Head Office was moved to the Estate Investment Board site and installed, but it remained unused and idle from the date of installation till the date of audit.
- f) 04 vehicles received from the Ministry of Public Enterprise Development and owned by the company were parked in the vehicle yard of the company since they were not in a suitable condition for driving between the 01-03 years and the company had not taken appropriate actions to hand them over to the said ministry or dispose of them.

2.3 Other Matters

- a) As on March 31, 2021, the purchase advance balance was Rs. 2,503,673 out of which more than 11 years old Rs. 1,420,474 32 balances were not recovered by the company
- b) At the end of the year under review, the rent receivable from the rented warehouses was Rs. 14,968,317 out of which the company had not taken steps to recover the balance of Rs. 2,834,261 which was more than 10 years old.

- c) In the years 1985, 2002 and 2004, Rs. 58,265,037 from the Coconut Development Authority and Rs. 10,000,000 from Kalu Bowitiana Tea Company in the year 2003, the interest payable as of the year under review was Rs. 53,153,819 and Rs. 48,382,429 respectively. the company had made provisions for the interest to be paid annually at the rate of Rs. 6,747,521, but the company had not settled the remaining debt and interest amounting to Rs. 169,801,285.
- d) Although there was a balance of Rs. 4,508,696 to be paid to the Janatha Vatu Development Board, as no such balance was shown according to the accounts of the Janata Vatu Development Board, it was not possible to obtain confirmation regarding the correctness of this balance during the audit.
- e) Over 14 years total of payable assessment tax, sales tax, security tax, goods and services tax, VAT balances of Rs. 58,296,534 and over 10 years of total creditor balances of Rs. 12,976,524. The company had not taken steps to settle
- f) The deposit of Rs. 1,949,142 taken as initial deposit during the rental of the buildings for more than 15 years had not been taken into the company's income after confirming that the deposit would not be demanded.

Auditor General

W. P.C. Wickramaratne

BCC LANKA LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended 31 st March 2021

	Notes	2021 Rs.	2020 Rs.
Revenue	04	305,525,059	251,632,204
Cost of Sales	05	(199,894,401)	(142,335,712)
Gross Profit		105,630,658	109,296,492
Other Operating Income	06	530,937	369,290
Administrative Expenses	07	(57,449,846)	(72,097,522)
Distribution Cost	08	(8,431,436)	(11,595,091)
Profit from Operations	09	40,280,313	25,973,169
Finance Income	10	10,133,153	11,476,899
Finance Cost	11	(6,812,599)	(6,791,779)
Net Finance Income		3,320,554	4,685,120
Profit before Taxation		43,600,867	30,658,289
Income Tax Reversal / (Expenses)	12	(2,431,957)	(688,614)
Profit for the Year		41,168,910	29,969,675
Other Comprehensive Income / (Expenses)			
Actuarial Gain/(Loss) on Retirement Benefit Obligations	22	(301,870)	33,072
Total Comprehensive income /(loss) for the year		40,867,040	30,002,747

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	2021 Rs.	2020 Rs.
Non Current Assets			
Property Plant and Equipment	13	8,206,273,520	8,207,429,151
Available for Sale- Investment	15	240,000	240,000
		8,206,513,520	8,207,669,151
Current Assets			
Inventories	16	49,318,418	27,606,607
Trade and Other Receivables	17	62,240,234	61,818,176
Current Tax Assets	18	3,523,850	5,955,807
Cash and Cash Equivalent	19	204,753,964	169,041,839
		319,836,466	264,422,429
Total Assets		8,526,349,986	8,472,091,580
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		(53,703,222)	(94,570,262)
Total Equity		8,240,072,378	8,199,205,338
Non Current Liabilities			
Retirement Benefit Obligation	22	11,718,836	9,857,398
Loans and Borrowings	23	169,801,285	163,053,764
		181,520,121	172,911,162
Current Liabilities			
Trade and Other Payables	24	104,757,486	99,975,079
		104,757,486	99,975,079
Total Liabilities		286,277,607	272,886,241
Total Equity and Liabilities		8,526,349,986	8,472,091,579

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/401
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:05.11.2021



BCC LANKA LIMITED**STATEMENT OF CHANGES IN EQUITY****For the Year Ended 31st March 2021**

	Stated Capital Rs.	Revaluation Reserve	Retained Earnings Rs.	Total Rs.
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 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/(expenses)			(301,870)	(301,870)
Balance as at 31st March 2021	100,000,000	8,193,775,600	(53,703,222)	8,240,072,378

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.



BCC LANKA LIMITED

STATEMENT OF CASH FLOWS

For the Year Ended 31st March

	Notes	2021 Rs.	2020 Rs.
Cash Flow from Operating Activities			
Profit/(Loss) before Taxation		43,600,867	30,658,288
Adjustments for -			
Depreciation	13	2,711,855	3,294,180
Amortization	14	-	1,924,992
Interest Income	10	(10,133,153)	(11,476,899)
Increase in provision for retirement benefit obligation	22	1,985,617	1,986,114
Interest cost	11	6,747,521	6,747,521
Operating Profit / (Loss) before Working Capital Changes		44,912,708	33,134,196
Changes in Working Capital:			
Increase in inventories	16	(21,711,811)	9,665,006
(Increase) / Decrease in Trade and Other Receivables	17	(422,058)	(6,966,214)
Increase/(Decrease) in Trade and Other Payables	19	4,782,410	2,029,149
Cash Generated from Operations		27,561,248	37,862,137
Retiring Gratuity paid	22	(426,050)	-
Net Cash generated from Operating Activities		27,135,198	37,862,137
Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment	13	(1,556,226)	(4,156,197)
Investing in Treasury bills		-	-
Interest Received	10	10,133,153	11,476,899
Net Cash Flow from / (Used in) Investing Activities		8,576,927	7,320,702
Cash Flow from Financing Activities			
ESC Paid	18	-	(688,614)
Net Cash from Used in Financing Activities		-	(688,614)
Net Increase/(Decrease) in Cash and Cash Equivalents		35,712,125	44,494,225
Cash and Cash Equivalents at the Beginning of the Year		169,041,839	124,547,614
Cash and Cash Equivalents at the End of the Year		204,753,964	169,041,839
Analysis of Cash and Cash Equivalents at the End of the year			
People's Bank	19	28,555,689	34,777,663
Cash in Hand	19	217,000	132,073
Short Term Investment - People's Bank	19	175,981,274	134,132,103
		204,753,964	169,041,839

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.



BCC LANKA LIMITED

NOTES TO THE 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 2021 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.



BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 01 - "Presentation of Financial Statements".

2.7 Approval of Financial Statements

The Financial 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 Resolution 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 Standards 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.

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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.



BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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;



BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 benefits 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



BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 EPF and ETF

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.



BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.



BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.



BCC LANKA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

		2021 Rs.	2020 Rs.
04 Revenue			
Soap		45,841,540	33,728,414
Refinery		193,856,378	153,424,436
Rent Income		65,827,141	64,479,354
		305,525,059	251,632,204
05 Cost of Sales			
05.1 Inventory as at 01st April			
Soap Department		19,115,400	20,338,123
Refinery Department		8,109,891	16,552,174
Drum Department		381,316	381,316
Sub Total		27,606,607	37,271,613
05.2 Purchases			
Soap Department		38,119,072	22,099,614
Refinery Department		168,232,117	96,288,800
Sub Total		206,351,189	118,388,414
05.3 Direct Expenses			
Wages		8,902,151	8,040,858
Employees' Provident Fund		542,312	501,642
Employees' Trust Fund		108,462	100,328
Chemicals		47,602	3,325
Sub Total		9,600,528	8,646,153
05.4 Production Overhead			
Salary		2,301,893	2,587,199
Employees' Provident Fund		259,340	315,476
Employees' Trust Fund		51,868	63,095
Depreciation	Note 13.2	949,166	1,015,868
Power		1,033,062	997,307
Building & Premises Maintenance - Rent buildings		201,600	217,806
Upkeep of Machinery		857,567	439,389
Sub Total		5,654,496	5,636,140
05.5 Inventory as at 31st March			
Soap Factory		23,580,117	19,115,400
Refinery		25,356,985	8,109,891
Drum Plant		381,316	381,316
Sub Total		49,318,418	27,606,607
Cost of Sales Summary	Note 05		
Inventory as at 01st April	Note 05.1	27,606,607	37,271,613
Purchases	Note 05.2	206,351,189	118,388,414
Direct Expenses	Note 05.3	9,600,528	8,646,153
Production Overhead	Note 05.4	5,654,496	5,636,139
Inventory as at 31st March	Note 05.5	(49,318,418)	(27,606,607)
Total		199,894,401	142,335,712



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

05.6 Cost Of Sales- Soap , Refinery & Rent

	Soap	Refinery	Rent
Inventoty as at 01.04.2020	19,115,400	8,109,891	-
Purchases	38,119,072	168,232,117	-
Direct Expenses			
Wages	4,502,609	4,399,543	-
E P F	330,777	211,535	-
E T F	66,155	42,307	-
Chemicals	-	47,602	-
Production Overhead			
Salary	1,536,041	765,852	
E P F	176,061	83,279	
E T F	35,212	16,656	
Depreciation	326,683	326,683	295,801
Power	727,971	305,091	-
Upkeep of Machinery	428,784	428,784	-
Building & Premises Maintenance			201,600
Inventoty as at 31.03.2021	(23,580,117)	(25,356,985)	-
	41,784,647	157,612,353	497,401

05.7 Gross Profit

Revenue	45,841,540	193,856,378	65,827,141
Cost Of Sales	Note 5.6	(41,784,647)	(157,612,353)
	4,056,893	36,244,025	65,329,740

For the Year Ended 31st March

	2021 Rs .	2020 Rs.
06 Other Operating Income		
Sundry soap scraps	-	67,673
Lab Income	-	9,207
Weighing Income	500	-
Water Income	225,437	162,411
Supply Registration Income	305,000	130,000
	530,937	369,291



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

	2021 Rs .	2020 Rs.
07 Administrative Expenses		
Salaries and Wages	29,097,372	34,693,972
Salaries and Wages - Employees' Provident Fund	3,316,401	3,436,950
Salaries and Wages - Employees Trust Fund	663,280	687,390
Directors' Remuneration	547,384	272,500
Bonus, Sick Leave Bonus	1,964,649	1,681,889
Staff Welfare	813,924	912,240
Staff Training	88,500	41,000
Telephone Charges	586,003	744,115
Postage	85,197	123,445
Printing and Stationery	440,397	553,012
Auditors' Remuneration	407,000	343,180
Professional Fees	452,181	805,719
License and Registration	216,042	198,709
Rent	1,920	1,920
Electricity	2,546,646	2,372,941
Water	423,625	403,687
Insurance	1,458,301	1,004,950
Security	4,802,092	6,404,663
Rate and Taxes	1,416,800	1,416,800
Vehicle Maintenance	706,054	1,960,233
Traveling and Subsistence	342,976	331,070
Gratuity	1,985,618	1,986,114
Office Equipment Maintenance	243,643	888,741
Subscription and Periodicals	29,110	49,680
Laboratory Expenses	300,851	173,592
Depreciation	1,762,688	2,278,312
Annual Service Agreement	169,713	248,011
Building & Premises Maintenance	978,753	1,813,439
Donation	4,008	261,500
Transport Charges	103,110	48,300
Fuel	1,054,983	1,277,761
Refreshment	71,757	128,431
Vehicle Rent	360,000	2,240,000
Weighing Charges	1,550	2,600
Ceremony Expenses	6,650	21,840
Amortization	-	1,924,992
Penalties and Surcharges	666	44,849
National Building Tax	-	318,974
	57,449,846	72,097,521



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March

	2021 Rs.	2020 Rs.
08 Selling and Distribution Expenses		
Advertisement	711,910	2,434,059
Sales Promotions	2,392,476	2,258,520
Discounts	2,326,873	2,243,109
Trade Stall Fees	9,650	-
Handling and Distribution Expenses	2,988,527	4,659,404
Tender fees	2,000	-
	8,431,436	11,595,092
09 Profit from Operations is Stated after charging all expenses including following :		
Directors' Remuneration	547,384	272,500
Depreciation on property, plant & equipment-	1,762,688	2,278,312
Auditors' Remuneration	407,000	343,180
Amortization	-	1,924,992
Donations	4,008	261,500
Professional & Legal fees	452,181	805,719
Staff costs (Note 9.1)	35,062,671	40,804,427
	38,235,933	46,690,630
9.1 Staff Costs		
Salaries, Wages and Other Related Expenses	29,097,372	34,693,972
Defined Benefit Plan Costs-Employee Benefits	1,985,618	1,986,114
Defined Contribution Plan Costs -EPF & ETF	3,979,682	4,124,340
	35,062,671	40,804,426
10 Finance Income		
Interest income from fixed deposit	7,572,999	10,006,910
Interest income from treasury bills	2,560,153	1,469,988
	10,133,153	11,476,898
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	65,078	44,258
	6,812,599	6,791,779
12 Income Tax Expenses		
Current Tax Expenses Note 12.1	2,431,957	688,614
	2,431,957	688,614
12.1 Reconciliation of Accounting Profits to Income Tax Expenses		
Profit Before Income Tax Expenses	43,600,867	30,658,288
Other Income/Exempt Income	(10,133,153)	(11,476,899)
Disallowable Expenses	4,702,145	7,511,635
Allowable Expenses	(1,852,495)	(2,295,025)
Profit from Trade or Business	36,317,364	24,397,999
Interest on fixed deposit & treasury bills	10,133,153	11,476,899
Taxable Income	46,450,517	35,874,898
Deduction from Carry forward Loss	(36,317,364)	(33,005,674)
Taxable Income	10,133,153	2,869,224
Tax Liability @ 24%	2,431,957	688,614
Total Current Tax Charges	2,431,957	688,614

NOTES TO THE FINANCIAL STATEMENTS

13 Property, Plant and Equipment

COST.	Balance as at	Additions	Balance as at
	01.04.2020 Rs.		31.03.2021 Rs.
Freehold assets			
Land	8,195,200,000	-	8,195,200,000
Building	10,828,496	595,875	11,424,371
Building - Investment	7,191,604	-	7,191,604
Furniture and Fittings	6,047,432	147,920	6,195,352
Tools and Equipment	3,426,500	635,431	4,061,931
Office Equipment	6,157,411	177,000	6,334,411
Plant and Machinery	35,928,793	-	35,928,793
Motor Vehicle	22,018,189	-	22,018,189
	8,286,798,426	1,556,226	8,288,354,652
ACCUMULATED DEPRECIATION			
Freehold assets			
Building	7,670,659	379,922	8,050,582
Building - Investment	4,740,451	359,580	5,100,032
Furniture and Fittings	5,697,108	185,036	5,882,144
Tools and Equipment	2,434,927	547,797	2,982,724
Office Equipment	5,032,823	540,910	5,573,734
Plant and Machinery	31,775,129	698,609	32,473,738
Motor Vehicle	22,018,179		22,018,179
	79,369,277	2,711,855	82,081,132
WRITTEN DOWN VALUE			
Freehold assets			
Land	8,195,200,000		8,195,200,000
Building	3,157,836		3,373,789
Building - Investment	2,451,153		2,091,572
Furniture and Fittings	350,324		313,208
Tools and Equipment	991,573		1,079,207
Office Equipment	1,124,588		760,678
Plant and Machinery	4,153,665		3,455,055
Motor Vehicle	10		10
Net book value	8,207,429,148		8,206,273,520

13.1 Details of Land

The 12 Acres, 03 Roods and 8.77 perch land owned by the BCC premises at Meeraniya Street , Colombo 12 was re-evaluated in 2013 by the Department of Government Valuation for Rs.8195 million.

The Ministry of Mega polis and Western Development issued Cabinet Memorandams dated 16.06.2016 16/1277/724/052 regarding this land owned by BCC and had got the cabinet approval for handed over 06 acres of the BCC owned land to the Ministry of justic for the expansion of the court complex.

Accordingly , ownership of a 06 acres part of BCC land transferred to the Ministry of Justic on 11th April 2019 in accordance, with the cabinet memorandum No 15/1874/702/010 and No. 16/0332/731.

As a compensation for the above 06 acres , initially ,the General terasury has valued 04 acres part for Rs. 294 million as a compensate amount.The General treasury has paid the compensate amount for 04 acres , directly for the Bank of Ceylon in order to setoff for the loan received from the BOC by BCC Lanka Ltd.

The compensation for remain 02 acres was valued as Rs. 1760 million in 2018, and should be compensated the fair value of the land by the date of paying, from the Ministry of land.



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	739,502	295,801	443,701
Furniture & fittings	185,036	-	185,036
Tools & Equipment	547,797	164,339	383,458
Office Equipment	540,910	-	540,910
Plant & Machinery	698,609	489,026	209,583
Motor Vehicle	-	-	-
	<u>2,711,855</u>	<u>949,166</u>	<u>1,762,688</u>

For the Year Ended 31st March

2021
Rs.2020
Rs.

14 Work in Progress

COST

Balance at Beginning of the Year	-	2,887,488
Additions during the year	-	-

Balance at End of the Year	-	2,887,488
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Amortisation

Balance at Beginning of the Year	-	962,496
Charge for the year	-	1,924,992
Balance at End of the Year	-	2,887,488

Net book Value

-

15 Available for Sale -Investment

Company	No. of Shares	Market Price	Market Value As at 31.03.2021 Rs.	Market Value As at 31.03.2020 Rs.
Ceylon Hotel Corporation	10,000	24.00	240,000	240,000

16 Inventories

Raw Materials and Consumables	(16.1)	31,432,494	22,134,265
Finished Goods	(16.2)	17,885,925	5,472,342
		<u>49,318,418</u>	<u>27,606,607</u>

16.1 Raw Materials and Consumables

Soap	17,854,436	14,538,099
Refinery	13,196,741	7,214,849
Drum Plant	381,316	381,316
	<u>31,432,494</u>	<u>22,134,264</u>

16.2 Finished Goods

Soap	5,725,681	4,577,301
Refinery	12,160,244	895,042
	<u>17,885,925</u>	<u>5,472,343</u>

BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at 31 st March

		2021 Rs.	2020 Rs.
17 Trade and Other Receivables			
Trade Debtors	17.1	42,469,849	43,266,828
Deposits, Advances and Prepayments	17.2	3,827,068	3,644,521
Other Receivable	17.3	14,968,317	14,906,828
Staff Loans	17.4	975,000	-
		62,240,234	61,818,177
17.1 Trade Debtors			
Distributor Debtors		9,687,249	4,831,975
Direct Buyers		17,066,374	23,726,079
Corporation Debtors		12,764,045	12,796,146
Asphalt Debtors		90,105	90,105
Government Debtors		3,185,785	2,206,233
		42,793,558	43,650,538

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

Ceylon Petroleum Corporation	435,349	115,041
Sri Lanka Ports Authority	2,925,434	45,387
Ceylon Electricity Board	62,401	103,881
Ceylon Fertilizer Co. Ltd.	80,006	43,200
Lanka Sathosa Ltd	3,302,992	11,603,862
SL State Trading (General) Corp.	5,922,087	-
SL Airforce Welfare Society	33,945	33,945
Sri Lanka Navy	21,762	21,762
Sri Lanka Foundation	300,630	498,180
Sri Jayawardana General Hospital	120,010	483,360
Lady Righway Hospital	4,628	4,628
Medical Supply Division	279,671	5,670
Ministry of Health	8,028	8,028
General Hospital -Kaluthara	-	35,217
General Hospital -Kegalle	-	117,109
STF Head Quarters	21,406	21,406
General Hospital Gampaha	-	119,991
Homagama Hospital	46,500	46,500
Presidential Secretariat	17,500	-
Teaching Hospital -Ragama	64,396	6,480
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	-
National Programme for Tuberculosis	-	17,600
Teaching Hospital - Kalubovila	-	302,171
Anti Malaria Campaign	-	98,000
National Institute of Mental Health - Angoda	-	112,500
Peradeniya Teaching Hospital	806,987	143,686
Sirimavo Badaranayake Children Hospital	374,998	129,000
	15,914,055	14,117,604



NOTES TO THE FINANCIAL STATEMENTS

As at 31 st March

	2021 Rs.	2020 Rs.
17.1.2 Movment in provision for doubtful trade debtors		
Balance at the begenning of the year	383,709	383,709
Received for Bad & Doubtful Deb.	(60,000)	-
Balance at the end of the year	323,709	383,709
Trade Debtors - Net	42,469,849	43,266,829

17.1.3 Age Analysis of Trade Debtors are as follows.

	0 - 03 months	03-12 months	Over 12 months	Total
Distributor	9,675,099		12,150	9,687,249
Direct Buyers	15,197,728	1,655,081	213,565	17,066,374
Corporation	11,345,271	1,382,999	35,775	12,764,045
Asphalt			90,105	90,105
Government	2,025,860	1,016,987	142,938	3,185,785
	38,243,958	4,055,067	494,533	42,793,558

17.1.4 Provision for Bad & doubtful debtors

Distributor	12,150
Direct Buyers	103,177
Corporation	52,467
Rent	72,978
Government	82,938
Total	323,709

As at 31 st March

	2021 Rs.	2020 Rs.
17.2 Deposits,Advance & Prepayments		
Purchase Advance	2,503,673	2,033,172
Staff Welfare Prepayment	45,500	-
Annual Service Prepayment	41,230	118,030
Insurance Prepayment	384,435	311,430
Medical Insurance Prepayment	-	2,933
Bid Bond Deposit	722,800	102,875
Sundry Deposit	654,628	100,000
Welfare Shop	(915)	3,456
Rajavasa Shop	92,349	-
Value Added Tax Receivable	161,022	-
License and Registration Prepayment	4,332	12,904
Received from staff provident fund	-	25,260
Interest Receivable	638,488	2,354,934
	5,247,542	5,064,994

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	3,827,068	3,644,521

NOTES TO THE FINANCIAL STATEMENTS

As at 31 st March

	2021 Rs.	2020 Rs.		
17.3 Other Receivable				
Rental Income Receivable	14,968,317	14,906,828		
	14,968,317	14,906,828		
17.3.1 Rental Income Receivable - Related Parties				
Sri Lanka State Plantation Corporation	2,075,450	1,975,899		
Lanka Cement Ltd	1,120,111	1,120,111		
Sri Lanka Cement Corporation	886,150	886,150		
Coconut Development Authority	828,000	828,000		
Ministry of Justic	-	60,000		
	4,909,711	4,870,160		
17.3.2 Age Analysis of Rental Income Receivable				
	0 - 03 months	03-12 months	Over 12 months	Total
Rental Income Receivable	11,112,503	966,263	2,889,551	14,968,317
As at 31 st March				
	2021 Rs.	2020 Rs.		
17.4 Staff Loans				
Festival Advance - Salaries	575,000	-		
Festival Advance - Wages	400,000	-		
	975,000.00	-		
18 Current Tax Assets				
Balance at the Beginning of the Year	5,955,807	3,984,907		
WHT Paid	-	1,421,415		
ESC Payment	-	1,238,098		
Claim for the year	(2,431,957)	(688,614)		
Balance as at the End of the Year	3,523,850	5,955,807		
19 Cash and Cash Equivalents				
People's Bank	28,555,689	34,777,663		
Cash in Hand	217,000	132,073		
Short Term Investment - People's Bank(Note 19.1)	175,981,274	134,132,103		
Cash and Cash Equivalents for Cash Flows purpose	204,753,964	169,041,839		
19.1 Short Term Investment - People's Bank				
FD No - 00002289 - 7	34,506,385	32,488,784		
FD No - 00002290 - 4	23,004,257	21,659,189		
FD No - 00002396 - 7	21,722,370	20,414,730		
FD No - 00003021- 8	7,846,526	7,354,553		
FD No - 00003063- 7	7,831,007	7,377,685		
FD No - 00003315- 3	14,969,805	13,762,304		
FD NO - 3697-1	6,083,328	5,537,500		
FD NO - 3698-0	6,083,328	5,537,500		
Tresury Bill - 01	11,620,023	9,999,921		
Tresury Bill -02	11,291,364	9,999,937		
Tresury Bill - 03	21,022,975	-		
Tresury Bill - 04	9,999,907	-		
	175,981,274	134,132,103		

NOTES TO THE FINANCIAL STATEMENTS

As at 31 st March

	2021 Rs.	2020 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	9,857,398	7,904,356
Current service cost	1,237,702	1,210,550
Interest cost	747,915	775,564
Actuarial (gain)/loss on obligation	301,870	(33,072)
Benefit paid	(426,050)	-
Balance as at the End of the Year	11,718,836	9,857,398

The retirement benefit obligation as at 31st March 2021 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

	2021	2020
Principal actuarial assumptions at the reporting date.		
Discount Rate	9%	10%
Future Salary Increases	10%	10%
Retirment Age (years)	60	60

23 Loans and Borrowings

The Coconut Development Authority	107,407,247	103,395,638
Add: Capitalized Interest during 2020/21	4,011,609	4,011,609
	111,418,856	107,407,247
Kalubowitiyana Tea Company Ltd	55,646,517	52,910,605
Add: Capitalized Interest during 2020/21	2,735,912	2,735,912
	58,382,429	55,646,517
	169,801,285	163,053,764



NOTES TO THE FINANCIAL STATEMENTS

As at 31 st March

		2021 Rs.	2020 Rs.
24 Trade and Other Payables			
Trade Creditors	24.1	22,757,992	19,822,197
Accrued Expenses	24.2	4,866,758	3,129,790
Other Payables	24.3	59,311,086	59,139,035
Deposits Payable	24.4	17,821,650	17,884,056
		104,757,486	99,975,078

24.1 Trade Creditors

Oil		4,486,786	4,486,726
Soap		9,555,089	6,263,362
Refinery		4,065,263	4,563,353
Detergent		142,158	-
J.E.D.B. Creditor		4,508,696	4,508,696
		22,757,992	19,822,137

24.1.1 Trade Creditors- Related Parties

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 mc	Over 12 months	Total
Oil				4,486,786	4,486,786
Soap	4,078,710			5,476,380	9,555,090
Refinary	950,924	100,980		3,013,359	4,065,263
Detergent	142,158				142,158
J.E.D.B. Creditors				4,508,696	4,508,696
	5,171,792	100,980		17,485,221	22,757,992

As at 31st March

	2021 Rs	2020 Rs.
24.2 Accrued Expenses		
Security Charges	438,078	547,268
Professional Fees	58,617	21,336
Water Charges	24,498	59,067
Telephone Charges	81,055	93,075
Audit Fees	654,000	247,000
Sick Leave Bonus	1,285,899	1,124,901
Wages Soap Sundry	925,702	462,184
Postage & Stmp fees	4,225	3,500
Sundry allowance	839,200	179,950
Vehical Rent	30,000	30,000
Electricity	384,324	331,949
Office Equipment	115,000	
Lab Expenses	26,160	
Service Charges	-	29,560
	4,866,758	3,129,790

NOTES TO THE FINANCIAL STATEMENTS

As at 31 st March

	2021 Rs.	2020 Rs.
24.3 Other Payables		
Turnover Tax	141,280	141,280
Defense Levy - (NSL)	1,079,762	1,079,762
Value Added Tax	34,187,473	33,539,205
Goods and Services Tax (G.S.T)	1,279,509	1,279,509
Rates and Taxes	21,608,510	21,608,510
Salary-Outside Loan	3,125	194,935
Stamp Duty Payable	3,625	4,025
Salary Payable	162,366	30,591
Employees' Provident Fund	230,134	599,143
Employees' trust Fund	71,659	71,897
Wages-Outside Loan	(1,302)	2,100
Wages payable	85,634	29,018
Medical Insurance Payable	-	1,800
Retention	197,000	294,950
Receipt in Advance	262,310	262,310
	59,311,086	59,139,035
24.4 Deposits Payable		
Rental Deposits	17,539,350	17,508,156
Supply Deposit	242,300	371,900
Employee Deposit	40,000	-
Tender Deposits	-	4,000
	17,821,650	17,884,056