B C C LANKA LTD

ANNUAL REPORT 2014/2015

Contents

CORPORATE INFORMATION

Name of the Company - BCC Lanka Limited

Company Registration No. - PB 221

Registered Office - Hulftsdorp Mills, No.21,
Meeraniya Street,
Colombo 12.

Business Address - Hulftsdorp Mills, No.21,
Meeraniya Street,
Colombo 12.
Phone : 011-2422111-5
Email : bccl@asianet.lk

Details of Board of Directors 2013 to 2016 -

Name of the Directors	Date of Appointment	Date of Resignation
Brigadier Leslie Maithreepala Tennakoon	01/07/2011	26/01/2015
Siddihalu Wickramahewa Chandi Jayamini	28/09/2011	05/09/2012
Kiriwaththuduwage Don Susantha Ranjana Perera	05/09/2012	25/05/2015
Raja Pathiranalage Sarath Pushpakumara	29/01/2015	31/03/2016
Akalanka Rasujani Wickramasinghe	25/05/2015	
Hewa Nadugalage Sarath Abesinghe	01/04/2016	
Thisath D B Wijegunawardene	06/09/2016	

Secretaries - S S P Corporate Services (Private) Limited
(Appointed on 01.10.2013) No. 101, Inner Flower Road,
Colombo 03.

Auditors - M/s. Tudor V. Perera & Co.

VISION

To start Grass root level and achieve our old reputation.

MISSION

Our mission should be the most demanded products and a competitive price Range with the present market prices.

BCC LANKA LIMITED

CHAIRMAN'S REVIEW

(FOR FINANCIAL YEAR ENDED ON 31st MARCH 2015)

Chairman's Statement

It is my pleasure to join my colleagues in presenting the Annual Report and the Audited Financial Statement for the year ended 31st March 2015.

BCC Lanka Ltd is well served by a loyal and dedicated staff committed to fulfilling our core values. I extend thanks to all of them for their commitment and effort.

The performance of the company has once again demonstrated the correctness of the strategy pursued.

Even with the constraints of inadequate working capital and obsolete machinery, the company has achieved a considerable profit margin compared to the previous year.

I would like to extend my personal gratitude for the generous support and wise guidance received from the Hon. Minister, Hon. Deputy Minister and the Secretary of the Ministry of State Enterprises Development.

H.N. Sarath Abeysinghe

Chairman

BCC 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 2015. 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.12,665,673Mn. The Financial expenses incurred by the Company during the financial year under review was Rs. 3,826,840Mn. The Company has reported a Net Profit of Rs.8,190,244Mn.

Stated Capital

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

Board of Directors

The Board of Directors of BCC Lanka Limited as at 31 March 2015 were as follows:

- Mr. Brigadier L M Tennakoon
- Mr. K D S R Perera
- Mr. R P S Pushpakumara

Directors' Interests in Contracts

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

Auditors

M/s Tudor V. Perera & Co., Chartered Accountants who have audited the Financial Statements of the Company for the year ended 31st March 2015 have expressed their willingness to continue in office and are being proposed for re-appointment at the forthcoming AGM.

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Company Secretaries

S S P Corporate Services (Private) Limited was appointed as Secretaries effective from 01st October 2013.

Registered Office

The registered office of the Company is at Hulftsdorp Mills, Colombo 12.

BY ORDER OF THE BOARD OF DIRECTORS OF
B C C LANKA LIMITED
S S P CORPORATE SERVICES (PRIVATE) LIMITED
SECRETARIES

Mr. H N S Abesinghe Chairman	Ms. A R Wickramasinghe Director	S S P Corporate Services (Private) Limited Secretaries

30th January 2017

A:/d-rep-14

BCC LANKA LIMITED

The main production facilities of BCC Lanka Ltd. comprises a Soap Factory, Coconut Oil Refinery and a Drum Plant. 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 - Sandalwood
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
Hand Wash

(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 - 500 ml, 01 ltr, 05 ltr, 20 ltr

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

3. Drum Plant

The drum Plant has been manufacturing drums mainly for Ceylon Petroleum Corporation to pack bitumen (Asphalt). These Steel Drums can be manufactured in the capacitates of 200 ltr and 210 ltr Currently CPC imports the bitumen (Asphalt) with the drums. The Drum Plant is very old and need modification and repairs to produce drums to suit the specifications such as triple seaming etc. needed by the clients.

Audit Management Committee Report (AMC)

The meeting on Audit Management Committee was held on 20th October, 2014 under my championship. Until 31th December, 2014, I had been served as Treasury Representative to the Board of Directors (BOD) and Chairman to the AMC.

During my engagement, the AMC acted in accordance with the work rules recommended by the BOD.

Committee Composition

The AMC was appointed by the BOD. The Treasury Representative who was the only non - executive and independent director of the BOD chaired at the meeting of AMC keeping the precedents of the previous practice. Representative of the Auditor General and, the Accountant and the Internal Auditor of the Company also participated for the meeting.

Committee Meetings

During the period, only one meeting was conducted and main intension of the meeting was to discuss the 2013 – 2014 final accounts.

Committee Assessment

The Committee proposed to cut down more than 10 years old, inactive creditors and debtors from the book entries on approval of the General Treasury. The Committee emphasized to increase the production and quality of output at Wathupitiwala Factory and sales promotions. The Committee has advised to the officers of the company to hold the meeting at least one for three month period.

K.D.S.R.Perera

Chairman,

AMC.

TUDOR V. PERERA & Co.
Chartered Accountants

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Fax : 2320639
E-mail : tudorv@sltnet.lk

P.O. Box 1177,
3rd Floor, De Mel Building,
103, Chatham Street, Colombo 01.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OFBCC LANKA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of BCC Lanka Limited, which comprise the statement of financial position as at March 31, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

1. The Investment property of the company has not been separately classified from property, plant and equipment in the financial statements as required by the Sri Lanka Accounting Standards.
2. A provision for impairment on doubtful recoveries should have been made for the long outstanding debtors and other receivable balances amounting to Rs. 5,093,244.38.
3. We were not provided with sufficient and appropriate audit evidence on trade and other payable balances amounting to Rs. 15,389,286.80.Further, statutory payments for Turnover Tax Rs. 141,280.11, Defense Levy Rs. 1,079,761.95, Value Added Tax Rs. 33,712,105,52 and Goods and Service Tax Rs. 1,279,509.00 remains outstanding for a considerable period of time, where tax in default, if any, have not been accounted for.

In our opinion, except for the effects of the matters described in the above paragraph the financial statements give a true and fair view of the financial position of BCC Lanka Limited as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Without qualifying our opinion we draw attention to note 24on the write back of Bank of Ceylon Loan.

Report on Other Legal and Regulatory Requirements

These Financial Statements also comply with the requirements of Section 151(2) of the Companies Act No. 7 of 2007.

Tudor V. P

TUDOR V. PERERA & CO.
Chartered Accountants

Colombo.
Date: 23/2/2016

Partners:
S.M.N.L. Senanayake, B.Sc. (Pub.Admin), FCA
Mrs. B.A.R.W. Senanayake, FCA
B.A. Kapila Ariyatilaka, ACA

BCC LANKA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31st March,

	Notes	2015 Rs. Cts.	2014 Rs.
Revenue	4	111,176,865.16	84,124,007
Cost of Sales	5	(105,034,288.54)	(80,682,943)
Gross Profit		6,142,576.62	3,441,064
Other Operating Income	6	48,509,279.86	69,703,453
Administration Expenses		(34,455,774.59)	(31,897,831)
Distribution Expenses		(7,530,408.09)	(21,553,109)
Profit from Operations	7	12,665,673.80	19,693,577
Net Finance Income/(Costs)	8	(3,826,840.27)	(17,797,346)
Profit before Taxation		8,838,833.53	1,896,231
Income Tax Reversal / (Expenses)		(648,589.00)	-
Profit for the Year		8,190,244.53	1,896,231
Other Comprehensive Income			
Gain on Land Revaluation		-	8,193,775,600
Impairment of Goodwill		-	(252,001,153)
Gain on Available for Sale Investment		79,000.00	(173,000)
Total Comprehensive Income for the Year		8,269,244.53	7,943,497,678
Earnings per Share		0.83	794

Figures in brackets indicate deductions.

The Significant Accounting Policies from page 5 to 8 and Notes to the Financial Statements from page 9 to 13 form an integral part of these Financial Statements.

Tudor V. Perera & Co. ★ Colombo ★ Chartered Accountants

BCC LANKA LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31st March,

	Notes	2015 Rs. Cts.	2014 Rs.
ASSETS			
Non Current Assets			
Property, Plant and Equipment	9	8,216,300,001.80	8,204,440,162
Work in Progress	10	2,234,226.87	507,493
Available for Sale- Investment	11	236,000.00	157,000
		8,218,770,228.67	8,205,104,655
Current Assets			
Inventories	12	40,346,568.88	26,675,352
Trade and Other Receivables	13	32,480,083.18	31,536,705
Current Tax Assets	14	2,705,472.72	6,511,667
Cash and Cash Equivalent	15	58,156,155.28	60,976,551
		133,688,280.06	125,700,275
Total Assets		8,352,458,508.73	8,330,804,930
EQUITY AND LIABILITIES			
Equity/ Capital and Reserves			
Stated Capital	16	100,000,000.00	100,000,000
Reserves		8,193,775,600.00	8,193,775,600
Retained Earnings		(169,320,692.23)	(469,532,913)
Total Equity		8,124,454,907.77	7,824,242,687
Non Current Liabilities			
Retirement Benefit Obligation	17	4,325,661.00	2,952,958
Loans and Borrowings	18	129,316,157.82	416,805,291
		133,641,818.82	419,758,249
Current Liabilities			
Trade and Other Payables	19	94,361,782.14	86,803,994
Total Current Liabilities		94,361,782.14	86,803,994
Total Liabilities		228,003,600.96	506,562,243
Total Equity and Liabilities		8,352,458,508.73	8,330,804,930
Net Asset Value per Share (Rs.)		812.45	782

Figures in brackets indicate deductions.

The significant Accounting Policies from page 5 to 8 and Notes to the Financial Statements from page 9 to 13 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.

Accountant

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

Director   Director

Colombo.
Date: 19/2/2016

BCC LANKA LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31st March 2015

	Stated Capital Rs. Cts.	Revaluation Reserves Rs. Cts.	Retained Earnings Rs. Cts.	Total Rs. Cts.
Balance as at 1st April 2013	100,000,000.00	-	(219,254,990.96)	(119,254,990.96)
Revaluation of the Year	-	8,193,775,600.00	-	8,193,775,600.00
Total Comprehensive Income for the Year				
Profit for the Year	-	-	1,896,230.87	1,896,230.87
Other Comprehensive Income for the Year	-	-	(252,174,153.00)	(252,174,153.00)
Balance as at 1st April 2014	**100,000,000.00**	**8,193,775,600.00**	**(469,532,913.09)**	**7,824,242,686.91**
Total Comprehensive Income for the Year				
Profit for the Year	-	-	**8,190,244.53**	**8,190,244.53**
Other Comprehensive Income for the Year	-	-	**79,000.00**	**79,000.00**
Write Back of Bank of Ceylon - Loan (Note 24)	-	-	**294,234,253.90**	**294,234,253.90**
Adjustments	-	-	**(2,291,277.57)**	**(2,291,277.57)**
Balance as at 31st March 2015	**100,000,000.00**	**8,193,775,600.00**	**(169,320,692.23)**	**8,124,454,907.77**

Figures in brackets indicate deductions.

The Significant Accounting Policies from pages 5 to 8 and Notes to the Financial Statements from pages 9 to 13 form an integral part of these Financial Statements.

Tudor V. Perera & Co. ★ Chartered Accountants ★ Colombo

BCC LANKA LIMITED
STATEMENT OF CASH FLOWS
For the Year Ended 31st March,

	2015	2014
Cash Flow from Operating Activities	**Rs.**	Rs.
Net Profit/(Loss) before Taxation	**8,838,834**	1,896,231
Adjustments for -		
Depreciation on Property, Plant and Equipment	**1,274,482**	1,268,620
(Profit)/Loss on Sale of Property, Plant and Equipment	-	(1,835,368)
Provision for Doubtful Debts	-	15,660,154
Provision for Retiring Gratuity	**1,568,914**	646,059
Lease Interest	-	44,348
Reversal of Writeback	**77,998**	-
Writeoff	-	2,274,528
Loan Interest	**6,747,522**	23,076,922
Operating Profit / (Loss) before Working Capital Changes	**18,507,749**	43,031,494
Increase in Inventories	**(13,671,217)**	(5,398,217)
Decrease/(Increase) in Trade and Other Receivables	**157,551**	(766,948)
Increase/(Decrease) in Trade and Other Payables	**7,557,788**	(22,582,039)
Cash Flow from / (Used in) Operating Activities	**12,551,871**	14,284,290
Employee Benefits Paid	**(196,211)**	(196,269)
Net Cash Flow from / (Used in) Operating Activities	**12,355,659**	14,088,021
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	**(13,449,321)**	(1,508,232)
Proceeds from Sale of Property, Plant and Equipment	-	1,835,368
Work in Progress	**(1,726,734)**	(507,492)
Net Cash Flow from / (Used in) Investing Activities	**(15,176,055)**	(180,356)
Cash Flow from Financing Activities		
Interest Paid	-	(44,348)
Lease Rentals Paid	-	(1,142,116)
Net Cash Flow from / (Used in) Financing Activities	-	(1,186,464)
Net Increase/(Decrease) in Cash and Cash Equivalents	**(2,820,396)**	12,721,201
Cash and Cash Equivalents at the Beginning of the Year (Note A)	**60,976,551**	48,255,350
Cash and Cash Equivalents at the End of the Year (Note A)	**58,156,155**	60,976,551

Note A
Cash and Cash Equivalents

Cash and Cash Equivalents	**58,156,155**	60,976,551
	58,156,155	60,976,551

Figures in brackets indicate deductions.

The Significant Accounting Policies from pages 5 to 8 and Notes from pages 9 to 13 form an integral part of these Financial Statements.

BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2015

1 Corporate Information

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, Meeraniya Street, Colombo 12.

1.2 Principal Activities and Nature of Operations
The Principal activities of the Company during the year under review include.

- Trading of coconut oil.
- Manufacturing and trading of toilet soap, washing soap, detergent and toilet requisites.
- Fabricating drums and trading of asphalt.

1.3 Number of employees
The number of employees of the company as at 31st March 2015 was 28.

1.4 Date of authorization for issue
The financial statement of the company for the year ended 31st March 2015 was authorized for issue on 19/02/16.

2 General Accounting Policies

2.1 Statement of Compliance
The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with accounting policies and notes, ("Financial Statements") of the Company as at 31st March 2015 and for the year then ended, comply with the Sri Lanka Accounting Standards other than the followings :

- LKAS 40 requires Investment property to be separately classified under Property Plant and Equipment.
- LKAS 39 requires fair value presentation of Financial assets comprising debtors and creditors.

2.2 Basis of Measurement
The financial statements, presented in Sri Lankan rupees, have been prepared on an accrual basis and under the historical cost convention unless stated otherwise.

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's 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 adjustments or disclosures have been made in these financial statements.

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BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2015

3 Significant Accounting Policies

Assets and Bases of Their Valuation

3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. The cost of Property, Plant and Equipment is their purchase cost or construction cost together with any incidental expenses of acquisition.

Depreciation is provided on the cost of Property, Plant and Equipment on straight line basis over the expected useful life of the assets concerned.

Building	5%
Furniture and Fittings	25%
Plant and Machinery	10%
Motor Vehicles	25%
Tools and Equipment	25%
Office Equipment	25%

The Company does not provide for depreciation in the purchased year and in the year of disposal depreciation is fully charged.

3.2 Investments
Investments are valued at Market Values.

3.3 Inventories
Inventories are stated at cost or net realizable value whichever is lower. Company adopts the first in first out (FIFO) basis for valuation of inventory.

3.4 Trade and Other Receivables
Trade receivable are stated at the amounts they are estimated to realized net of provisions for bad and doubtful receivables.

3.5 Cash and Cash Equivalents
Cash and Cash Equivalents comprise cash at bank and in hand. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Liabilities and Provisions

3.6 Trade and Other Payables
Trade and other payables are stated at their cost.

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BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2015

3.7 Retirement Benefit Cost

3.7.1. Defined Benefit Plan - Gratuity

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the payment of Gratuity Act. No. 12 of 1983. In order to meet this liability a provision is carried forward in the Statement of Financial Position equivalent to an amount calculated based on a half months salary of the last month of the financial year of all employees for each completed year of service, commencing from the first year of service. The resulting differences between brought forward provision at the beginning of a year and the carried forward provision at the end of a year dealt within the Statement of Comprehensive Income. The gratuity liability is not externally funded nor actuarially valued. This item is grouped under retirement benefit obligations in the Statement of Financial Position.

3.7.2. Defined Contribution Plan - Employees' Provident Fund and Employees' Trust Fund

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

Obligations for contributions to provident and trust funds covering all employees are recognized as an expenses in Statement of Comprehensive Income when incurred.

3.8 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.9 Capital Commitments and Contingencies

Capital expenditure commitments and contingent liabilities as at the date of the Statement of Financial Position have been disclosed in the respective notes to the financial statements.

Income Statement

3.10 Revenue

The turnover of the Company represents the invoiced value of goods net of trade discounts and sales returns.

Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

3.11 Expenditure Recognition

Expenditure incurred in the running of the business and in maintaining the capital assets in state of efficiency has been charged to revenue in arriving at the profit for the year.

For the purpose of presentation of the Statement of Comprehensive Income, the Directors are of the view that the function of expense method fairly presents the elements of the company's performance; hence such presentation method is adopted.

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BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2015

3.12 Taxation

3.12.1 Current Taxes

Provision has been made in the accounts in respect of income tax.

3.13 Statement of Cash Flow

The Statement of Cash Flow has been prepared using the 'indirect method'.

For the purpose of the Statement of Cash flow, cash and cash equivalents comprise of cash in hand and deposit with banks, net of outstanding bank overdrafts.

Interest paid is classified as operating cash flows; interest received is classified as investing cash flows while dividend paid is classified as financing cash flows for the purpose of presentation of the Statement of Cash Flow reported based on indirect method.

BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March,

		2015	2014
04	**Revenue**	Rs. Cts.	Rs.
	Soap	35,744,857.87	28,406,247
	Coconut Oil	56,344,434.55	51,184,587
	Drum	18,371,072.74	2,648,973
	Asphalt	716,500.00	1,884,200
		111,176,865.16	84,124,007
05	**Cost of Sales**		
	Inventory as at 01st April	26,675,351.55	21,352,965
	Purchases	103,311,617.46	74,725,395
	Direct Expenses	7,541,285.75	7,849,178
	Production Overhead	7,852,602.66	4,089,584
	Inventory as at 31st March	(40,346,568.88)	(26,675,352)
	Free Issues	-	(658,827)
		105,034,288.54	80,682,943
06	**Other Operating Income**		
	Rent Income	46,344,663.63	43,679,229
	Sundry Income	2,060,583.95	24,126,093
	Profit on Disposal of Asset	-	1,835,368
	Laboratry Income	104,032.28	62,763
		48,509,279.86	69,703,453

07 **Profit from Operations**

Profit from Operations is stated after charging all expenses including the following;

	Directors' Remuneration	11,000.00	15,000
	Depreciation	1,274,481.64	1,268,620
	Auditors' Remuneration	75,000.00	75,000
	Personnel Expenses(Note 7.1)	16,784,014.81	13,434,868
7.1.	Personnel Expenses		
	Salaries, Wages and Other Related Expenses	13,568,857.28	11,396,297
	Defined Benefit Plan Costs-Employee Benefits	1,568,914.35	646,059
	Defined Contribution Plan Costs		
	Employees' Provident Fund and Employees' Trust Fund	1,646,243.18	1,392,512
08	**Net Finance Income/ (Cost)**		
	Finance Income		
	Fixed Deposit Interest	2,985,135.12	5,358,281
	Total Finance Income	2,985,135.12	5,358,281
	Finance Cost		
	Overdraft Interest	-	2,763,475
	Purchase Loan Interest	-	3,090,847
	Long Term Loan Interest	-	10,475,081
	Coconut Development Authority Loan Interest	4,011,610.00	4,011,607
	Kalubowitiyana Loan - Interest	2,735,912.00	2,735,912
	Lease Interest	-	44,348
	Bank Charges	64,453.39	34,357
	Total Finance Cost	6,811,975.39	23,155,627
	Net Finance Income/ (Cost)	3,826,840.27	17,797,346

Tudor V. Perera & Co. Colombo Chartered Accountants

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

09 **Property, Plant and Equipment**

Cost:	2014	Additions	Adjustments	**2015**
	Rs. Cts.	Rs. Cts.	Rs. Cts.	**Rs. Cts.**
Land	8,195,200,000.00	-	-	**8,195,200,000.00**
Building	14,793,893.28	626,461.38	-	**15,420,354.66**
Furniture and Fittings	4,905,597.00	-	-	**4,905,597.00**
Tools and Equipment	1,124,278.93	131,471.95	-	**1,255,750.88**
Office Equipment	2,765,676.69	468,628.00	-	**3,234,304.69**
Plant and Machinery	51,834,202.18	954,840.00	350,000.00	**52,439,042.18**
Motor Vehicle	12,633,848.12	11,267,920.00	-	**23,901,768.12**
	8,283,257,496.20	13,449,321.33	350,000.00	**8,296,356,817.53**

Depreciation	2014	Charge for the Year	Adjustments	**2015**
	Rs. Cts.	Rs. Cts.	Rs. Cts.	**Rs. Cts.**
Building	8,115,664.39	643,448.88	-	**8,759,113.27**
Furniture and Fittings	4,878,296.00	6,825.00	-	**4,885,121.00**
Tools and Equipment	821,074.66	105,980.48	-	**927,055.14**
Office Equipment	2,197,111.73	226,709.00	-	**2,423,820.73**
Plant and Machinery	50,171,338.89	291,518.28	35,000.00	**50,427,857.17**
Motor Vehicle	12,633,848.42	-	-	**12,633,848.42**
	78,817,334.09	1,274,481.64	35,000.00	**80,056,815.73**
Written Down Value	8,204,440,162.11			**8,216,300,001.80**

10 **Work in Progress**	**2015**	2014
	Rs. Cts.	Rs.
Balance as at the Beginning of the Year	**507,493.00**	-
Additions During the Year	**1,726,733.87**	507,493
Balance as at the End of the Year	**2,234,226.87**	507,493

11 **Available for Sale -Investment**

Company	No. of Shares	Market Value		
		Rs. Cts		
Ceylon Hotel Corporation	10,000	23.6	**236,000.00**	157,000

Contd......

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

		2015	2014
12	**Inventories**	**Rs. Cts.**	Rs.
	Raw Materials and Consumables (12.1)	**28,988,647.35**	21,455,150
	Finished Goods (12.2)	**11,357,921.53**	5,220,202
		40,346,568.88	26,675,352
12.1	**Raw Materials and Consumables**		
	Soap	**18,036,823.28**	11,167,686
	Refinery	**8,571,539.41**	8,030,100
	Drum Plant	**2,380,284.66**	2,257,364
		28,988,647.35	21,455,150
12.2	**Finished Goods**		
	Soap	**8,309,693.27**	2,868,914
	Refinery	**2,524,486.44**	1,400,336
	Asphalt	**520,200.00**	724,680
	Drum Plant	**3,541.82**	226,272
		11,357,921.53	5,220,202
13	**Trade and Other Receivables**		
	Trade Debtors	**10,314,659.01**	14,976,579
	Deposits, Advances and Prepayments	**7,490,336.41**	4,423,541
	Other Debtors	**13,913,587.76**	11,599,335
	Staff Loans	**761,500.00**	537,250
		32,480,083.18	31,536,705
14	**Current Tax Assets**		
	Balances at the Beginning of the Year	**6,511,666.72**	6,511,667
	Time Barred Economic Service Charge Adjustment	**(3,157,605.00)**	-
	Current Tax Expenses	**(648,589.00)**	-
	Balance as at the End of the Year	**2,705,472.72**	6,511,667

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Tudor V. Perera & Co. ★ Colombo ★ Chartered Accountants

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

		2015	2014
		Rs. Cts.	Rs.
15	**Cash and Cash Equivalents**		
	Bank of Ceylon	-	2,401
	National Development Bank PLC	1,277,921.09	1,277,921
	People's Bank	8,019,178.92	3,125,583
	Cash in Hand	141,060.00	152,000
	Short Term Investment - People's Bank	48,717,995.27	56,418,646
		58,156,155.28	60,976,551
15.1	Short Term Investment - People's Bank		
	FD No - A342622 -2289-7	21,342,312.44	20,033,477
	FD No - A342624 -2290-4	14,228,208.30	13,355,652
	FD No - A342625 -2396-7	13,147,474.53	12,342,342
	FD No - 2605-4	-	5,431,975
	FD No - 2662 -4	-	5,255,200
		48,717,995.27	56,418,646
16	**Stated Capital**		
	Number of Ordinary Shares Issued and Fully Paid	10,000,000	10,000,000
		Rs. Cts.	Rs.
	Ordinary Share Capital Issued and Fully Paid	100,000,000.00	100,000,000
		100,000,000.00	100,000,000
17	**Retirement Benefit Obligation**		
	Balance as at the Beginning of the Year	2,952,957.75	2,503,168
	Add: Provision for the Year	1,568,914.35	646,059
		4,521,872.10	3,149,227
	Less: Paid During the Year	(196,211.10)	(196,269)
	Balance as at the End of the Year	4,325,661.00	2,952,958
18	**Loans and Borrowings**		
	The Coconut Development Authority	87,349,203.46	83,337,593
	Kalubowitiyana Tea Company Ltd	41,966,954.36	39,231,043
	Bank of Ceylon	-	294,236,655
		129,316,157.82	416,805,291
19	**Trade and Other Payables**		
	Trade Creditors	18,977,100.14	17,651,445
	Accrued Expenses	1,148,460.04	1,089,091
	Other Payables	59,861,779.75	58,970,630
	Deposits Payable	14,374,442.21	9,092,828
		94,361,782.14	86,803,994

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BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2015

20 **Related Party Transactions**

No known related party transactions exist as at the reporting date.

21 **Capital Commitments**

No known capital commitments exist as at the reporting date.

22 **Contingencies**

No known contingent liabilities exist as at the reporting date.

23 **Events after the Reporting Date**

There have been no material events occurring after the reporting date that require adjustments or disclosures in the Financial Statements.

24. **Write Back of Bank of Ceylon Loan**

The General Treasury has issued a Treasury Bond to the Bank of Ceylon, on behalf of BCC Lanka Limited to settle the outstanding loan balance obtained by BCC Lanka Limited. However as per the letter PE/RES/BCC/GEN/2014 dated 03.12.14 by the Urban Development Authority to the Deputy Secretary to the Treasury the land which was mortgaged to obtain such loan will be allocated among the Ministry of Justice and Law Reforms, BCC Lanka Limited and Urban Development Authority in future. The said payment by the treasury will be set off against the sales proceeds which will be received against the plot of land to be released to Ministry of Justice and Law Reforms.

Tudor V. Perera & Co. Colombo Chartered Accountants

BCC LANKA LIMITED
DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

1. Cost of Sales

	Soap	Drum	Refinery	Asphalt	2015 Total
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	**Rs. Cts.**
Inventory as at the Beginning of the Year	14,036,600.45	2,483,635.44	9,430,435.66	724,680.00	**26,675,351.55**
Purchases	41,795,572.69	51,684,313.10	9,066,731.67	765,000.00	**103,311,617.46**
Inventory as at the End of the Year	(26,346,516.55)	(11,096,025.85)	(520,200.00)	(2,383,826.48)	**(40,346,568.88)**
	29,485,656.59	43,071,922.69	17,976,967.33	(894,146.48)	**89,640,400.13**
Direct Expenses					
Wages					**4,908,619.11**
Employees' Provident Fund					**352,715.52**
Employees' Trust Fund					**70,543.13**
Power					**2,209,407.99**
Production Overhead					
Salary					**2,179,407.71**
Employees' Provident Fund					**264,178.37**
Employees' Trust Fund					**52,835.68**
Fabricate Charges					**3,875,714.25**
Upkeep of Machinery					**1,480,466.65**
Total					**105,034,288.54**

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BCC LANKA LIMITED
DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March,

	2015	2014
2 Administrative Expenses	**Rs. Cts.**	Rs.
Salaries and Wages	**13,568,857.28**	11,396,297
Salaries and Wages - Employees' Provident Fund	**1,371,869.30**	1,160,426
Salaries and Wages - Employees' Trust Fund	**274,373.88**	232,086
Directors' Remuneration	**11,000.00**	15,000
Bonus	**429,750.00**	323,000
Staff Welfare	**485,031.75**	689,957
Reversal of Write Back	**80,398.90**	-
Telephone Charges	**586,581.46**	487,702
Postage	**60,449.60**	57,670
Printing and Stationery Expenses	**456,261.95**	348,397
Auditors' Remuneration	**75,000.00**	75,000
Professional Fees	**501,023.35**	346,863
License and Registration	**206,288.28**	122,099
Rent	**1,920.00**	2,400
Electricity	**653,389.04**	824,937
Water	**765,001.76**	560,409
Insurance	**372,192.18**	323,325
Security	**3,578,399.20**	3,768,440
Rate and Taxes	**1,416,800.00**	1,416,800
Vehicle Maintenance	**1,548,934.77**	590,473
Traveling and Subsistence	**176,825.00**	156,720
Drum Fabricate Charges	-	416,000
Gratuity	**1,568,914.35**	646,059
Disallowable Input Tax	-	60,492
Upkeep of Equipment	**586,515.26**	135,649
Subscription and Periodicals	**47,390.00**	158,110
Laboratory Expenses	**65,163.28**	127,192
Depreciation	**1,274,481.64**	1,268,620
Annual Service Agreement	**23,151.00**	31,613
Upkeep of Premises	**2,325,245.45**	913,538
Donation	**28,500.00**	929,800
Transport Charges	**48,900.00**	33,783
Fuel	**1,471,711.00**	1,433,095
Refreshment	**39,806.50**	30,524
Vehicle Rent	**150,000.00**	-
Tender Fees	-	700
Weighing Charges	**5,050.00**	1,550
Preliminary Expenses	-	2,813,105
Penalties and Surcharges	**200,598.41**	-
	34,455,774.59	31,897,831

	2015	2014
3 Selling and Distribution Expenses		
Advertisement	**435,616.94**	433,615
Nation Building Tax	**3,108,011.07**	2,499,130
Sales Promotions	**665,150.10**	1,058,527
Discounts	**815,056.03**	1,686,433
Trade Fair Fees	-	215,250
Bad and Doubtful Debts	-	15,660,154
Handling and Distribution Expenses	**2,326,573.95**	-
Entertainment	**180,000.00**	-
	7,530,408.09	21,553,109

Tudor V. Perera & Co. Colombo Chartered Accountants

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BCC LANKA LIMITED
DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS
As at 31st March,

	2015 Rs. Cts.	2014 Rs.
4 Trade Debtors		
Distributor Debtors	4,968,306.91	5,064,322
Direct Buyers	2,948,634.52	2,431,086
Corporation Debtors	1,878,678.08	5,321,168
Asphalt Debtors	100,105.00	100,105
Government Debtors	418,934.50	2,059,898
	10,314,659.01	14,976,579
5 Deposits, Advances and Prepayments		
Purchase Advance	3,494,738.04	2,637,181
Goods in Transits	2,665,494.76	-
Annual Service Prepayment	12,150.00	11,001
Insurance Prepayment	128,219.05	122,431
Sundry Deposit	239,347.00	439,347
Bid Bond Deposit	52,400.00	205,774
Welfare Shop	-	96,180
Value Added Tax Receivable	598,067.69	(1,077)
Nation Building Tax Receivable	57,997.61	14,075
License and Registration Prepayment	17,721.25	31,433
Interest Receivable	193,201.51	367,196
Motor Vehicle Advance	-	500,000
Staff Provident Fund Receivable	30,999.50	-
	7,490,336.41	4,423,541
6 Other Debtors		
Rental Debtors	13,913,587.76	11,599,335
	13,913,587.76	11,599,335
7 Staff Loans		
Festival Advance - Salaries	380,000.00	271,250
Festival Advance - Wages	381,500.00	266,000
	761,500.00	537,250
8 Trade Creditors		
Oil	5,649,581.00	4,486,786
Soap	5,552,529.40	5,575,160
Refinery	3,016,534.26	3,073,233
Detergent	249,759.48	-
J.E.D.B. Creditor	4,508,696.00	4,508,696
Other Creditors	-	7,570
	18,977,100.14	17,651,445

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BCC LANKA LIMITED
DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS
As at 31st March,

	2015 Rs. Cts.	2014 Rs.
9 Accrued Expenses		
Security Charges	281,418.00	316,200
Professional Fees	4,592.32	4,592
Water Charges	32,338.05	63,316
Telephone Charges	70,133.61	37,963
Staff Welfare	19,500.00	19,500
Audit Fees	75,000.00	75,000
Wages Soap Sundry	374,517.71	324,505
Electricity	215,960.35	248,016
Vehicle Rent	75,000.00	-
	1,148,460.04	1,089,091
10 Other Payables		
Turnover Tax	141,280.11	141,280
Defense Levy - (NSL)	1,079,761.95	1,079,762
Value Added Tax	33,712,105.52	34,706,644
Nations Building Tax	357,412.78	293,455
Goods and Services Tax (G.S.T)	1,279,509.00	1,279,509
Rates and Taxes	21,608,510.40	21,414,470
Salary-Outside Loan	70,697.00	-
PAYE Tax (Pay As You Earn)	1,826.47	534
Salary Payable	465,817.25	28,525
Employees' Provident Fund	372,233.53	-
Employees' Trust Fund	44,668.03	-
Wages-Outside Loan	6,248.72	404
Unclaimed Wages	26,046.50	26,047
Wages Payable	236,352.78	-
Retention	197,000.00	-
Receipt in Advance	262,309.71	-
	59,861,779.75	58,970,630
11 Deposits Payable		
Supplies Deposits	105,523.00	105,523
Employee Deposits	5,597.00	5,597
Rental Deposits	13,885,822.21	8,584,208
Tender Deposits	377,500.00	397,500
	14,374,442.21	9,092,828

Tudor V. Perera & Co. Colombo Chartered Accountants