B C C LANKA LIMITED

ANNUAL REPORT 2015/2016

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BCC LANKA LIMITED – PB 221

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.

Our Vision

To Start Grass root level and achieve our old reputation.

Our 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 2016)

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 2016.

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 2016. 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. 7,994,721Mn. The Financial expenses incurred by the Company during the financial year under review was Rs. 3,892,246Mn. The Company has reported a Net Profit of Rs.3,206,571Mn.

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 for the period from 01st April 2015 to 31 March 2016 were as follows;

- Mr. K D S R Perera - Director (resigned w.e.f. 25.05.2015)
- Mr. R P S Pushpakumara - Director (resigned w.e.f. 31.03.2016)
- Ms. A R Wickramasinghe - Director (appointed w.e.f. 25/05/2015)
- Mr. H N S Abesinghe - Chairman (appointed w.e.f. 01/04/2016)
- Mr. T D B Wijegunawardene - Director (appointed w.e.f. 06/09/2016)

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 2016 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

S S P CORPORATE SERVICES (PRIVATE) LIMITED.

....	....	....
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)

In the year ended 31st March 2016, the AMC acted in accordance with the work rules recommend by the Board of Directors (BOD).

Committee composition

AMC has been appointed by the BOD. Since there were only two members in the Board it was decided to conduct the meeting by the Treasury Representative (TR) who was the only non-executive director keeping the precedents of the previous practice. Representative from the Auditor General presented at the committee. Accountant and the internal auditor have presented on behalf of the company.

Committee meeting

Considering the fact that composition of the committee was not sufficient only one meeting has been conducted during the year to discuss the management letter given by the auditors and the final accounts.

Committee assessment

The committee's work is assessed by the BOD. AMC has informed the BOD to request relevant authorities to appoint sufficient number of Board members to have a quorum in the Board and constitute an AMC correctly. Further it is necessary for the company to have a strong independent Internal Audit division.

A.R.Wickramasinghe

Chairman

Audit Management Committee

TUDOR V. PERERA & Co.
Chartered Accountants

Telephone : 2431941 / 7431559 - 60
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 OF BCC 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, 2016, 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 qualified audit opinion.

Opinion

1. 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. 5,592,453.61. Further these balances are remain outstanding since 2006.

3. We were not provided with sufficient and appropriate audit evidence on trade and other payable balances amounting to Rs. 900,635.00. Further, statutory payments for Turnover Tax Rs. 141,280.11, Defense Levy Rs. 1,079,761.95 and Goods and Services Tax Rs. 1,279,509.00 remain outstanding for a considerable period of time, where taxes in default, if any, have not been accounted for. Further Rs. 12,084,885.06 of trade creditors remain outstanding since 2006.

4. Though the company has made payments on Value Added Tax an outstanding balance of Rs. 34,534,744.38 remains in the financial statements without been properly reconciled and due to lack of sufficient and appropriate evidences we are unable to conclude on the obligation. As per management explanations received, balances have occurred before year 2006.

Contd.... IVPC

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, 2016, and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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 Perera &

TUDOR V. PERERA & CO.
Chartered Accountants

Colombo.
Date: 16.12.2016

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

	Notes	2016 Rs. Cts.	2015 Rs.
Revenue	4	100,943,133.09	111,176,866
Cost of Sales	5	(95,646,552.16)	(105,034,289)
Gross Profit		5,296,580.93	6,142,577
Other Operating Income	6	55,348,072.48	48,509,280
Administration Expenses		(45,666,872.79)	(34,520,229)
Distribution Expenses		(6,983,059.01)	(7,530,408)
Profit from Operations	7	7,994,721.61	12,601,220
Net Finance Costs	8	(3,892,246.21)	(3,762,386)
Profit before Taxation		4,102,475.40	8,838,834
Income Tax Reversal / (Expenses)		(895,904.00)	(648,589)
Profit for the Year		3,206,571.40	8,190,245
Other Comprehensive Income			
Gain on Available for Sale Investment		4,000.00	79,000
Total Comprehensive Income for the Year		3,210,571.40	8,269,245
Earnings per Share		0.32	0.83

Figures in brackets indicate deductions.

The significant Accounting Policies from page 5 to 8 and Notes to the Financial Statements from page 9 to 12 form an integral part of these Financial Statements.

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

	Notes	2016 Rs. Cts.	2015 Rs.
ASSETS			
Non Current Assets			
Property Plant and Equipment	9	8,215,038,369.72	8,216,300,002
Work in Progress	10	2,234,226.87	2,234,227
Available for Sale- Investment	11	240,000.00	236,000
		8,217,512,596.59	8,218,770,229
Current Assets			
Inventories	12	31,158,028.43	40,346,569
Trade and Other Receivables	13	32,689,208.07	32,480,083
Current Tax Assets	14	1,809,568.72	2,705,473
Cash and Cash Equivalent	15	82,173,592.40	58,156,155
		147,830,397.62	133,688,280
Total Assets		8,365,342,994.21	8,352,458,509
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		(166,216,755.16)	(169,320,692)
Total Equity		8,127,558,844.84	8,124,454,908
Non Current Liabilities			
Retirement Benefit Obligation	17	5,359,836.50	4,325,661
Loans and Borrowings	18	136,063,678.70	129,316,158
		141,423,515.20	133,641,819
Current Liabilities			
Trade and Other Payables	19	96,360,634.17	94,361,782
Total Current Liabilities		96,360,634.17	94,361,782
Total Liabilities		237,784,149.37	228,003,601
Total Equity and Liabilities		8,365,342,994.21	8,352,458,509
Net Asset value per share (Rs.)		35.18	37

Figures in brackets indicate deductions

The significant Accounting Policies from page 5 to 8 and Notes to the Financial Statements from page 9 to 12 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. Signed for and on behalf of the Board.

.... **Director**

.... **Director**

Colombo.
Date: 15/12/2016

BCC LANKA LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31st March 2016

	Stated Capital Rs Cts.	Revaluation Reserves Rs Cts.	Retained Earnings Rs Cts.	Total Rs Cts.
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 1st April 2015	**100,000,000.00**	**8,193,775,600.00**	**(169,320,692.23)**	**8,124,454,907.77**
Total Comprehensive Income for the Year				
Profit for the Year	-	-	**3,206,571.40**	**3,206,571.40**
Other Comprehensive Income for the year	-	-	**4,000.00**	**4,000.00**
Adjustments	-	-	**(106,634.33)**	**(106,634.33)**
Balance as at 31st March 2016	**100,000,000.00**	**8,193,775,600.00**	**(166,216,755.16)**	**8,127,558,844.84**

Figures in brackets indicate deductions.

The significant Accounting Policies from pages 5 to 8 and Notes to the Financial Statements from pages 9 to 12 form an integral part of these Financial Statements.

Tudor V. Perera & Co. Colombo Chartered Accountants

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

	2016	2015
Cash Flow from Operating Activities	**Rs.**	Rs.
Net Profit/(Loss) before Taxation	**4,102,475**	8,838,834
Adjustments for -		
Prior Year Adjustment	**(106,634)**	-
Depreciation on Property Plant and Equipment	**4,314,048**	1,274,482
Provision for Retiring Gratuity	**1,034,176**	1,568,914
Reversal of Writeback	-	77,998
Loan interest	**6,747,521**	6,747,522
Operating Profit / (Loss) before Working Capital Changes	**16,091,586**	18,507,750
Increase in Inventories	**9,188,540**	(13,671,217)
Increase / Decrease in Trade and Other Receivables	**(209,125)**	157,550
Increase/(Decrease) in Trade and Other Payables	**1,998,852**	7,557,787
Cash from / (Used in) Operating Activities	**27,069,853**	12,551,870
Employee Benefits Paid	-	(196,211)
Net Cash from / (Used in) Operating Activities	**27,069,853**	12,355,659
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	**(3,052,416)**	(13,449,321)
Work in progress	-	(1,726,734)
Net Cash Flow from / (Used in) Investing Activities	**(3,052,416)**	(15,176,055)
Net Increase/(Decrease) in Cash and Cash Equivalents	**24,017,437**	(2,820,396)
Cash and Cash Equivalents at the Beginning of the Year	**58,156,155**	60,976,551
Cash and Cash Equivalents at the End of the Year (Note A)	**82,173,592**	58,156,155

Note A

Cash and Cash Equivalents

	2016	2015
National Development Bank PLC	**1,277,921**	1,277,921
People's Bank	**19,353,078**	8,019,179
Cash in Hand	**141,050**	141,060
Short Term Investment - People's Bank	**61,401,543**	48,717,995
	82,173,592	58,156,155

Figures in brackets indicate deductions.

The significant Accounting Policies from pages 5 to 8 and Notes from pages 9 to 12 form an integral part of these Financial Statements.

Tudor V. Perera & Co. Colombo Chartered Accountants

BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2016

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 2016 was 40.

1.4 Date of authorization for issue
The financial statement of the company for the year ended 31st March 2016 was authorized for issue on 15th December 2016.

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 2016 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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Tudor V. Perera & Co.
Colombo
Chartered Accountants

BCC LANKA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2016

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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Tudor V. Perera & Co. Colombo Chartered Accountants

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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Tudor V. Perera & Co. Colombo Chartered Accountants

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.

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

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

		2016 Rs Cts.	2015 Rs.
04	**Revenue**		
	Soap	**35,770,989.00**	35,744,858
	Coconut Oil	**59,945,350.55**	56,344,435
	Drum	**4,930,993.54**	18,371,073
	Trade income	**295,800.00**	716,500
		100,943,133.09	111,176,866
05	**Cost of Sales**		
	Inventory as at 01st April	**40,346,568.88**	26,675,352
	Purchases	**74,336,950.16**	103,311,617
	Direct Expenses	**8,536,252.03**	7,541,286
	Production Overhead	**3,584,809.52**	7,852,603
	Inventory as at 31st March	**(31,158,028.43)**	(40,346,569)
		95,646,552.16	105,034,289
06	**Other Operating Income**		
	Rent Income	**54,637,605.99**	46,344,664
	Sundry Income	**645,916.95**	2,060,584
	Laboratry Income	**64,549.54**	104,032
		55,348,072.48	48,509,280

07 **Profit from Operations**

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

		2016 Rs Cts.	2015 Rs.
	Directors' Remuneration	**22,500.00**	11,000
	Depreciation	**4,314,048.21**	1,274,482
	Auditors' Remuneration	**75,000.00**	75,000
	Personnel Expenses (Note 6.1)	**23,715,624.52**	16,784,014
7.1.	Personnel Expenses		
	Salaries, Wages and Other Related Expenses	**20,308,919.23**	13,568,857
	Defined Benefit Plan Costs-Employee Benefits	**1,034,175.50**	1,568,914
	Defined Contribution Plan Costs		
	Employees Provident Fund and Employees Trust Fund	**2,372,529.79**	1,646,243
		23,715,624.52	16,784,014
08	**Net Finance Income / (Cost)**		
	Finance Income		
	Fixed Deposit Interest	**2,855,274.67**	2,985,135
	Total Finance Income	**2,855,274.67**	2,985,135
	Finance Cost		
	Coconut Development Authority Loan Interest	**4,011,607.95**	4,011,610
	Interest on Kalubowitiyana Loan	**2,735,912.93**	2,735,911
	Total Finance Cost	**6,747,520.88**	6,747,521
	Net Finance Income / (Cost)	**(3,892,246.21)**	(3,762,386)

Tudor V. Perera & Co. Colombo

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

9 **Property, Plant and Equipment**

Cost:	2015	Additions	**2016**
	Rs. Cts.	Rs. Cts.	**Rs. Cts.**
Land	8,195,200,000.00	-	**8,195,200,000.00**
Building	15,420,354.66	-	**15,420,354.66**
Furniture and Fittings	4,905,597.00	279,173.52	**5,184,770.52**
Tools and Equipment	1,255,750.88	91,640.55	**1,347,391.43**
Office Equipment	3,234,304.69	542,323.19	**3,776,627.88**
Plant and Machinery	52,439,042.18	2,139,278.87	**54,578,321.05**
Motor Vehicle	23,901,768.12	-	**23,901,768.12**
	8,296,356,817.53	3,052,416.13	**8,299,409,233.66**

Depreciation	2015	Charge for the Year	**2016**
	Rs. Cts.	Rs. Cts.	**Rs. Cts.**
Building	8,759,113.27	674,771.95	**9,433,885.22**
Furniture and Fittings	4,885,121.00	6,825.00	**4,891,946.00**
Tools and Equipment	927,055.14	131,898.47	**1,058,953.61**
Office Equipment	2,423,820.73	296,570.50	**2,720,391.23**
Plant and Machinery	50,427,857.17	387,002.28	**50,814,859.45**
Motor Vehicle	12,633,848.42	2,816,980.01	**15,450,828.43**
	80,056,815.73	4,314,048.21	**84,370,863.94**
Written Down Value	8,216,300,001.80		**8,215,038,369.72**

	2016	2015
10 **Work in Progress**		
Balance as at Beginning of the Year	**2,234,226.87**	507,493
Additions during the year	**-**	1,726,734
Balance as at End of the Year	**2,234,226.87**	2,234,227

11 **Available for Sale -Investment**

Company	No. of Shares	Market Value		
Ceylon Hotel Corporati(	10,000	**24.00**	**240,000.00**	236,000

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

		2016	2015
12	**Inventories**	**Rs. Cts.**	Rs.
	Raw Materials and Consumables (12.1)	**25,365,230.60**	28,988,647
	Finished Goods (12.2)	**5,792,797.83**	11,357,922
		31,158,028.43	40,346,569
12.1	**Raw Materials and Consumables**		
	Soap	**16,379,572.46**	18,036,823
	Refinery	**6,334,476.07**	8,571,539
	Drum Plant	**2,651,182.07**	2,380,285
		25,365,230.60	28,988,647
12.2	**Finished Goods**		
	Soap	**4,681,694.96**	8,309,693
	Refinery	**728,488.75**	2,524,486
	Asphalt	**275,400.00**	520,200
	Drum Plant	**107,214.12**	3,542
		5,792,797.83	11,357,922
13	**Trade and Other Receivables**		
	Trade Debtors	**13,002,393.24**	10,314,659
	Deposits, Advances and Prepayments	**3,582,376.79**	7,490,336
	Other Debtors	**15,320,437.92**	13,913,588
	Staff Loans	**784,000.00**	761,500
		32,689,208.07	32,480,083
14	**Current Tax Assets**		
	Balance at the Beginning of the Year	**2,705,472.72**	6,511,667
	Time Barred Esc Adjustment	**(246,053.00)**	(3,157,605)
	Current Tax Expenses	**(520,134.00)**	(648,589)
	Previous Year Under Provition	**(129,717.00)**	-
	Balance as at the End of the Year	**1,809,568.72**	2,705,473

Tudor V. Perera & Co. Colombo Chartered Accountants

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

		2016	2015
15	**Cash and Cash Equivalents**	**Rs.Cts.**	Rs.
	National Development Bank PLC	**1,277,921.09**	1,277,921
	People's Bank	**19,353,078.14**	8,019,179
	Cash in Hand	**141,050.00**	141,060
	Short Term Investment - People's Bank (Note 15.1)	**61,401,543.17**	48,717,995
		82,173,592.40	58,156,155
15.1	Short Term Investment - People's Bank		
	FD No - 00002289 - 7	**22,483,653.69**	21,342,312
	FD No - 00002290 - 4	**14,989,102.47**	14,228,208
	FD No - 00002396 - 7	**13,928,787.01**	13,147,475
	FD No - 3021-8	**5,000,000.00**	-
	FD No - Peoples Bank	**5,000,000.00**	-
		61,401,543.17	48,717,995
16	**Stated Capital**		
	Number of Ordinary Shares Issued and Fully Paid	**10,000,000**	10,000,000

		2016	2015
		Rs.Cts.	Rs.Cts.
	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	**4,325,661.00**	2,952,958
	Add: Provision for the Year	**1,034,175.50**	1,568,914
		5,359,836.50	4,521,872
	Less: Paid During the Year	-	(196,211)
	Balance as at the End of the Year	**5,359,836.50**	4,325,661
18	**Loans and Borrowings**		
	The Coconut Development Authority	**87,349,203.46**	83,337,593
	Add: Capitalized Interest during 2015/2016	**4,011,607.95**	4,011,610
		91,360,811.41	87,349,203
	Kalubowitiyana Tea Company Ltd	**41,966,954.36**	39,231,042
	Add: Capitalized Interest during 2015/2016	**2,735,912.93**	2,735,913
		44,702,867.29	41,966,955
		136,063,678.70	129,316,158
19	**Trade and Other Payables**		
	Trade Creditors	**17,725,592.59**	18,977,100
	Accrued Expenses	**1,264,012.58**	1,148,460
	Other Payables	**60,660,069.54**	59,861,780
	Deposits Payable	**16,710,959.46**	14,374,442
		96,360,634.17	94,361,782

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

		2016 Rs Cts.	2015 Rs.
1	**Cost of Sales**		
1.1	**Inventory as at 01st April**		
	Soap Department	26,346,516.55	14,036,600
	Drum Department	11,096,025.85	2,483,636
	Refinery Department	520,200.00	9,430,436
	Asphalt	2,383,826.48	724,680
		40,346,568.88	26,675,352
1.2	**Purchases**		
	Soap Department	22,616,856.67	41,795,573
	Refinery Department	48,999,997.50	51,684,313
	Drum Department	2,720,095.99	9,066,731
	Asphalt	-	765,000
		74,336,950.16	103,311,617
1.3	**Direct Expenses**		
	Wages	6,162,471.42	4,908,619
	Employees' Provident Fund	471,159.01	352,716
	Employees' Trust Fund	94,231.86	70,543
	Power	1,808,389.74	2,209,408
		8,536,252.03	7,541,286
1.4	**Production Overhead**		
	Salary	2,095,331.37	2,179,408
	Employees' Provident Fund	296,853.49	264,178
	Employees' Trust Fund	59,370.71	52,836
	Chemicals	5,350.00	-
	Fabricate Charges	722,075.78	3,875,714
	Upkeep of Machinery	405,828.17	1,480,467
		3,584,809.52	7,852,603
1.5	**Inventory as at 31st March**		
	Soap Factory	21,061,267.42	26,346,517
	Refinery	7,062,964.82	11,096,026
	Asphalt	275,400.00	520,200
	Drum Plant	2,758,396.19	2,383,826
		31,158,028.43	40,346,569

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BCC LANKA LIMITED
DETAILED SHEDULE TO THE FINANCIAL STATEMENTS

1 Cost of Sales

	Soap	Drum	Refinery	Asphalt	2016 Total
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	**Rs. Cts.**
Inventory as at Beginning of the Year	26,346,516.55	2,383,826.48	11,096,025.85	520,200.00	**40,346,568.88**
Purchases	22,616,856.67	2,720,095.99	48,999,997.50	-	**74,336,950.16**
Inventory as at End of the Year	(21,061,267.42)	(2,758,396.19)	(7,062,964.82)	(275,400.00)	**(31,158,028.43)**
	27,902,105.80	2,345,526.28	53,033,058.53	244,800.00	**83,525,490.61**
Direct Expenses					
Wages					**6,162,471.42**
Employees' Provident Fund					**471,159.01**
Employees' Trust fund					**94,231.86**
Power					**1,808,389.74**
Production Overhead					
Salary					**2,095,331.37**
Employees' Provident Fund					**296,853.49**
Employees' Trust fund					**59,370.71**
Fabricate Charges (Drum)					**722,075.78**
Chemicals					**5,350.00**
Upkeep of Machinery					**405,828.17**
Total					**95,646,552.16**

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

		2016	2015
2	**Administrative Expenses**	**Rs Cts.**	Rs.
	Salaries and Wages	**20,308,919.23**	13,568,857
	Salaries and Wages - Employees' Provident Fund	**1,977,107.80**	1,371,869
	Salaries and Wages - Employees Trust Fund	**395,421.99**	274,374
	Directors' Remuneration	**22,500.00**	11,000
	Bonus	**494,500.00**	429,750
	Staff Welfare	**778,676.65**	485,032
	Reversal of Write Back	-	80,399
	Telephone Charges	**527,865.27**	586,581
	Postage	**43,041.90**	60,450
	Printing and Stationery Expenses	**285,896.52**	456,262
	Auditors' Remuneration	**75,000.00**	75,000
	Auditor General's Department - Service Charge	**12,488.00**	-
	Professional Fees	**238,115.50**	501,023
	License and Registration	**104,898.92**	206,288
	Rent	**1,920.00**	1,920
	Electricity	**563,908.02**	653,389
	Water	**289,550.61**	765,002
	Insurance	**693,109.58**	372,192
	Security	**3,653,035.75**	3,578,399
	Rate and Taxes	**1,416,800.00**	1,416,800
	Vehicle Maintenance	**1,408,160.75**	1,548,936
	Traveling and Subsistence	**102,634.00**	176,825
	Gratuity	**1,034,175.50**	1,568,914
	Upkeep of Equipment	**402,580.12**	586,515
	Subscription and Periodicals	**70,437.00**	47,390
	Laboratory Expenses	**76,474.80**	65,164
	Depreciation	**4,314,048.20**	1,274,482
	Annual Service Agreement	**19,050.00**	23,151
	Upkeep of Premises	**3,016,987.26**	2,325,246
	Donation	**60,000.00**	28,500
	Transport Charges	**42,845.00**	48,900
	Fuel	**1,347,957.71**	1,471,711
	Refreshment	**74,524.00**	39,807
	Vehicle Rent	**1,107,500.00**	150,000
	Weighing Charges	**5,470.00**	5,050
	Ceremony Expenses	**652,007.00**	-
	Penalties and Surcharges	**394.46**	200,598
	Bank Charges	**44,911.25**	64,453
	Sundry expenses	**4,050.00**	-
		45,666,872.79	34,520,229
3	**Selling and Distribution Expenses**		
	Advertisement	**246,725.00**	435,617
	Nation Building Tax	**2,889,516.80**	3,108,011
	Sales Promotions	**674,209.56**	665,150
	Discounts	**530,128.64**	815,056
	Trade Fair Fees	**110,720.00**	-
	Handling and Distribution Expenses	**2,531,759.01**	2,326,574
	Entertainment	-	180,000
		6,983,059.01	7,530,408

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

		2016	2015
		Rs Cts.	Rs.
4	**Trade Debtors**		
	Distributor Debtors	4,329,113.78	4,968,307
	Direct Buyers	4,116,126.77	2,948,635
	Corporation Debtors	3,043,403.51	1,878,678
	Asphalt Debtors	100,105.00	100,104
	Government Debtors	1,413,644.18	418,935
		13,002,393.24	10,314,659
5	**Deposits, Advances and Prepayments**		
	Purchase Advance	2,482,770.05	3,494,736
	Goods in Transits	-	2,665,495
	Annual Service Prepayment	6,900.00	12,150
	Insurance Prepayment	211,848.76	128,219
	Sundry Deposit	-	239,347
	Bid Bond Deposit	623,750.00	52,400
	Welfare Shop	55.00	-
	Value Added Tax Receivable	(125,652.03)	598,068
	Nation Building Tax Receivable	5,154.51	57,998
	License and Registration Prepayment	12,622.33	17,721
	Interest Receivable	364,928.29	193,202
	Staff Provident Fund Receivable	-	31,000
		3,582,376.91	7,490,336
6	**Other Debtors**		
	Rental Debtors	15,320,437.92	13,913,588
		15,320,437.92	13,913,588
7	**Staff Loans**		
	Festival Advance - Salaries	440,000.00	380,000
	Festival Advance - Wages	344,000.00	381,500
		784,000.00	761,500
8	**Trade Creditors**		
	Oil	4,486,786.00	5,649,581
	Soap	5,711,901.85	5,552,529
	Refinery	3,016,534.26	3,016,534
	Detergent	1,674.48	249,759
	J.E.D.B. Creditor	4,508,696.00	4,508,696
		17,725,592.59	18,977,100

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

	2016 Rs Cts.	2015 Rs.
9 Accrued Expenses		
Security Charges	358,908.16	281,418
Professional Fees	11,699.91	4,592
Water Charges	13,301.36	32,338
Telephone Charges	35,872.30	70,134
Staff Welfare	29,500.00	19,500
Audit Fees	75,000.00	75,000
Service Charge	12,488.00	-
Wages Soap Sundry	485,448.30	374,518
Electricity	241,794.55	215,960
Vehicle Rent	-	75,000
	1,264,012.58	1,148,460
10 Other Payables		
Turnover Tax	141,280.11	141,280
Defense Levy - (NSL)	1,079,761.95	1,079,762
Value Added Tax	34,534,744.38	33,712,106
Nations Building Tax	584,863.47	357,413
Goods and Services Tax (G.S.T)	1,279,509.00	1,279,509
Rates and Taxes	21,608,510.40	21,608,510
Salary-Outside Loan	85,975.00	70,697
PAYE Tax (Pay As You Earn)	-	1,826
Salary Payable	240,279.75	465,817
Employees' Provident Fund	397,010.06	372,234
Employees' trust Fund	47,641.21	44,668
Wages-Outside Loan	2,450.00	6,249
Unclaimed Salaries and Wages	500.00	26,047
Wages payable	198,234.50	236,353
Retention	197,000.00	197,000
Receipt in Advance	262,309.71	262,309
	60,660,069.54	59,861,780
11 Deposits Payable		
Supplies Deposits	-	105,523
Employee Deposits	-	5,597
Rental Deposits	16,710,959.46	13,885,822
Tender Deposits	-	377,500
	16,710,959.46	14,374,442