

**CHEVRON LUBRICANTS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**30TH JUNE 2013**

# **CHEVRON LUBRICANTS LANKA PLC**

## **INTERIM FINANCIAL STATEMENTS - 30TH JUNE 2013**

### **CONTENTS**

---

Managing Director's Review

Interim Comprehensive Income Statement

Interim Statement of Financial Position

Interim Statement of Changes in Equity

Interim Statement of Cash Flows

Selective Notes to the Interim Financial Statements

Corporate Information

## **Managing Director's Review**

Despite a 5% revenue dip, gross margin has recorded a marginal growth due to 10% reduction in cost of sales realizing a net margin increase of 5.5% with the significant increase in interest income.

Net earnings for YTD June 2013 recorded an increase of 11 % compared to 2012 largely helped by the increased interest income and 11% reduction in cost of goods sold due to stable raw material prices in the global market.

Lubricants consumption has remained sluggish during the first half of the year mainly due to reduced demand from thermal power plants, adverse weather conditions affecting the agricultural & fisheries sector and continued overall market volume contraction with extended oil drain intervals as a result of consumers moving from lower tier to higher tier technology. The decline is seen across all consumer segments in almost all geographies while Bangladesh market started to recover from an initial setback due to various macro issues.

(Sgd)Kishu Gomes  
Managing Director/CEO

# Chevron Lubricants Lanka PLC

## Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

	Note	Three months ended 30th June		Six months ended 30th Jun	
		2013	2012	2013	2012
- Revenue		2,427,146	2,560,256	5,595,421	5,896,376
- Cost of sales		(1,511,378)	(1,673,657)	(3,479,316)	(3,916,572)
<b>Gross profit</b>		<b>915,768</b>	<b>886,599</b>	<b>2,116,105</b>	<b>1,979,804</b>
- Distribution costs		(104,705)	(90,006)	(193,363)	(173,481)
- Administrative expenses		(122,364)	(126,871)	(245,871)	(229,790)
- Other operating income		436	2,251	676	4,148
<b>Operating profit</b>		<b>689,136</b>	<b>671,972</b>	<b>1,677,546</b>	<b>1,580,680</b>
- Finance income		79,918	57,318	144,999	87,713
- Finance costs		(18)	(693)	(18)	(17,031)
<b>Profit before income tax</b>		<b>769,036</b>	<b>728,597</b>	<b>1,822,527</b>	<b>1,651,362</b>
- Income tax expense		(206,522)	(195,425)	(490,157)	(457,087)
<b>Profit for the period</b>		<b>562,514</b>	<b>533,172</b>	<b>1,332,370</b>	<b>1,194,275</b>
<b>Total comprehensive income for the period</b>		<b>562,514</b>	<b>533,172</b>	<b>1,332,370</b>	<b>1,194,275</b>
<b>Earnings per share attributable to the equity holders of the company during the year</b>					
(expressed in LKR per share)					
Basic earnings per share		4.69	4.44	11.10	9.95

Note: The above figures are provisional and subject to audit

# Chevron Lubricants Lanka PLC

## Interim Statement of Financial Position

(Amounts in Rs.000's)

Note	30th June 2013	31st December 2012
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	361,136	215,813
Trade and other receivables	87,979	94,109
Deferred income tax assets	4,657	1,341
	<b>453,772</b>	<b>311,263</b>
<b>Current assets</b>		
Inventories	2,212,214	2,132,118
Trade and other receivables	1,156,372	986,882
Cash and cash equivalents	2,804,512	2,517,244
	<b>6,173,098</b>	<b>5,636,244</b>
<b>Total assets</b>	<b>6,626,870</b>	<b>5,947,507</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital &amp; reserves</b>		
Stated capital	600,000	600,000
Retained earnings	4,498,188	3,525,818
	<b>5,098,188</b>	<b>4,125,818</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	96,667	87,328
	<b>96,667</b>	<b>87,328</b>
<b>Current liabilities</b>		
Trade and other payables	833,353	1,257,496
Current income tax liabilities	598,662	476,865
	<b>1,432,015</b>	<b>1,734,361</b>
<b>Total liabilities</b>	<b>1,528,682</b>	<b>1,821,689</b>
<b>Total equity and liabilities</b>	<b>6,626,870</b>	<b>5,947,507</b>
Net Assets per Share (Rs.)	42.48	34.38

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

(Sgd) Erande De Silva  
Manager Finance & Planning

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by the Board of Directors on 24th July 2013.

(Sgd) Kishu Gomes  
CEO / Managing Director  
24th July 2013

(Sgd) Anura Perera  
Director / Chief Financial Officer

# Chevron Lubricants Lanka PLC

## Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 30th June	
		2013	2012
<b>Cash flows from operating activities</b>			
Cash generated from operations	(i)	1,422,812	1,966,118
Interest paid		(18)	(274)
Retirement benefits paid		-	-
Income tax paid		(371,676)	(359,896)
<b>Net cash generated from operating activities</b>		<b>1,051,118</b>	<b>1,605,948</b>
<b>Cash flows from investing activities</b>			
Purchase of Property, Plant & Equipment		(166,237)	(34,956)
Proceeds from disposal of Property, Plant & Equipment		-	1,524
Interest received		122,387	61,774
<b>Net cash used in investing activities</b>		<b>(43,850)</b>	<b>28,342</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(720,000)	(780,000)
<b>Net cash used in financing activities</b>		<b>(720,000)</b>	<b>(780,000)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>287,268</b>	<b>854,290</b>
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		2,517,244	1,012,060
Increase in cash and cash equivalents		287,268	854,290
<b>Cash and cash equivalents at end of period</b>		<b>2,804,512</b>	<b>1,866,350</b>

Note (i)

	Year ended 30th June	
	2013	2012
<b>Cash generated from operations</b>		
Profit before taxation	1,822,527	1,651,362
Adjustments for :		
Depreciation	20,915	21,566
Property, plant and equipment Writtenoff	-	-
Amortisation of marketing support fee paid	13,995	11,416
(Profit)/Loss on disposal of property, plant and equipment	-	(1,524)
Interest income	(122,387)	(61,774)
Interest expense	18	274
Changes in working capital		
- trade and other receivables	(177,354)	54,536
- inventories	(80,097)	(760,031)
- payables	(64,144)	1,041,993
Defined benefit obligations	9,339	8,300
<b>Cash generated from operations</b>	<b>1,422,812</b>	<b>1,966,118</b>

## Chevron Lubricants Lanka PLC

### Interim Statement of Changes in Equity

(Amounts in Rs.000's)

	<u>Stated Capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
<b>Balance as at 1st January 2012</b>	<b>600,000</b>	<b>2,558,145</b>	<b>3,158,145</b>
Profit for the period	Nil	1,194,275	1,194,275
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends	Nil	(360,000)	(360,000)
<b>Balance as at 30th June 2012</b>	<b>600,000</b>	<b>3,392,420</b>	<b>3,992,420</b>
<b>Balance as at 1st January 2013</b>	<b>600,000</b>	<b>3,525,818</b>	<b>4,125,818</b>
Profit for the period	Nil	1,332,370	1,332,370
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends		(360,000)	(360,000)
<b>Balance as at 30th June 2013</b>	<b>600,000</b>	<b>4,498,188</b>	<b>5,098,188</b>

# Chevron Lubricants Lanka PLC

## Notes to the Financial Statement for the year ended 30/06/2013

### 1 General information

Chevron Lubricants Lanka PLC carries on the business of importing, blending, distributing and marketing of lubricant oils and greases. The Company is a public limited liability company incorporated and domiciled in Sri Lanka. The address of its registered office is Chevron House, 490, Galle Road, Colombo 03.

The Company has its primary listing on the Colombo Stock Exchange.

These condensed interim financial statements have been approved for issue by the Board of Directors on 24th July 2013.

### 2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the three months ended 30 June 2013 have been prepared in accordance LKAS 34. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with SLFRSs

### 3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4 The additions to PPE during the quarter ended 30th June 2013, primarily relates to capital work in progress stemming from the construction of the new blending plant at the Company's leasehold land.

5 Net assets per share has been computed based on number of shares in issue as at 31/12/2012.

6 No Circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.

7 There has not been a significant change in the nature of the contingent Liabilities which were disclosed in the Annual Report for the year ended 31st December 2012.

### 8 Share price movement

The market prices during the quarter	2013	2012	Year ended 31.12.2012
Highest price Rs.	375.00	185.00	205.20
Lowest price Rs.	217.00	160.00	160.00
Last traded price Rs.	295.10	168.00	202.00

9 Stated Capital is represented by 120,000,000 ordinary Shares.

10 Names and the Number of Shares held by the largest 20 shareholders as at 30th June 2013 :

Name of Shareholders	Shares	%
1 Chevron Ceylon Limited	61,200,000	51.00
2 HSBC International Nominees Ltd-BP2 S London- Aberdeen Asia Smaller Comp	10,629,700	8.86
3 HSBC International Nominees Ltd-BPSS Lux Aberdeen Global- EME	5,463,700	4.55
4 HSBC International Nominees Ltd-BP2S London Aberdeen Asia Smaller Comp.Inv	3,580,800	2.98
5 HSBC INTL NOM LTD-SSBT WASATCH FRONTIER EMERGING SMALL	3,215,119	2.68



6	Caceis Bank Luxembourg S/A BARCA GLOBAL MASTER FUND LPOGIER	2,716,306	2.26
7	Employees Provident Fund	2,554,566	2.13
8	HSBC INTL NOM LTD-BP2S LUXEMBOURG-ABERDEEN GLOBAL FRONTIER MARK	1,816,800	1.51
9	Renuka Hotels Limited	1,400,000	1.17
10	Cargo Boat Development Company Limited	1,400,000	1.17
11	Mellon Bank N.A.- Florida Retirement system	1,396,000	1.16
12	HSBC INTL NOM LTD-JPMCB-INVESTERINGSFORENINGEN BANKINVEST,AFD NEV	1,125,344	0.94
13	Crescent Launderers & Dry Cleaners (Pvt) Ltd	1,000,000	0.83
14	RBC Investor services Bank- Danske Invest- Global Emerging Markets small cap	874,000	0.73
15	Danske Bank A/S	650,000	0.54
16	RBC Investor services Bank- J O HAMBRO CAPITAL MANAGEMENT UMBRELLA FUN	644,695	0.54
17	DFCC Bank- Account No 1	609,400	0.51
18	AVIVA NDB Insurance PLC A/C No 07	541,827	0.45
19	Mr. Udabage	476,500	0.40
20	RBC Investor services Bank- BI-SICAV-NEW EMERGING MARKETS EQUITIES	438,725	0.37
	<b>Total</b>	<b>101,733,482</b>	<b>84.78</b>

11 Public Holding : **49%**

12 None of the Directors hold shares in the company.

13 Mr. Kishu Gomes is the Managing Director and the Chief Executive Officer of the Company.

**Chevron Lubricants Lanka PLC**  
**Corporate Information**

**Name of Company**

Chevron Lubricants Lanka PLC

**Legal Form**

Public Limited Liability Company  
(Incorporated in 1992 and listed on the  
Colombo Stock Exchange)

**Company Registration Number**

PQ 54

**Registered Office**

Chevron House  
No.490, Galle Road, Colombo 3.

**Directors**

Farrukh Saeed - *Chairman*  
Kishu Gomes - *Managing Director / CEO*  
Harsha Amarasekera  
Devasiri Rodrigo  
Richard Brown  
Anura Perera

**Secretary**

Anura Perera  
Chevron House  
No.490, Galle Road, Colombo 3.

**Registrars to the Company**

S S P Corporate Services (Private)Limited  
546, Galle Road,  
Colombo 3

**Auditors to the Company**

PricewaterhouseCoopers  
Chartered Accountants  
P.O.Box 918,100, Braybrooke Place ,Colombo 2.

**Lawyers to the Company**

Julius & Creasy  
Attorneys-at-Law and Notaries Public  
No.41, Janadhipathi Mawatha ,Colombo 1.

**Principal Bankers**

Citibank NA  
Deutsche Bank  
Standard Chartered Bank  
Commercial Bank

**Web Address** : [www.chevron.lk](http://www.chevron.lk)

**Email** : [contactus@chevron.com](mailto:contactus@chevron.com)

**Telephone** : 94 11 4524524

**Facsimile** : 94 11 4524566