

CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
31ST DECEMBER 2014

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 31ST DECEMBER 2014

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Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

	Note	Three months ended 31st Dec			Year ended 31st Dec		
		2014	2013	Change %	2014	2013	Change %
Revenue		2,742,746	2,822,293	(3)	11,519,891	11,197,153	3
Cost of sales		(1,796,739)	(1,837,336)	(2)	(6,917,075)	(7,076,850)	(2)
Gross profit		946,006	984,957	(4)	4,602,816	4,120,303	12
Distribution costs		(163,522)	(118,765)	38	(534,104)	(442,893)	21
Administrative expenses		(111,127)	(133,967)	(17)	(511,251)	(509,801)	0
Other operating income		4,859	2,009	142	13,140	7,061	86
Operating profit		676,216	734,234	(8)	3,570,600	3,174,670	12
Finance income		39,128	66,312	(41)	129,484	279,044	(54)
Finance costs		(14)	(1)	1,939	(451)	(117)	286
Profit before income tax		715,329	800,546	(11)	3,699,633	3,453,597	7
Income tax expense		(157,345)	(210,421)	(25)	(952,800)	(921,697)	3
Profit for the period		557,984	590,125	(5)	2,746,833	2,531,900	8
Earnings per share attributable to the equity holders of the company during the year							
Basic earnings per share (expressed in LKR)		4.65	4.92		22.89	21.10	

Notes -The above figures are not audited.

Figures in brackets indicate deductions.

Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - Continued

(Amounts in Rs.000's)

	Note	Three months ended 31st Dec		Year ended 31st Dec	
		2014	2013	2014	2013
Profit for the period		557,984	590,125	2,746,833	2,531,900
Other comprehensive income:					
Actuarial (loss)/gain on retirement benefit obligations		17,162	(24,580)	17,162	(24,580)
Tax on other comprehensive income		(4,805)	6,882	(4,805)	6,882
Other Comprehensive (loss)/ income for the year		12,357	(17,698)	12,357	(17,698)
Total comprehensive income for the period		570,341	572,427	2,759,190	2,514,202

Chevron Lubricants Lanka PLC

Interim Statement of Financial Position

(Amounts in Rs.000's)

Note	31st December 2014	31st December 2013
ASSETS		
Non-current assets		
Property, plant and equipment	2,243,616	1,296,651
Trade and other receivables	66,274	81,152
Deferred income tax assets	-	8,723
	2,309,890	1,386,526
Current assets		
Inventories	1,746,241	1,928,704
Trade and other receivables	1,130,140	1,252,068
Cash and cash equivalents	1,290,529	2,485,174
	4,166,910	5,665,946
Total assets	6,476,800	7,052,472
EQUITY AND LIABILITIES		
Capital & reserves		
Stated capital	600,000	600,000
Retained earnings	4,599,210	4,240,020
	5,199,210	4,840,020
Non-current liabilities		
Retirement benefit obligations	119,902	122,060
Deferred income tax liabilities	101,596	-
	221,498	122,060
Current liabilities		
Trade and other payables	652,962	1,599,802
Current income tax liabilities	403,130	490,590
	1,056,092	2,090,392
Total liabilities	1,277,590	2,212,452
Total equity and liabilities	6,476,800	7,052,472
Net Assets per Share (Rs.)	43.33	40.33

Note: The above figures are not audited.

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 27th February 2015.

(Sgd) Kishu Gomes
Managing Director / CEO
27th February 2015

(Sgd) Anura Perera
Director / Chief Financial Officer

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Year ended 31st Dec	
		2014	2013
Cash flows from operating activities			
Cash generated from operations	(i)	3,579,844	3,398,176
Interest paid		(451)	(117)
Retirement benefits paid		(7,473)	(9,662)
Income tax paid		(934,141)	(908,471)
Net cash generated from operating activities		2,637,779	2,479,926
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(995,097)	(1,128,106)
Proceeds from disposal of Property, Plant & Equipment		4,839	420
Interest received		97,834	235,690
Net cash used in investing activities		(892,424)	(891,996)
Cash flows from financing activities			
Dividends paid		(2,940,000)	(1,620,000)
Net cash used in financing activities		(2,940,000)	(1,620,000)
Net increase / (decrease) in cash and cash equivalents		(1,194,645)	(32,070)
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		2,485,174	2,517,244
Increase in cash and cash equivalents		(1,194,645)	(32,070)
Cash and cash equivalents at end of period		1,290,529	2,485,174

Note (i)

	Year ended 31st Dec	
	2014	2013
Cash generated from operations		
Profit before taxation	3,699,633	3,453,597
Adjustments for :		
Depreciation	48,009	46,234
Property, plant and equipment Writtenoff	123	1,034
Amortisation of marketing support fee paid	29,091	29,539
(Profit)/Loss on disposal of property, plant and equipment	(4,839)	(420)
Interest income	(91,810)	(235,690)
Interest expense	451	117
Provision for impairment of trade receivables	(2,506)	11,102
Changes in working capital		
- trade and other receivables	103,592	(292,870)
- inventories	182,463	203,415
- payables	(406,840)	162,305
Defined benefit obligations	22,477	19,813
Cash generated from operations	3,579,844	3,398,176

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>
Balance as at 1st January 2013	600,000	3,525,818	4,125,818
Profit for the period	Nil	2,531,900	2,531,900
Other comprehensive loss for the period	Nil	(17,698)	(17,698)
Transactions with owners			
- Dividends	Nil	(1,800,000)	(1,800,000)
Balance at 31 December 2013	600,000	4,240,020	4,840,020
Balance as at 1st January 2014	600,000	4,240,020	4,840,020
Profit for the period	Nil	2,746,833	2,746,833
Other comprehensive income for the period	Nil	12,357	12,357
Transactions with owners			
- Dividends		(2,400,000)	(2,400,000)
Balance at 31 December 2014	600,000	4,599,210	5,199,210

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 31/12/2014

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 financial statements have been approved for issue by the Board of Directors on 27th February 2015.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC are for the period ended 31st December 2014. They have been prepared in accordance LKAS 34. These interim financial statements have been prepared in accordance with those SLFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as described below;

Financial instruments

As required by Sri Lanka Accounting Standards - LKAS 39 Financial Instruments; Recognition and measurement, trade receivables, trade payables and staff loans are recognised as financial instruments. The initial and subsequent measurement basis of the said financial instruments should be the fair value and the amortised cost respectively. Provision for doubtful debt is replaced with the impairment testing for trade receivables.

4 Net assets per share has been computed based on number of shares in issue as at 31/12/2014.

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

In the interim budget presented on 29th January 2015 the Government announced that companies and individuals who have earned profits in excess of Rs. 2,000 million in the tax year 2013/14, would be charged a one off 'Super Gains Tax' of 25%. Pending enactment of legislation to give effect to these proposals and in the absence of clear measurement criteria, Company is not in a position to ascertain the financial effect of this proposed tax and therefore no provision has been made in the interim financial statements.

6 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 2013.

7 Share price movement

The market prices during the quarter	2014	2013	Year ended 31.12.2013
Highest price Rs.	400.00	278.00	375.00
Lowest price Rs.	335.10	262.00	202.00
Last traded price Rs.	399.60	267.80	267.80

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

Notes to the Financial Statement for the year ended 31/12/2014 *Continued*

9 Names and the Number of Shares held by the largest 20 shareholders as at 31st December 2014 :

	Name of Shareholders	Number of Shares	%
1	Chevron Ceylon Limited	61,200,000	51.00
2	HSBC INTL NOM LTD-SSBT WASATCH FRONTIER EMERGING SMALL COUNTRIES FUND	6,300,185	5.25
3	Caceis Bank Luxembourg S/A BARCA GLOBAL MASTER FUND LPOGIER	2,716,306	2.26
4	Citigroup Global Markets Limited Agency Trading Prop Securities A/C	2,403,670	2.00
5	HSBC International Nominees Ltd-BPSS Lux Aberdeen Global Asian Small companies fund	2,234,700	1.86
6	RBC Investor Services Bank- COELI SICAV I- FRONTIER MARKETS FUND	2,223,027	1.85
7	BNYM SA/NV- Blackrock Frontiers Investment Trust PLC	2,107,175	1.76
8	HSBC International Nominees Ltd-SSBT-Aberdeen Institutional Commingled Funds, LLC	1,880,000	1.57
9	HSBC INTL NOM LTD-BP2S LUXEMBOURG-ABERDEEN GLOBAL FRONTIER MARKETS EQUITY FUND	1,830,800	1.53
10	Nothern Trust CO S/A- Nothern Trust Fiduciary Services (Ireland) Ltd AS TRUSTEE TO BARING ASEAN FRO	1,825,368	1.52
11	HSBC INTL NOMINEES LTD-BP2S LONDON- ABERDEEN ASIA SMALLER COMPANIES INVESTMENT TRUST	1,490,800	1.24
12	Renuka Hotels Limited	1,400,000	1.17
13	Cargo Boat Development Company Limited	1,400,000	1.17
14	HSBC INTL NOM LTD-JPMCB-INVESTERINGSFORENINGEN BANKINVEST, AFO NEW EMERGING MARKETS AKTIER	1,206,844	1.01
15	Nothern Trust Global Services London S/A VERDIPAPIRONDET ODIN EMERGING MARKETS	1,191,184	0.99
16	Mellon Bank N.A.- Florida Retirement System	1,100,000	0.92
17	Employees Provident Fund	1,007,958	0.84
18	HSBC International Nominees Ltd-BPSS Lux Aberdeen Global-Emerging Markets Smaller Companies Fund	1,000,000	0.83
19	Crescent Launderers & Dry Cleaners (Pvt) Ltd	1,000,000	0.83
20	CB NY S/A WASATCH FRONTIER EMERGING SMALL COUNTRIES CIT FUND	950,060	0.79
		96,468,077	80.39

10 Public Holding : 49%. The Number of shareholders representing the public holding was 3144.

11 None of the Directors hold shares in the company except A.M.Anura Perera who holds 200 shares.

12 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
Commercial Bank

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