

**CHEVRON LUBRICANTS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**31ST DECEMBER 2013**

# **CHEVRON LUBRICANTS LANKA PLC**

## **INTERIM FINANCIAL STATEMENTS - 31ST DECEMBER 2013**

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# Chevron Lubricants Lanka PLC

## Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

|   | Note | Three months ended 31st Dec |                | Year ended 31st Dec |                  |
|---|------|-----------------------------|----------------|---------------------|------------------|
|   |      | 2013                        | 2012           | 2013                | 2012             |
| - Revenue   |      | 2,823,505                   | 2,861,785      | 11,202,053          | 11,754,046       |
| - Cost of sales   |      | (1,837,551)                 | (1,967,335)    | (7,076,850)         | (7,949,962)      |
| <b>Gross profit</b>   |      | <b>985,954</b>              | <b>894,451</b> | <b>4,125,203</b>    | <b>3,804,084</b> |
| - Distribution costs  |      | (118,565)                   | (122,651)      | (442,893)           | (425,357)        |
| - Administrative expenses   |      | (133,952)                   | (116,133)      | (509,801)           | (473,548)        |
| - Other income  |      | 797                         | 5,618          | 2,161               | 12,295           |
| <b>Operating profit</b>   |      | <b>734,234</b>              | <b>661,285</b> | <b>3,174,670</b>    | <b>2,917,474</b> |
| - Finance income  |      | 66,312                      | 76,918         | 279,044             | 194,292          |
| - Finance costs   |      | (1)                         | (33)           | (117)               | (309)            |
| <b>Profit before income tax</b>   |      | <b>800,545</b>              | <b>738,170</b> | <b>3,453,597</b>    | <b>3,111,457</b> |
| - Income tax expense  |      | (210,421)                   | (188,605)      | (921,697)           | (845,630)        |
| <b>Profit for the period</b>  |      | <b>590,124</b>              | <b>549,565</b> | <b>2,531,900</b>    | <b>2,265,827</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  |      | 4.92                        | 4.58           | 21.10               | 18.88            |

Note: The above figures are provisional and subject to audit

# Chevron Lubricants Lanka PLC

## Interim Comprehensive Income Statement - *Continued*

(Amounts in Rs.000's)

|   | Note         | Three months ended 31st Dec |                | Year ended 31st Dec |                  |
|---|--------------|-----------------------------|----------------|---------------------|------------------|
|   |              | 2013                        | 2012           | 2013                | 2012             |
| <b>Profit for the period</b>                            |              | <b>590,124</b>              | <b>549,565</b> | <b>2,531,900</b>    | <b>2,265,827</b> |
| <b>Other comprehensive income:</b>                      |              |                             |                |                     |                  |
| Actuarial (loss)/gain on retirement benefit obligations |              | (24,580)                    | 30,340         | (24,580)            | 30,340           |
| Tax on other comprehensive income                       |              | 6,883                       | (8,495)        | 6,883               | (8,495)          |
| <b>Other Comprehensive (loss)/ income for the year</b>  |              | <b>(17,697)</b>             | <b>21,845</b>  | <b>(17,697)</b>     | <b>21,845</b>    |
| <b>Total comprehensive income for the period</b>        | STATEMENTS - | <b>572,427</b>              | <b>571,410</b> | <b>2,514,203</b>    | <b>2,287,672</b> |

# Chevron Lubricants Lanka PLC

## Interim Statement of Financial Position

(Amounts in Rs.000's)

|   | Note | 31 December<br>2013 | 31 December<br>2012 |
|---|------|---------------------|---------------------|
| <b>ASSETS</b>   |      |                     |                     |
| <b>Non-current assets</b>                             |      |                     |                     |
| Property, plant and equipment                         |      | 1,296,651           | 215,813             |
| Other receivables                                     |      | 81,152              | 94,109              |
| Deferred income tax asset                             |      | 8,723               | 1,341               |
|   |      | <b>1,386,526</b>    | <b>311,263</b>      |
| <b>Current assets</b>                                 |      |                     |                     |
| Inventories   |      | 1,928,704           | 2,132,118           |
| Trade and other receivables                           |      | 1,252,068           | 986,882             |
| Cash and cash equivalents (excluding bank overdrafts) |      | 2,485,174           | 2,517,244           |
|   |      | <b>5,665,946</b>    | <b>5,636,244</b>    |
| <b>Total assets</b>                                   |      | <b>7,052,472</b>    | <b>5,947,507</b>    |
| <b>EQUITY AND LIABILITIES</b>                         |      |                     |                     |
| <b>Equity attributable to owners of the parent</b>    |      |                     |                     |
| Stated capital  |      | 600,000             | 600,000             |
| Retained earnings                                     |      | 4,240,020           | 3,525,817           |
| <b>Total equity</b>                                   |      | <b>4,840,020</b>    | <b>4,125,817</b>    |
| <b>Liabilities</b>                                    |      |                     |                     |
| <b>Non-current liabilities</b>                        |      |                     |                     |
| Retirement benefit obligations                        |      | 122,060             | 87,328              |
|   |      | <b>122,060</b>      | <b>87,328</b>       |
| <b>Current liabilities</b>                            |      |                     |                     |
| Trade and other payables                              |      | 1,599,802           | 1,257,497           |
| Current income tax liabilities                        |      | 490,590             | 476,865             |
|   |      | <b>2,090,392</b>    | <b>1,734,362</b>    |
| <b>Total liabilities</b>                              |      | <b>2,212,452</b>    | <b>1,821,690</b>    |
| <b>Total equity and liabilities</b>                   |      | <b>7,052,472</b>    | <b>5,947,507</b>    |
| Net Assets per Share (Rs.)                            |      | 40.33               | 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 21st February 2014.

(Sgd) Kishu Gomes  
CEO / Managing Director  
21st February 2014

(Sgd) Anura Perera  
Director / General Manager-Finance

# Chevron Lubricants Lanka PLC

## Interim Statement of Cash Flows

(Amounts in Rs.000's)

|   | Note | Year ended 31 st December |                    |
|---|------|---------------------------|--------------------|
|   |      | 2013                      | 2012               |
| <b>Cash flows from operating activities</b>               |      |                           |                    |
| Cash generated from operations                            | (i)  | 3,398,175                 | 3,535,565          |
| Interest paid   |      | (117)                     | (309)              |
| Retirement benefits paid                                  |      | (9,662)                   | (701)              |
| Income taxes paid   |      | (908,471)                 | (745,961)          |
| <b>Net cash generated from operating activities</b>       |      | <b>2,479,925</b>          | <b>2,788,594</b>   |
| <b>Cash flows from investing activities</b>               |      |                           |                    |
| Purchase of Property, Plant & Equipment                   |      | (1,128,106)               | (67,627)           |
| Proceeds from disposal of Property, Plant & Equipment     |      | 421                       | 4,564              |
| Interest received   |      | 235,690                   | 159,653            |
| <b>Net cash used in investing activities</b>              |      | <b>(891,995)</b>          | <b>96,590</b>      |
| <b>Cash flows from financing activities</b>               |      |                           |                    |
| Dividends paid  |      | (1,620,000)               | (1,380,000)        |
| <b>Net cash used in financing activities</b>              |      | <b>(1,620,000)</b>        | <b>(1,380,000)</b> |
| <b>Net (decrease)/ increase in cash, cash equivalents</b> |      | <b>(32,070)</b>           | <b>1,505,184</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                     |      | (32,070)                  | 1,505,184          |
| <b>Cash and cash equivalents at end of period</b>         |      | <b>2,485,174</b>          | <b>2,517,244</b>   |

Note (i)

|  | Year ended 31 st December |                  |
|--|---------------------------|------------------|
|  | 2013                      | 2012             |
| <b>Cash generated from operations</b>                      |                           |                  |
| Profit before taxation                                     | 3,453,597                 | 3,111,457        |
| Adjustments for :  |                           |                  |
| Depreciation   | 46,234                    | 43,836           |
| (Profit)/Loss on disposal of property, plant and equipment | (420)                     | (4,563)          |
| Property, plant and equipment Writtenoff                   | 1,034                     | 1,090            |
| Amortisation of marketing support fee paid                 | 29,539                    | 24,170           |
| Provision for impairment of trade receivables              | 11,102                    | 0                |
| Write-off of inventory                                     | 0                         | 7,484            |
| Interest income  | (235,690)                 | (159,653)        |
| Interest expense   | 117                       | 309              |
| Changes in working capital                                 |                           |                  |
| - trade and other receivables                              | (292,870)                 | 160,863          |
| - inventories  | 203,414                   | (262,085)        |
| - payables   | 162,305                   | 596,057          |
| Defined benefit obligations                                | 19,813                    | 16,600           |
| <b>Cash generated from operations</b>                      | <b>3,398,175</b>          | <b>3,535,565</b> |

# Chevron Lubricants Lanka PLC

## Interim Statement of Changes in Equity

(Amounts in Rs.000's)

|   | <u>Stated<br/>Capital</u> | <u>Retained<br/>Earnings</u> | <u>Total<br/>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 year                     | Nil                       | 2,265,827                    | 2,265,827               |
| Other comprehensive income for the year | Nil                       | 21,845                       | 21,845                  |
| Transactions with owners<br>- Dividends | Nil                       | (1,320,000)                  | (1,320,000)             |
| <b>Balance as at 31st December 2012</b> | <b>600,000</b>            | <b>3,525,817</b>             | <b>4,125,817</b>        |
| <b>Balance as at 1st January 2013</b>   | <b>600,000</b>            | <b>3,525,817</b>             | <b>4,125,817</b>        |
| Profit for the year                     | Nil                       | 2,531,900                    | 2,531,900               |
| Other comprehensive loss for the year   | Nil                       | (17,697)                     | (17,697)                |
| Transactions with owners<br>- Dividends |                           | (1,800,000)                  | (1,800,000)             |
| <b>Balance as at 31st December 2013</b> | <b>600,000</b>            | <b>4,240,020</b>             | <b>4,840,020</b>        |

# Chevron Lubricants Lanka PLC

## Notes to the Financial Statement for the year ended 31/12/2013

### 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 financial statements have been approved for issue by the Board of Directors on 21st February 2014.

### 2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC are for the three months ended 31 December 2013. 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 31/12/2013.

5 No Circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the 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 2012.

### 7 Share price movement

| The market prices during the quarter | 2013   | 2012   | Year ended<br>31.12.2013 |
|--------------------------------------|--------|--------|--------------------------|
| Highest price Rs.                    | 278.00 | 205.20 | 375.00                   |
| Lowest price Rs.                     | 262.00 | 184.00 | 202.00                   |
| Last traded price Rs.                | 267.80 | 202.00 | 267.80                   |

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



## Notes to the Financial Statement for the year ended 31/12/2013 *Continued*

9 Names and the Number of Shares held by the largest 20 shareholders as at 31st December 2013 :

|    | <b>Name of Shareholders</b>   | <b>Shares</b>      | <b>%</b>     |
|----|---|--------------------|--------------|
| 1  | INTERIM FINANCIAL STATEMENTS - 31ST DECEMBER 2013                           | 61,200,000         | 51.00        |
| 2  | HSBC International Nominees Ltd-BPSS Lux Aberdeen Global                    | 9,518,264          | 7.93         |
| 3  | HSBC International Nominees Ltd-BPSS Lux Aberdeen Global- EME               | 5,109,918          | 4.26         |
| 4  | HSBC INTL NOM LTD-SSBT WASATCH FRONTIER EMERGING SMALL                      | 4,648,287          | 3.87         |
| 5  | Caceis Bank Luxembourg S/A BARCA GLOBAL MASTER FUND LPOGIER                 | 2,716,306          | 2.26         |
| 6  | HSBC INTL NOM LTD- BP2S LONDON-ABERDEEN ASIA SMALL COMP INV TRUST           | 2,690,800          | 2.24         |
| 7  | Employees Provident Fund  | 2,554,566          | 2.13         |
| 8  | HSBC INTL NOM LTD-BP2S LUXEMBOURG-ABERDEEN GLOBAL FRONTIER                  | 1,830,800          | 1.53         |
| 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                                 | 1,300,000          | 1.08         |
| 12 | HSBC INTL NOM LTD-JPMCB-INVESTERINGS FORENINGEN BANKINVEST                  | 1,175,344          | 0.98         |
| 13 | Crescent Launderers & Dry Cleaners (Pvt) Ltd                                | 1,000,000          | 0.83         |
| 14 | HSBC INTERNATIONAL NOMINEES LTD-SSBT-ABERDEEN INSTITUTIONAL COM             | 890,000            | 0.74         |
| 15 | RBC Investor Services Bank- J O Hambro Capital Management Umbrella Fund PLC | 877,045            | 0.73         |
| 17 | RBC Investor Services Bank- Danske Invest- Global Emerging Markets          | 817,000            | 0.68         |
| 16 | Danske Bank A/S   | 650,000            | 0.54         |
| 18 | RBC Investor Services Bank- BI SICAV- New Emerging Markets Equities         | 588,725            | 0.49         |
| 19 | DFCC Bank- Account No 1   | 588,000            | 0.49         |
| 20 | HSBC INTL NOM LTD- BBH- Pioneer Multi- Asset Income Fund                    | 551,197            | 0.46         |
|    |   | <b>101,506,252</b> | <b>84.58</b> |
|    |   |                    |              |

10 Public Holding : **49%**

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  
Standard Chartered Bank  
Commercial Bank

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INTERIM FINANCIAL STATEMENTS - 31ST DECEMBER 2013