

**CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
30TH JUNE 2020**

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 30TH JUNE 2020

CONTENTS

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

Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

	Note	Three months ended 30th June			Period ended 30th June		
		2020	2019	Change %	2020	2019	Change %
Revenue		2,538,523	2,748,997	(8)	5,384,643	6,013,969	(10)
Cost of sales		(1,604,831)	(1,771,513)	(9)	(3,305,716)	(3,821,009)	(13)
Gross profit		933,692	977,484	(4)	2,078,927	2,192,960	(5)
Distribution costs		(152,551)	(187,845)	(19)	(380,726)	(386,938)	(2)
Administrative expenses		(202,619)	(181,711)	12	(402,735)	(361,363)	11
Other operating income		305	367	(17)	699	782	(11)
Operating profit		578,827	608,295	(5)	1,296,165	1,445,441	(10)
Finance income		23,702	16,700	42	39,709	34,040	17
Finance costs		(10,495)	(12,508)	(16)	(21,136)	(23,496)	(10)
Profit before income tax		592,034	612,487	(3)	1,314,738	1,455,985	(10)
Income tax expense		(165,013)	(173,051)	(5)	(370,526)	(413,421)	(10)
Profit for the period		427,021	439,436	(3)	944,212	1,042,564	(9)
Earnings per share attributable to the equity holders of the company during the year							
Basic earnings per share (expressed in LKR)		1.78	1.83		3.93	4.34	

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 30th June			Period ended 30th June		
	2020	2019	Change %	2020	2019	Change %
Profit for the period	427,021	439,436	(3)	944,212	1,042,564	(9)
Other comprehensive income:						
Actuarial (loss)/gain on retirement benefit obligations	-	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-
Other Comprehensive (loss)/ income for the period	-	-	-	-	-	-
Total comprehensive income for the period	427,021	439,436	(3)	944,212	1,042,564	(9)

Notes -The above figures are not audited.

Figures in brackets indicate deductions.

Chevron Lubricants Lanka PLC
Interim Statement of Financial Position

(Amounts in Rs.000's)

Note	30th June 2020	31st December 2019
ASSETS		
Non-current assets		
Property, Plant & Equipment	1,815,213	1,883,219
Right of Use Asset - Leases	362,482	389,369
Trade and other receivables	66,453	74,366
	2,244,148	2,346,954
Current assets		
Inventories	1,376,329	1,939,297
Trade and other receivables	1,290,138	1,079,620
Cash and cash equivalents	1,669,008	869,635
	4,335,475	3,888,552
Total assets	6,579,623	6,235,506
EQUITY AND LIABILITIES		
Stated capital	600,000	600,000
Retained earnings	3,762,666	3,536,297
Total equity	4,362,666	4,136,297
Liabilities		
Non-current liabilities		
Retirement benefit obligations	147,760	146,952
Deferred tax liabilities	260,135	266,010
Lease Liabilities	349,441	358,792
	757,336	771,754
Current liabilities		
Trade and other payables	982,394	789,383
Current income tax liabilities	441,327	501,953
Lease Liabilities	35,900	36,119
	1,459,621	1,327,455
Total liabilities	2,216,957	2,099,209
Total equity and liabilities	6,579,623	6,235,506
Net Assets per Share (Rs.)	18.18	17.23

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) Yasora Kodagoda
 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 July 2020.

(Sgd)Patrick McCloud
 Managing Director / CEO

(Sgd)Erande De Silva
 Director / Chief Financial Officer

27th July 2020

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 30th June	
		2020	2019
Cash flows from operating activities			
Cash generated from operations	(i)	1,994,876	1,386,565
Interest paid		(21,136)	(23,497)
Retirement benefits paid		(12,515)	(6,032)
Income tax paid		(437,027)	(273,546)
Net cash generated from operating activities		1,524,198	1,083,490
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(22,517)	(60,214)
Proceeds from disposal of Property, Plant & Equipment		-	2,206
Interest received		26,900	13,552
Net cash used in investing activities		4,383	(44,456)
Cash flows from financing activities			
Payment of Lease liabilities		(9,208)	(4,506)
Dividends paid		(720,000)	(900,000)
Net cash used in financing activities		(729,208)	(904,506)
Net increase / (decrease) in cash and cash equivalents		799,373	134,527
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		869,635	258,766
Increase in cash and cash equivalents		799,373	134,527
Cash and cash equivalents at end of period		1,669,008	393,293

Note (i)

	Period ended 30th June	
	2020	2019
Cash generated from operations		
Profit before taxation	1,314,411	1,455,985
Adjustments for :		
Depreciation on property, plant and equipment	90,523	86,971
Depreciation on right-of-use assets	26,852	22,112
Property, plant and equipment Writtenoff	-	396
Amortisation of marketing support fee paid	8,849	8,552
(Profit)/Loss on disposal of property, plant and equipment	0	(143)
Interest income	(29,077)	(13,552)
Interest expense	21,136	23,497
(Reversal of provision)/Provision for impairment on trade receivables	(39)	1,739
Defined benefit obligations	13,322	13,040
Changes in working capital	0	
- trade and other receivables	(209,237)	(417,575)
- inventories	562,968	911,508
- payables	195,168	(705,965)
Cash generated from operations	1,994,876	1,386,565

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 2019	600,000	3,314,473	3,914,473
Profit for the period	Nil	1,042,564	1,042,564
Other comprehensive income for the period	Nil	-	-
Transactions with owners - Dividends	Nil	(900,000)	(900,000)
Unclaimed Dividends transferred to Retained Earnings		1,574	1,574
Unaudited balance as at 30th June 2019	600,000	3,458,611	4,058,611
Balance as at 1st January 2020	600,000	3,536,297	4,136,297
Profit for the period	Nil	944,212	944,212
Other comprehensive loss for the period	Nil	-	-
Transactions with owners - Dividends		(720,000)	(720,000)
Unclaimed Dividends transferred to Retained Earnings		2,157	2,157
Unaudited balance as at 30th June 2020	600,000	3,762,666	4,362,666

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 30/06/2020

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 Level 16, MAGA ONE, 200 Nawala Road, Narahenpita, Colombo 5.

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 July 2020.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the period ended 30th June 2020, do not include all the information required for full annual financial statements. They have been prepared in accordance with LKAS 34 and with those SLFRS and IFRIC interpretations issued and effective at the time of their preparation and applicable for interim financial statements.

3 Accounting policies

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

The Department of Inland Revenue of Sri Lanka had issued Notices PN/IT/2020-03 dated 12 February 2020, PN/IT/2020-03 (Amended) dated 18 February 2020 and PN/IT/2020-03 (Revised) dated 8 April 2020 indicating implementation of proposed changes to the Inland Revenue Act, No. 24 of 2017. These proposed changes which include revisions to Income Tax have not been applied by the Company for Interim Reporting as the proposed changes have not been enacted to tax laws nor substantively enacted as at the date of the statement of financial position.

4 Net assets per share has been computed based on number of shares in issue as at 30/06/2020.

5 No circumstances have arisen since the Statement of Financial Position 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 Financial Statements for the year ended 31st December 2019.

7 Share price movement

The market prices during the quarter	2020	2019	Year ended 31.12.2019
Highest price Rs.	70.00	64.50	83.00
Lowest price Rs.	46.00	50.00	50.00
Last traded price Rs.	67.00	59.00	74.90

8 Stated Capital is represented by 240,000,000 ordinary Shares.

Notes to the Financial Statement for the year ended 30/06/2020 *Continued*

9 Names and the Number of Shares held by the largest 20 shareholders as at 30th June 2020 :

	Name of Shareholders	Number of Shares	%
1	Chevron Ceylon Limited	122,400,000	51.00
2	BNYM RE-BARCA GLOBAL MASTER FUND LP	19,802,707	8.25
3	Renuka Hotels Limited	5,201,918	2.17
4	SSBT-Change Global Frontier Markets, LP	4,768,777	1.99
5	Northern Trust Global Services London S/A Verdipapirfondet Odin Emerging Markets	3,444,194	1.44
6	Sri Lanka Insurance Corporation LTD- LIFE FUND	3,400,000	1.42
6	Cargo Boat Development Company Limited	3,400,000	1.42
8	BNYM SA/NV- FRONTAURA GLOBAL FRONTIER FUND LLC	2,756,627	1.15
9	BNYMSANV RE-NEON LIBERTY EMERGING MARKETS FUND,LP	2,709,102	1.13
10	BBH-PIONEER MULTI-ASSET INCOME FUND	2,117,467	0.88
11	Crescent Launderers & Dry Cleaners (Pvt) Ltd	2,000,000	0.83
12	Bank of Ceylon -No 2 A/C (BOC PTF)	1,688,823	0.70
13	MRS. SELLIAH ARUNTHATHI	1,350,000	0.56
14	Mr.Somasiri Addara Pathirana	1,100,000	0.46
15	SSBT- PARAMETRIC TAX- MANAGED EMERGING MARKETS FUND	1,084,580	0.45
16	Bank of Ceylon -No 1 A/C	1,079,440	0.45
17	EMPLOYEES PROVIDENT FUND	1,015,916	0.42
18	Mrs.Kailasapillai Abiramipillai	900,000	0.38
19	Rubber Investment Trust Limited A/C No 1	828,746	0.35
20	Mr. Nihal Parakrama De Alwis Samaranayake	800,000	0.33
		181,848,297	75.77

10 Public Holding : 49%. The Number of shareholders representing the public holding was 7,196.

Compliant with CSE Rule 7.13.1 under option 2 - Float Adjusted Market Capitalization (Rs.) **7,879,200,000**

11 None of the Directors hold shares in the company

12 Mr. Patrick McCloud 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 Lubricants Lanka PLC
Level 16, MAGA ONE,
200, Nawala Road,
Narahenpita ,Colombo 5

Directors

Rochna Kaul - *Chairperson*
Patrick McCloud - *Managing Director / CEO*
Harsha Amarasekera
Asite Talwatte
Nicolas Bossut
Erande De Silva

Secretary

Erande De Silva
Chevron Lubricants Lanka PLC
Level 16, MAGA ONE,
200, Nawala Road,
Narahenpita ,Colombo 5

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 AG
Commercial Bank of Ceylon PLC

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