

CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
31ST DECEMBER 2013

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 31ST DECEMBER 2013

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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	
		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)
Gross profit		985,954	894,451	4,125,203	3,804,084
- 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
Operating profit		734,234	661,285	3,174,670	2,917,474
- Finance income		66,312	76,918	279,044	194,292
- Finance costs		(1)	(33)	(117)	(309)
Profit before income tax		800,545	738,170	3,453,597	3,111,457
- Income tax expense		(210,421)	(188,605)	(921,697)	(845,630)
Profit for the period		590,124	549,565	2,531,900	2,265,827
Earnings per share attributable to the equity holders of the company during the year					
(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
Profit for the period		590,124	549,565	2,531,900	2,265,827
Other comprehensive income:					
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)
Other Comprehensive (loss)/ income for the year		(17,697)	21,845	(17,697)	21,845
Total comprehensive income for the period	STATEMENTS -	572,427	571,410	2,514,203	2,287,672

Chevron Lubricants Lanka PLC

Interim Statement of Financial Position

(Amounts in Rs.000's)

	Note	31 December 2013	31 December 2012
ASSETS			
Non-current assets			
Property, plant and equipment		1,296,651	215,813
Other receivables		81,152	94,109
Deferred income tax asset		8,723	1,341
		1,386,526	311,263
Current assets			
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
		5,665,946	5,636,244
Total assets		7,052,472	5,947,507
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Stated capital		600,000	600,000
Retained earnings		4,240,020	3,525,817
Total equity		4,840,020	4,125,817
Liabilities			
Non-current liabilities			
Retirement benefit obligations		122,060	87,328
		122,060	87,328
Current liabilities			
Trade and other payables		1,599,802	1,257,497
Current income tax liabilities		490,590	476,865
		2,090,392	1,734,362
Total liabilities		2,212,452	1,821,690
Total equity and liabilities		7,052,472	5,947,507
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
Cash flows from operating activities			
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)
Net cash generated from operating activities		2,479,925	2,788,594
Cash flows from investing activities			
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
Net cash used in investing activities		(891,995)	96,590
Cash flows from financing activities			
Dividends paid		(1,620,000)	(1,380,000)
Net cash used in financing activities		(1,620,000)	(1,380,000)
Net (decrease)/ increase in cash, cash equivalents		(32,070)	1,505,184
Movement in cash and cash equivalents			
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
Cash and cash equivalents at end of period		2,485,174	2,517,244

Note (i)

	Year ended 31 st December	
	2013	2012
Cash generated from operations		
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
Cash generated from operations	3,398,175	3,535,565

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 2012	600,000	2,558,145	3,158,145
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 - Dividends	Nil	(1,320,000)	(1,320,000)
Balance as at 31st December 2012	600,000	3,525,817	4,125,817
Balance as at 1st January 2013	600,000	3,525,817	4,125,817
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 - Dividends		(1,800,000)	(1,800,000)
Balance as at 31st December 2013	600,000	4,240,020	4,840,020

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 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 :

	Name of Shareholders	Shares	%
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
		101,506,252	84.58

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

Web Address : www.chevron.lk

Email : contactus@chevron.com

Telephone : 94 11 4524524

Facsimile : 94 11 4524566

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