

CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
31ST DECEMBER 2015

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 31ST DECEMBER 2015

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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		
		2015	2014	Change %	2015	2014	Change %
Revenue		2,957,867	2,742,746	8	11,563,854	11,519,891	0
Cost of sales		(1,611,847)	(1,796,739)	(10)	(6,368,022)	(6,917,075)	(8)
Gross profit		1,346,020	946,007	42	5,195,832	4,602,816	13
Distribution costs		(136,910)	(163,522)	(16)	(501,918)	(534,104)	(6)
Administrative expenses		(178,660)	(111,127)	61	(561,582)	(511,251)	10
Other operating income		1,345	4,859	(72)	10,900	13,140	(17)
Operating profit		1,031,795	676,217	53	4,143,232	3,570,600	16
Finance income		55,964	39,128	43	175,350	129,484	35
Finance costs		(4)	(15)	(73)	(38)	(451)	(92)
Profit before income tax		1,087,754	715,330	52	4,318,544	3,699,633	17
Income tax expense		(374,438)	(157,345)	138	(1,230,613)	(952,800)	29
Profit for the period		713,316	557,985	28	3,087,931	2,746,833	12
Earnings per share attributable to the owners of the company during the year							
Basic earnings per share (expressed in LKR)		5.94	4.65		25.73	22.89	

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		
		2015	2014	Change %	2015	2014	Change %
Profit for the period		713,316	557,985	28	3,087,931	2,746,833	12
Other comprehensive income:							
Actuarial (loss)/gain on retirement benefit obligations		4,648	17,162	(73)	4,648	17,162	(73)
Tax on other comprehensive income		(1,301)	(4,805)	(73)	(1,301)	(4,805)	(73)
Other Comprehensive (loss)/ income for the period		3,347	12,357	(73)	3,347	12,357	(73)
Total comprehensive income for the period		716,663	570,342	26	3,091,278	2,759,190	12

Chevron Lubricants Lanka PLC

Interim Statement of Financial Position

(Amounts in Rs.000's)

Note	31st December 2015	31st December 2014
ASSETS		
Non-current assets		
Property, Plant & Equipment	2,195,826	2,243,616
Trade and other receivables	90,101	66,274
	2,285,927	2,309,890
Current assets		
Inventories	1,308,619	1,746,241
Trade and other receivables	1,111,344	1,130,140
Cash and cash equivalents	2,339,049	1,290,528
	4,759,012	4,166,909
Total assets	7,044,939	6,476,799
EQUITY AND LIABILITIES		
Stated capital	600,000	600,000
Retained earnings	4,083,125	4,599,210
Total equity	4,683,125	5,199,210
Liabilities		
Non-current liabilities		
Retirement benefit obligations	125,557	119,902
Deferred tax liabilities	177,352	101,595
	302,909	221,497
Current liabilities		
Trade and other payables	1,347,113	652,962
Current income tax liabilities	711,792	403,130
	2,058,905	1,056,092
Total liabilities	2,361,814	1,277,589
Total equity and liabilities	7,044,939	6,476,799
Net Assets per Share (Rs.)	39.03	43.33

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 26th January 2016.

(Sgd) Kishu Gomes
Managing Director / CEO
26th January 2016

(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	
		2015	2014
Cash flows from operating activities			
Cash generated from operations	(i)	4,726,724	3,579,844
Interest paid		(38)	(451)
Retirement benefits paid		(8,228)	(7,473)
Income tax paid		(1,694,859)	(694,081)
Net cash generated from operating activities		3,023,599	2,877,839
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(95,446)	(736,246)
Proceeds from disposal of Property, Plant & Equipment		258	1,888
Interest received		160,109	91,810
Net cash used in investing activities		64,921	(642,548)
Cash flows from financing activities			
Dividends paid		(2,040,000)	(1,620,000)
Net cash used in financing activities		(2,040,000)	(1,620,000)
Net increase / (decrease) in cash and cash equivalents		1,048,520	615,292
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		1,290,529	2,485,174
Increase in cash and cash equivalents		1,048,520	615,292
Cash and cash equivalents at end of period		2,339,049	3,100,466

Note (i)

	Year ended 31st Dec	
	2015	2014
Cash generated from operations		
Profit before taxation	4,318,544	3,699,633
Adjustments for :		
Depreciation	143,068	48,009
Property, plant and equipment Writtenoff	167	123.00
Amortisation of marketing support fee paid	23,514	29,091
(Profit)/Loss on disposal of property, plant and equipment	(258)	(4,839)
Interest income	(160,109)	(91,810)
Interest expense	38	451
(Reversal of provision)/Provision for impairment on trade receivables	(5,379)	(2,506.00)
Changes in working capital		
- trade and other receivables	(23,168)	103,592
- inventories	437,622	182,463
- payables	(25,847)	(406,840)
Defined benefit obligations	18,532	22,477
Cash generated from operations	4,726,724	3,579,844

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 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	Nil	(2,400,000)	(2,400,000)
Balance as at 31st December 2014	600,000	4,599,210	5,199,210
Balance as at 1st January 2015	600,000	4,599,210	5,199,210
Profit for the period	Nil	3,087,931	3,087,931
Super Gain Tax for Y/A 2013/14		(847,363)	(847,363)
Other comprehensive income for the period	Nil	3,347	3,347
Transactions with owners			
- Dividends		(2,760,000)	(2,760,000)
Balance as at 31st December 2015	600,000	4,083,125	4,683,125

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 31/12/2015

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 26th January 2016

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC are for the year ended 31st December 2015. 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 recognized as financial instruments. The initial and subsequent measurement basis of the said financial instruments should be the fair value and the amortized cost respectively. Provision for doubtful debt is replaced with the impairment testing for trade receivables.

Super Gain Tax - Year of Assessment 2013/14

As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30 October 2015, the Company was liable for Super Gain Tax of Rs. 847,363,811. According to the Act, the Super Gain Tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015

4 Net assets per share has been computed based on number of shares in issue as at 31/12/2015.

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 2014.

7 Share price movement

The market prices during the quarter	2015	2014	Year ended 31.12.2014
Highest price Rs.	383.50	400.00	400.00
Lowest price Rs.	342.10	335.00	263.00
Last traded price Rs.	344.00	399.60	399.60

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

Notes to the Financial Statement for the year ended 31.12.2015 *Continued*

9 Names and the Number of Shares held by the largest 20 shareholders as at 31st December 2015 :

	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	6,224,848	5.19
3	Citigroup Global Markets Limited Agency Trading Prop Securities A/C	2,954,168	2.46
4	BNYM SA/NV- Blackrock Frontiers Investment Trust PLC	2,238,940	1.87
5	HSBC International Nominees Ltd-SSBT-Aberdeen Institutional Commingled Funds, LLC	1,880,000	1.57
6	HSBC INTL NOM LTD-BP2S LUXEMBOURG-ABERDEEN GLOBAL FRONTIER MARKETS EQUITY FUND	1,830,800	1.53
7	RBC Investor Services Bank- COELI SICAV I- FRONTIER MARKETS FUND	1,829,851	1.52
8	HSBC International Nominees Ltd-BPSS Lux Aberdeen Global Asian Small companies fund	1,675,287	1.40
9	Caceis Bank Luxembourg S/A BARCA GLOBAL MASTER FUND LPOGIER	1,592,496	1.33
10	Renuka Hotels Limited	1,400,000	1.17
10	Cargo Boat Development Company Limited	1,400,000	1.17
12	HSBC INTL NOMINEES LTD-BP2S LONDON- ABERDEEN ASIA SMALLER COMPANIES INVESTMENT TRUST	1,384,697	1.15
13	Nothern Trust Global Services London S/A VERDIPAPIRONDET ODIN EMERGING MARKETS	1,256,947	1.05
14	Nothern Trust CO S/A- Nothern Trust Fiduciary Services (Ireland) Ltd AS TRUSTEE TO BARING ASEAN FRO	1,224,739	1.02
15	BNYM SA/NV-NEON LIBERTY EMERGING MARKETS FUND LP	1,109,098	0.92
	Mellon Bank N.A.- Florida Retirement System	1,095,406	0.91
17	Employees Provident Fund	1,007,958	0.84
18	HSBC INTL NOM LTD-SSBT PARAMETRIC EMERGING MARKETS FUND	1,001,814	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
	Total	94,257,109	78.55

10 Public Holding : 49%. The Number of shareholders representing the public holding was 3439

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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Telephone : 94 11 4524524

Facsimile : 94 11 4524566