

**CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
30TH JUNE 2018**

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 30TH JUNE 2018

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			Six months ended 30th June		
		2018	2017	Change %	2018	2017	Change %
Revenue		2,784,854	2,280,200	22	5,764,325	5,397,986	7
Cost of sales		(1,748,246)	(1,257,361)	39	(3,463,389)	(2,972,680)	17
Gross profit		1,036,608	1,022,839	1	2,300,936	2,425,306	(5)
Distribution costs		(169,374)	(154,635)	10	(315,713)	(307,057)	3
Administrative expenses		(173,491)	(167,880)	3	(330,918)	(332,993)	(1)
Other operating income		4,485	878	411	4,889	4,490	9
Operating profit		698,228	701,202	(0)	1,659,194	1,789,746	(7)
Finance income		8,446	27,307	(69)	18,660	56,522	(67)
Finance costs		(633)	(1,879)	(66)	(1,292)	(1,957)	(34)
Profit before income tax		706,041	726,630	(3)	1,676,562	1,844,311	(9)
Income tax expense		(199,269)	(200,732)	(1)	(472,422)	(496,678)	(5)
Profit for the period		506,772	525,898	(4)	1,204,140	1,347,633	(11)
Earnings per share attributable to the equity holders of the company during the year							
Basic earnings per share (expressed in LKR)		2.11	2.19		5.02	5.62	

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			Six months ended 30th June		
		2018	2017	Change %	2018	2017	Change %
Profit for the period		506,772	525,898	(4)	1,204,140	1,347,633	(11)
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		506,772	525,898	(4)	1,204,140	1,347,633	(11)

Chevron Lubricants Lanka PLC
Interim Statement of Financial Position
(Amounts in Rs.000's)

Note	30th June 2018	31st December 2017
ASSETS		
Non-current assets		
Property, Plant & Equipment	1,993,670	2,066,551
Trade and other receivables	77,683	77,294
	2,071,353	2,143,845
Current assets		
Inventories	2,518,837	2,045,960
Trade and other receivables	1,312,438	1,266,383
Cash and cash equivalents	954,898	139,732
	4,786,173	3,452,075
Total assets	6,857,526	5,595,920
EQUITY AND LIABILITIES		
Stated capital	600,000	600,000
Retained earnings	3,543,593	3,406,914
Total equity	4,143,593	4,006,914
Liabilities		
Non-current liabilities		
Retirement benefit obligations	137,791	162,228
Deferred tax liabilities	255,178	245,717
	392,969	407,945
Current liabilities		
Trade and other payables	1,805,627	661,176
Current income tax liabilities	515,337	404,851
Borrowing	-	115,034
	2,320,964	1,181,061
Total liabilities	2,713,933	1,589,006
Total equity and liabilities	6,857,526	5,595,920
Net Assets per Share (Rs.)	17.26	16.70

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 13th August 2018.

(Sgd) Rochna Kaul
Chairperson & Acting Managing
Director / CEO

(Sgd) Anura Perera
Director / Chief Financial Officer

13th August 2018

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 30th June	
		2018	2017
Cash flows from operating activities			
Cash generated from operations	(i)	2,398,405	876,486
Interest paid		(1,292)	(1,957)
Retirement benefits paid		(36,842)	(6,784)
Income tax paid		(352,476)	(536,376)
Net cash generated from operating activities		2,007,795	331,369
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(13,628)	(13,497)
Proceeds from disposal of Property, Plant & Equipment		4,262	3,440
Interest received		11,769	45,276
Net cash used in investing activities		2,403	35,219
Cash flows from financing activities			
Dividends paid		(1,080,000)	(2,160,000)
Net cash used in financing activities		(1,080,000)	(2,160,000)
Net increase / (decrease) in cash and cash equivalents		930,198	(1,793,412)
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		24,699	1,910,267
Increase in cash and cash equivalents		930,198	(1,793,412)
Cash and cash equivalents at end of period		954,898	116,854

Note (i)

	Period ended 30th June	
	2018	2017
Cash generated from operations		
Profit before taxation	1,676,562	1,844,311
Adjustments for :		
Depreciation	86,358	78,747
Property, plant and equipment Writtenoff	35	-
Amortisation of marketing support fee paid	9,090	9,489
(Profit)/Loss on disposal of property, plant and equipment	(4,146)	(3,426)
Interest income	(14,246)	(41,632)
Interest expense	1,292	1,957
(Reversal of provision)/Provision for impairment on trade receivables	(1,126)	398
Defined benefit obligations	12,405	9,245
Changes in working capital		
- trade and other receivables	(51,931)	(277,973)
- inventories	(472,878)	(38,464)
- payables	1,156,990	(706,165)
Cash generated from operations	2,398,405	876,486

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 2017	600,000	3,260,623	3,860,623
Profit for the period	Nil	1,347,633	1,347,633
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends	Nil	(1,320,000)	(1,320,000)
Balance as at 30th June 2017	600,000	3,288,255	3,888,255
Balance as at 1st January 2018	600,000	3,406,914	4,006,914
Profit for the period	Nil	1,204,140	1,204,140
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends		(1,080,000)	(1,080,000)
Unclaimed Dividends transferred to Retained Earnings		12,539	12,539
Balance as at 30th June 2018	600,000	3,543,593	4,143,593

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 30/06/2018

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 13th August 2018.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the period ended 30th June 2018, 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.

4 Net assets per share has been computed based on number of shares in issue as at 30/06/2018.

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 2017.

7 Share price movement

The market prices during the quarter

	2018	2017	Year ended 31.12.2017
Highest price Rs.	107.00	179.90	179.90
Lowest price Rs.	74.00	165.00	109.00
Last traded price Rs.	76.50	167.00	119.00

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

9 Names and the Number of Shares held by the largest 20 shareholders as at 30th June 2018 :

Name of Shareholders	Number of Shares	%
1 Chevron Ceylon Limited	122,400,000	51.00
2 Renuka Hotels Limited	5,201,918	2.17
3 RBC Investor Services Bank- COELI SICAV I- FRONTIER MARKETS FUND	4,465,502	1.86
4 BNYM SA/NV-NEON LIBERTY EMERGING MARKETS FUND LP	4,177,352	1.74
5 BNYM SA/NV- Blackrock Frontiers Investment Trust PLC	4,151,348	1.73

Notes to the Financial Statement for the year ended 30.06.2018 *Continued*

6	Northern Trust Global Services London S/A VERDIPAPIRONDET ODIN EMERGING MARKETS	3,444,194	1.44
7	Sri Lanka Insurance Corporation LTD- LIFE FUND	3,400,000	1.42
8	Cargo Boat Development Company Limited	3,400,000	1.42
9	HINL-SSBT-Change Global Frontier Markets, LP	2,953,482	1.23
10	BNYM SA/NV- FRONTAURA GLOBAL FRONTIER FUND LLC	2,769,163	1.15
11	HSBC INTL NOM LTD-SSBT-ABERDEEN INSTITUTIONAL COMMINGLED FUNDS LLC	2,439,508	1.02
11	Crescent Launderers & Dry Cleaners (Pvt) Ltd	2,000,000	0.83
13	HSBC INTL NOM LTD-SSBT PARAMETRIC EMERGING MARKETS FUND	1,821,700	0.76
14	HSBC INTL NOMINEES LTD-SSBT-FRANK RUSSEL TRUST COMPANY COMINGLED BENEFIT FUNDS TRUST GNA-6QH3	1,809,078	0.75
15	Citigroup Global Markets Limited Agency Trading Prop Securities A/C	1,746,077	0.73
16	BNYM RE-FRONTIER MARKET OPPORTUNITIES MASTER FD,L.P	1,730,763	0.72
17	Bank of Ceylon -No 2 A/C	1,688,823	0.70
18	Mellon Bank NA Florida Retirement System	1,646,876	0.69
19	HSBC INTL NOM LTD-SSBT PARAMETRIC TAX- MANAGED EMERGING MARKETS FUND	1,554,417	0.65
20	Deutsche Bank AG- National Equity fund	1,500,000	0.63
	Total	174,300,201	72.64

10 Public Holding : 49%. The Number of shareholders representing the public holding was 5846

11 None of the Directors hold shares in the company except A.M.Anura Perera who holds 400 shares.

12 Ms. Rochna Kaul (Chairperson) is the Acting 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

Rochna Kaul - *Chairperson & Acting MD / CEO*
Teek Hong Kee
Harsha Amarasekera
Asite Talwatte
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 AG
Commercial Bank of Ceylon PLC

Web Address : www.chevron.lk

Email : contactus@chevron.com

Telephone : 94 11 4524524

Facsimile : 94 11 4524566