

CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
30th JUNE 2022

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 30TH JUNE 2022

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		
		2022	2021	Change %	2022	2021	Change %
Revenue		6,174,172	2,762,228	124	13,875,564	7,115,532	95
Cost of sales		(3,296,257)	(1,773,894)	86	(7,681,704)	(4,292,606)	79
Gross profit		2,877,915	988,334	191	6,193,860	2,822,926	119
Distribution costs		(354,439)	(196,711)	80	(646,353)	(397,073)	63
Administrative expenses		(395,853)	(213,750)	85	(675,592)	(425,002)	59
Other operating income		1,053	956	10	1,540	6,683	(77)
Operating profit		2,128,676	578,829	268	4,873,455	2,007,534	143
Finance income		157,872	15,903	893	220,952	31,883	593
Finance costs		(1,259,918)	(22,160)	5,586	(2,906,929)	(73,432)	3,859
Profit before income tax		1,026,630	572,572	79	2,187,478	1,965,985	11
Income tax expense		(186,643)	(111,346)	68	(404,691)	34,094	(1,287)
Profit for the period		839,987	461,226	82	1,782,787	2,000,079	(11)
Earnings per share attributable to the equity holders of the company during the year							
Basic earnings per share (expressed in LKR)		3.50	1.92		7.43	8.33	

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		
		2022	2021	Change %	2022	2021	Change %
Profit for the period		839,987	461,226	82	1,782,787	2,000,079	(11)
Other comprehensive income:							
Actuarial (loss)/gain on retirement benefit obligations		-	-	-	-	-	
Tax on other comprehensive income		-	-	-	-	-	
Other Comprehensive income for the period, net of tax		-	-	-	-	-	-
Total comprehensive income for the period		839,987	461,226	82	1,782,787	2,000,079	(11)

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	(Adjusted)	
	30th June 2022	31st December 2021
ASSETS		
Non-current assets		
Property, Plant & Equipment	1,576,060	1,661,480
Right of Use Asset - Leases	285,806	302,189
Trade and other receivables	63,390	63,972
	1,925,256	2,027,641
Current assets		
Inventories	3,471,683	3,759,673
Trade and other receivables	2,790,642	1,180,763
Cash and cash equivalents	6,679,651	4,025,116
	12,941,976	8,965,552
Total assets	14,867,232	10,993,193
EQUITY AND LIABILITIES		
Stated capital	600,000	600,000
Retained earnings	4,914,746	3,609,878
Total equity	5,514,746	4,209,878
Liabilities		
Non-current liabilities		
Retirement benefit obligations	216,914	205,137
Deferred tax liabilities	150,481	156,813
Lease Liabilities	305,923	310,244
	673,318	672,194
Current liabilities		
Trade and other payables	7,781,880	4,739,476
Current income tax liabilities	864,733	1,341,100
Lease Liabilities	32,555	30,545
	8,679,168	6,111,121
Total liabilities	9,352,486	6,783,315
Total equity and liabilities	14,867,232	10,993,193
Net Assets per Share (Rs.)	22.98	17.54

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 28th July 2022.

(Sgd) Najam Shamsuddin
Managing Director / Chief Executive
Officer

(Sgd) Erande De Silva
Director / Chief Financial Officer

28th July 2022

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 30th June	
		2022	2021
Cash flows from operating activities			
Cash generated from operations	(i)	3,868,165	1,054,538
Interest paid		(18,405)	(19,512)
Retirement benefits paid		(8,786)	(5,558)
Income tax paid		(887,389)	(331,256)
Net cash generated from operating activities		2,953,586	698,212
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(4,997)	(52,819)
Proceeds from disposal of Property, Plant & Equipment		-	8,362
Interest received		193,077	33,556
Net cash used in investing activities		188,080	(10,901)
Cash flows from financing activities			
Payment of Lease liabilities		(7,131)	(9,242)
Dividends paid		(480,000)	(1,680,000)
Net cash used in financing activities		(487,131)	(1,689,242)
Net increase / (decrease) in cash and cash equivalents		2,654,535	(1,001,931)
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		4,025,116	1,898,556
Increase in cash and cash equivalents		2,654,535	(1,001,931)
Cash and cash equivalents at end of period		6,679,651	896,625

Note (i)

	Period ended 30th June	
	2022	2021
Cash generated from operations		
Profit before taxation	2,187,478	1,965,985
Adjustments for :		
Depreciation on property, plant and equipment	90,417	91,679
Depreciation on right-of-use assets	21,203	24,987
Property, plant and equipment Writtenoff	-	-
Amortisation of marketing support fee paid	12,736	11,236
(Profit)/Loss on disposal of property, plant and equipment		(5,497)
Interest income	(220,952)	(31,883)
Interest expense	18,405	19,512
(Reversal of provision)/Provision for impairment on trade receivables	-	-
Defined benefit obligations	20,922	15,961
Changes in working capital	-	-
- trade and other receivables	(1,594,158)	(310,167)
- inventories	287,990	136,326
- payables	3,044,125	(863,601)
Cash generated from operations	3,868,165	1,054,538

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 at 31st December 2020	600,000	3,580,188	4,180,188
Surcharge Tax for Y/A 2020/21		(788,737)	(788,737)
Balance at 1st January 2021 (Adjusted)	600,000	2,791,451	3,391,451
Profit for the period	Nil	2,000,079	2,000,079
Other comprehensive income for the period	Nil	-	-
Transactions with owners - Dividends	Nil	(1,680,000)	(1,680,000)
Unclaimed Dividends transferred to Retained Earnings		2,599	2,599
Unaudited balance as at 30th June 2021 (Adjusted)	600,000	3,114,129	3,714,130
Balance at 1st January 2022 (Adjusted)	600,000	3,609,878	4,209,878
Profit for the period	Nil	1,782,787	1,782,787
Other comprehensive loss for the period	Nil	-	-
Transactions with owners - Dividends		(480,000)	(480,000)
Unclaimed Dividends transferred to Retained Earnings		2,081	2,081
Unaudited balance as at 30th June 2022	600,000	4,914,746	5,514,746

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 30/06/2022

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 28th July 2022.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the period ended 30th June 2022, 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.

Further, the tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note on Income Taxes

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 30/06/2022.

5 Finance Cost

	Three months ended 30th June	
	2022	2021
Interest charge on lease liabilities	9,125,050	9,638,532
Interest expense on bank overdraft	-	5,249
Foreign exchange transaction and translation losses (refer (a) below)	1,250,793,090	12,515,779
	<u>1,259,918,140</u>	<u>22,159,560</u>

(a) Due to the acute foreign currency liquidity shortage in the Country's banking system, the Company carried a considerable proportion of USD denominated Trade and other payables, which were being settled based on availability of USD through its Banks. Trade and other payables as at 31st March 2022 were re-valued at an exchange rate of 299 (LKR/USD) based on the foreign exchange rate reported by the Central Bank of Sri Lanka. However, consequent to the Central Bank of Sri Lanka allowing greater flexibility in exchange rates, the LKR further depreciated against USD. The foreign exchange rate reported by the Central Bank of Sri Lanka as at 30th June 2022 was 367.12 (LKR/USD). As a result the company recorded a net foreign exchange transaction (realized) and translation (unrealized) loss amounting to Rs. 1,250,793,090 for the interim period between 1st April and 30th June 2022.

6 Income Taxes

(a) Consequent to the Government of Sri Lanka proposing a one time Surcharge Tax in its budget proposals for 2022, the Surcharge Tax Act, No.14 of 2022 was certified on 08 April 2022. The Surcharge Tax Act imposes a tax on any Individual, Partnership or Company, whose taxable income calculated in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017, exceeds rupees two thousand million, for the year of assessment commenced on 1 April 2020 at the rate of twenty five per centum on the taxable income of such Individual, Partnership or Company, for such year of assessment.

According to the Act the Surcharge Tax liability should be paid in two equal instalments on or before the twentieth day of April 2022 and twentieth day of July 2022. The Surcharge Tax shall be deemed to be an expenditure in the financial statements relating to the Year of Assessment 2020/21. It is also mentioned that no deduction shall be granted in calculating the taxable income under the inland revenue act No.24 of 2017, for any year of assessment for the payment of the Surcharge Tax.

The Surcharge Tax liability of the Company in total is Rs. 788,736,629.50. Accordingly, the first installment of Rs. 394,368,314.75 was paid on 20th April 2022. The 2nd installment of Rs. 394,368,314.75 was accounted under current income tax liabilities as at 30th June 2022, and was paid on 20th July 2022.

Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the SoAT on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka, in April 2022.

The total Surcharge Tax liability of Rs. 788,736,629.50 was recognized in the Statement of Changes in Equity as an adjustment to the 01st January 2021 opening retained earnings.

The impact of Surcharge Tax as per the Surcharge Tax Act for the Financial Year 2020 would have been, as given below:

	Year Ended 31.12.2020
Profit After Tax for the period ended 31st December 2020	2,225,728,630.00
Surcharge Tax for Y/A 2020/21	(788,736,629.50)
Adjusted comparable Profit After Tax for the period ended 31st December 2020	<u>1,436,992,000.50</u>

7 Other than those disclosed below, no events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the financial statements.

8 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 2021.

9 Share price movement

The market prices during the quarter	2022	2021	Year ended 31.12.2021
Highest price Rs.	99.80	111.00	121.00
Lowest price Rs.	60.00	89.30	86.60
Last traded price Rs.	74.50	105.00	113.00

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

Notes to the Financial Statement for the year ended 30/06/2022 *Continued*

11 Names and the Number of Shares held by the largest 20 shareholders as at 30th June 2022 :

	Name of Shareholders	Number of Shares	%
1	CHEVRON CEYLON LIMITED	122,400,000	51.00
2	BNYM RE-BARCA GLOBAL MASTER FUND LP	12,931,372	5.39
3	RENUKA HOTELS PLC	5,201,918	2.17
4	SSBT-CHANGE GLOBAL FRONTIER MARKETS,LP	4,930,007	2.05
5	CARGO BOAT DEVELOPMENT COMPANY PLC	3,417,818	1.42
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	3,400,000	1.42
7	ACUITY PARTNERS (PVT) LIMITED/MR.ELAYATHAMBY THAVAGNANASOORIYAM/MR.ELAYATHAMBY THAVAGNANASUNDARAM	2,636,691	1.10
8	NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD	2,340,816	0.98
9	HATTON NATIONAL BANK PLC/ELAYATHAMBY THAVAGNANASUNDARAM	2,070,302	0.86
10	COMMERCIAL BANK OF CEYLON PLC/METROCORP (PVT) LTD	2,000,009	0.83
11	CRESCENT LAUNDERERS AND DRY CLEANERS PVT LIMITED	2,000,000	0.83
12	BNYM RE- PIONEER MULTI-ASSET INCOME FUND	1,752,813	0.73
13	MRS. A. SELLIAH	1,600,000	0.67
14	BANK OF CEYLON NO. 1 ACCOUNT	1,272,121	0.53
15	BANK OF CEYLON-NO2 A/C (BOC PTF)	1,216,941	0.51
16	MR. A.P. SOMASIRI	1,110,000	0.46
17	MRS. A. KAILASAPILLAI	1,100,000	0.46
18	MR. M.M.C. COORAY	1,090,000	0.45
19	EMPLOYEE'S PROVIDENT FUND	1,015,916	0.42
20	MR. S.N.P. PALIHENA	1,000,000	0.42
		174,486,724	72.70

12 Public Holding : 49%. The Number of shareholders representing the public holding was 9585

Compliant with CSE Rule 7.13.1 under option 2 - Float Adjusted Market Capitalization (Rs.)	8,761,200,000
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13 None of the Directors hold shares in the company

14 Mr. Najam Shamsuddin 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
Najam Shamsuddin - Managing Director / CEO
Harsha Amarasekera
Asite Talwatte
Haider Manasawala
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.371, R.A. De Mel Mawatha, Colombo 03

Principal Bankers

Citibank NA
Deutsche Bank AG
Commercial Bank of Ceylon PLC

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