

CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
31ST MARCH 2020

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2020

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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 March		
		2020	2019	Change %
Revenue		2,846,120	3,264,972	(13)
Cost of sales		(1,700,885)	(2,049,496)	(17)
Gross profit		1,145,235	1,215,476	(6)
Distribution expenses		(228,175)	(199,092)	15
Administrative expenses		(200,116)	(179,651)	11
Other operating income		395	415	(5)
Operating profit		717,339	837,148	(14)
Finance income		16,007	17,340	(8)
Finance costs		(10,641)	(10,989)	(3)
Profit before income tax		722,705	843,499	(14)
Income tax expense		(205,513)	(240,370)	(15)
Profit for the period		517,192	603,129	(14)
Earnings per share attributable to the owners of the Company during the period				
Basic earnings per share (expressed in LKR)		2.15	2.51	

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 March		
		2020	2019	Change %
Profit for the period		517,192	603,129	(14)
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		517,192	603,129	(14)

Chevron Lubricants Lanka PLC

Interim Statement of Financial Position

(Amounts in Rs.000's)

Note	31st March 2020	31st December 2019
ASSETS		
Non-current assets		
Property, Plant & Equipment	1,853,693	1,883,219
Right of Use Asset - Leases	375,776	389,369
Trade and other receivables	69,985	74,366
	2,299,454	2,346,954
Current assets		
Inventories	2,271,517	1,939,297
Trade and other receivables	1,211,432	1,079,620
Cash and cash equivalents	619,323	869,635
	4,102,272	3,888,552
Total assets	6,401,726	6,235,506
EQUITY AND LIABILITIES		
Stated Capital (240,000,000 shares)	600,000	600,000
Retained earnings	3,575,646	3,536,297
Total equity	4,175,646	4,136,297
Liabilities		
Non-current liabilities		
Retirement benefit obligations	143,955	146,952
Deferred tax liabilities	265,942	266,010
Lease Liabilities	353,927	358,792
	763,824	771,754
Current liabilities		
Trade and other payables	929,297	789,383
Current income tax liabilities	496,803	501,953
Lease Liabilities	36,156	36,119
	1,462,256	1,327,455
Total liabilities	2,226,080	2,099,209
Total equity and liabilities	6,401,726	6,235,506
Net Assets per Share (Rs.)	17.40	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.

Yasora Kodagoda (Sgd)
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 May 2020.

Patrick McCloud (Sgd)
Managing Director / CEO
13th May 2020

Erande De Silva (Sgd)
Director / Chief Financial Officer

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 31st March	
		2020	2019
Cash flows from operating activities			
Cash generated from operations	(i)	464,888	862,458
Interest paid		(10,641)	(10,989)
Retirement benefits paid		(9,658)	(4,034)
Income tax paid		(210,731)	(120,708)
Net cash generated from operating activities		233,858	726,727
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(15,512)	(34,754)
Proceeds from disposal of Property, Plant & Equipment		-	9
Interest received		16,006	3,215
Net cash used in investing activities		494	(31,530)
Cash flows from financing activities			
Payment of Lease liabilities		(4,664)	(1,241)
Dividends paid		(480,000)	(360,000)
Net cash used in financing activities		(484,664)	(361,241)
Net increase / (decrease) in cash and cash equivalents		(250,312)	333,955
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		869,635	258,766
Increase in cash and cash equivalents		(250,312)	333,955
Cash and cash equivalents at end of period		619,323	592,721

Note (i)

	Period ended 31st March	
	2020	2019
Cash generated from operations		
Profit before taxation	722,541	843,499
Adjustments for :		
Depreciation on property, plant and equipment	45,038	43,310
Depreciation on right-of-use assets	13,592	9,710
Property, plant and equipment Writtenoff	0	-
Amortisation of marketing support fee paid	4,462	4,412
(Profit)/Loss on disposal of property, plant and equipment	0	(9)
Interest income	(16,757)	(3,917)
Interest expense	10,641	10,989
(Reversal of provision)/Provision for impairment on trade receivables	586	1,738
Defined benefit obligations	6,661	6,520
Changes in working capital	0	-
- trade and other receivables	(131,728)	(551,622)
- inventories	(332,219)	1,050,205
- payables	142,071	(552,377)
Cash generated from operations	464,888	862,458

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 1st January 2019	600,000	3,314,473	3,914,473
Profit for the period	Nil	603,129	603,129
Other comprehensive income for the period	Nil	-	-
Transactions with owners - Dividends	Nil	(360,000)	(360,000)
Unclaimed Dividends transferred to Retained Earnings	Nil	1,574	1,574
Unaudited balance as at 31st March 2019	600,000	3,559,176	4,159,176
Balance at 1st January 2020	600,000	3,536,297	4,136,297
Profit for the period	Nil	517,192	517,192
Other comprehensive income for the period	Nil	-	-
Transactions with owners - Dividends	Nil	(480,000)	(480,000)
Unclaimed Dividends transferred to Retained Earnings		2,157	2,157
Unaudited balance as at 31st March 2020	600,000	3,575,646	4,175,646

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 31/03/2020

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 13th May 2020.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the period ended 31st March 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 31/03/2020.

5 No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to or disclosure in the Financial Statements except the following:

The Company has made a Corporate Disclosure to the Colombo Stock Exchange (CSE) on 27.04.2020 on the Impact of Covid-19 on Chevron Lubricants Lanka PLC. The Corporate Disclosure captures the Company's response to Covid-19 Pandemic, Company's expectation of the future impact of Covid-19 on the Company's future operations and the financial condition.

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.	75.40	78.00	83.00
Lowest price Rs.	52.70	62.00	50.00
Last traded price Rs.	53.50	62.60	74.90

Market (CSE) remained closed after 20/03/2020 due to the police curfew imposed.

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

Notes to the Financial Statement for the year ended 31/03/2020 *Continued*

9 Names and the Number of Shares held by the largest 20 shareholders as at 31st March 2020 :

	Name of Shareholders	Number of Shares	%
1	Chevron Ceylon Limited	122,400,000	51.00
2	Caceis Bank, Luxembourg Branch-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
7	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	1,688,823	0.70
13	SSBT- PARAMETRIC TAX- MANAGED EMERGING MARKETS FUND	1,378,614	0.57
14	MRS. SELLIAH ARUNTHATHI	1,350,000	0.56
15	Mr.Somasiri Addara Pathirana	1,090,000	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
		182,132,331	75.89

10 Public Holding : 49%. The Number of shareholders representing the public holding was 6,960.

Compliant with CSE Rule 7.13.1 under option 3 - Float Adjusted Market Capitalization (Rs.) **6,291,600,000**

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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