

**CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
31ST DECEMBER 2019**

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 31ST DECEMBER 2019

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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 December			Period ended 31st December		
		2019	2018	Change %	2019	2018	Change %
Revenue		2,541,279	2,214,015	15	11,856,057	10,861,044	9
Cost of sales		(1,563,804)	(1,459,859)	7	(7,421,370)	(6,769,486)	10
Gross profit		977,475	754,156	30	4,434,687	4,091,558	8
Distribution costs		(197,941)	(163,810)	21	(789,267)	(636,903)	24
Administrative expenses		(182,919)	(225,018)	(19)	(729,793)	(719,725)	1
Other operating income		501	2,695	(81)	1,731	8,149	(79)
Operating profit		597,116	368,023	62	2,917,358	2,743,079	6
Finance income		26,613	(4,237)	(728)	71,306	18,874	278
Finance costs		(10,719)	(190)		(45,424)	(1,867)	
Profit before income tax		613,010	363,596	69	2,943,240	2,760,085	7
Income tax expense		(178,452)	(92,366)	93	(843,826)	(768,256)	10
Profit for the period		434,558	271,230	60	2,099,414	1,991,829	5
Earnings per share attributable to the equity holders of the company during the year							
Basic earnings per share (expressed in LKR)		1.81	1.13		8.75	8.30	

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 December			Period ended 31st December		
		2019	2018	Change %	2019	2018	Change %
Profit for the period		434,558	271,230	60	2,099,414	1,991,829	5
Other comprehensive income:							
Actuarial (loss)/gain on retirement benefit obligations		(26,609)	4,432	-	(26,609)	4,432	
Tax on other comprehensive income		7,450	(1,241)	-	7,450	(1,241)	
Other Comprehensive (loss)/ income for the period		(19,159)	3,191	-	(19,159)	3,191	-
Total comprehensive income for the period		415,399	274,422	60	2,080,255	1,995,021	5

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	31st December 2019	31st December 2018
ASSETS		
Non-current assets		
Property, Plant & Equipment	1,883,219	1,963,377
Right of Use Asset - Leases	389,405	-
Trade and other receivables	74,367	76,239
	2,346,991	2,039,616
Current assets		
Inventories	1,939,297	2,755,735
Trade and other receivables	1,078,451	1,013,719
Cash and cash equivalents	869,635	258,766
	3,887,383	4,028,220
Total assets	6,234,374	6,067,836
EQUITY AND LIABILITIES		
Stated capital	600,000	600,000
Retained earnings	3,536,303	3,314,473
Total equity	4,136,303	3,914,473
Liabilities		
Non-current liabilities		
Retirement benefit obligations	146,952	139,638
Lease Liabilities	358,792	-
Deferred tax liabilities	266,010	257,505
	771,754	397,143
Current liabilities		
Trade and other payables	788,214	1,423,439
Lease Liabilities	36,150	-
Current income tax liabilities	501,953	332,781
	1,326,317	1,756,220
Total liabilities	2,098,071	2,153,363
Total equity and liabilities	6,234,374	6,067,836
Net Assets per Share (Rs.)	17.23	16.31

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 24th February 2020.

Patrick McCloud (Sgd)
Managing Director / CEO

Erande De Silva (Sgd)
Director / Chief Financial Officer

24th February' 2020

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 31st December	
		2019	2018
Cash flows from operating activities			
Cash generated from operations	(i)	3,305,344	3,252,572
Interest paid		(45,423)	(1,955)
Retirement benefits paid		(45,988)	(43,066)
Income tax paid		(658,699)	(829,780)
Net cash generated from operating activities		2,555,234	2,377,771
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(99,835)	(74,754)
Proceeds from disposal of Property, Plant & Equipment		3,269	8,876
Interest received		41,341	22,174
Net cash used in investing activities		(55,225)	(43,704)
Cash flows from financing activities			
Payment of Lease liabilities		(29,140)	-
Dividends paid		(1,860,000)	(2,100,000)
Net cash used in financing activities		(1,889,140)	(2,100,000)
Net increase / (decrease) in cash and cash equivalents		610,869	234,067
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		258,766	24,699
Increase in cash and cash equivalents		610,869	234,067
Cash and cash equivalents at end of period		869,635	258,766

Note (i)

	Period ended 31st December	
	2019	2018
Cash generated from operations		
Profit before taxation	2,943,240	2,760,085
Adjustments for :		
Depreciation	225,501	172,977
Property, plant and equipment Writtenoff	759	3,037
Amortisation of marketing support fee paid	17,362	17,938
(Profit)/Loss on disposal of property, plant and equipment	(435)	(6,963)
Interest income	(42,582)	(22,174)
Interest expense	45,424	1,867
(Reversal of provision)/Provision for impairment on trade receivables	(2,058)	(1,441)
Defined benefit obligations	26,693	24,909
Changes in working capital		
- trade and other receivables	(91,346)	287,786
- inventories	816,436	(709,776)
- payables	(633,650)	724,327
Cash generated from operations	3,305,344	3,252,572

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 2018	600,000	3,406,914	4,006,914
Profit for the period	Nil	1,991,829	1,991,829
Other comprehensive income for the period	Nil	3,191	3,191
Transactions with owners - Dividends	Nil	(2,100,000)	(2,100,000)
Unclaimed Dividends transferred to Retained Earnings		12,539	12,539
Balance as at 31st December 2018	600,000	3,314,473	3,914,473
Balance as at 1st January 2019	600,000	3,314,473	3,914,473
Profit for the period	Nil	2,099,414	2,099,414
Other comprehensive loss for the period	Nil	(19,159)	(19,159)
Transactions with owners - Dividends		(1,860,000)	(1,860,000)
Unclaimed Dividends transferred to Retained Earnings		1,574	1,574
Balance as at 31st December 2019	600,000	3,536,302	4,136,302

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 31/12/2019

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 24th February 2020.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the period ended 31st December 2019, 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, except for the following. The Company has adopted SLFRS 16 Leases from 1 January 2019. The company has applied the simplified transition approach and has not restated comparative amounts for the year prior to first adoption. The right of use assets were measured at the amount of the lease liability on adoption (adjusted for any pre-paid or accrued lease expenses)

The interest expense related to the lease liability has been recognized under finance cost, whilst the right-of-use assets have been depreciated over the shorter of the asset's useful life and the lease term on a straight line basis and recognized under depreciation in the interim comprehensive income statement.

4 Net assets per share has been computed based on number of shares in issue as at 31/12/2019.

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 2018.

7 Share price movement

The market prices during the quarter	2019	2018	Year ended 31.12.2019
Highest price Rs.	83.00	77.70	83.00
Lowest price Rs.	59.50	64.80	50.00
Last traded price Rs.	74.90	72.80	74.90

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

Notes to the Financial Statement for the year ended 31.12.2019 *Continued*

9 Names and the Number of Shares held by the largest 20 shareholders as at 31st December 2019 :

	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
6	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	DFCC Bank PLC A/C 1	1,161,628	0.48
16	Mr.Somasiri Addara Pathirana	1,075,000	0.45
17	EMPLOYEES PROVIDENT FUND	1,015,916	0.42
18	Bank of Ceylon -No 1 A/C	979,440	0.41
19	Mrs.Kailasapillai Abiramipillai	900,000	0.38
20	Rubber Investment Trust Limited A/C No 1	828,746	0.35
	Total	182,378,959	76.00

10 Public Holding : 49%. The Number of shareholders representing the public holding was 6,659.

Compliant with CSE Rule 7.13.1 under option 2 - Float Adjusted Market Capitalization (Rs.)

8,808,240,000

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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