



A. F. FERGUSON & CO.

Auditor's Report to the Members

We have audited the annexed balance sheet of Attock Petroleum Limited as at June 30, 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2012 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants
Islamabad
September 15, 2012

Engagement partner: M. Imtiaz Aslam

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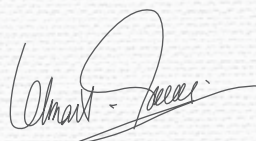
Balance Sheet

As at June 30, 2012

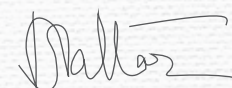
	Note	2012	2011
Rupees ('000)			
SHARE CAPITAL AND RESERVES			
Authorised capital	6	1,500,000	1,500,000
Issued, subscribed and paid up capital	6	691,200	691,200
Reserves			
Special reserves	7	54,864	27,407
Revenue reserve			
Unappropriated profit		11,637,259	10,827,601
		12,383,323	11,546,208
NON CURRENT LIABILITIES			
Long term deposits	8	245,729	209,316
Deferred income tax liability	9	167,000	111,000
		412,729	320,316
CURRENT LIABILITIES			
Trade and other payables	10	17,666,747	12,073,287
Provision for income tax		68,342	540,540
		17,735,089	12,613,827
CONTINGENCIES AND COMMITMENTS			
	11	30,531,141	24,480,351

	Note	2012	2011
Rupees ('000)			
NON CURRENT ASSETS			
Property, plant and equipment	12	1,601,576	1,374,767
Long term investments in associated companies	13	856,037	842,957
Long term prepayments	14	10,733	15,231
CURRENT ASSETS			
Stores and spares		15,620	9,729
Stock in trade	15	4,165,895	5,246,705
Trade debts	16	15,351,310	9,297,292
Advances, deposits, prepayments and other receivables	17	843,072	1,459,703
Short term investments	18	873,168	1,015,930
Cash and bank balances	19	6,813,730	5,218,037
		28,062,795	22,247,396
		30,531,141	24,480,351

The annexed notes 1 to 37 form an integral part of these financial statements.



Shuaib A. Malik
Chief Executive



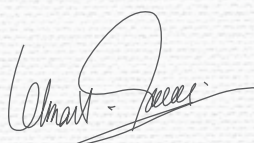
Abdus Sattar
Director

Profit and Loss Account

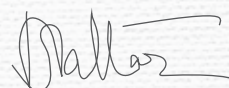
For the year ended June 30, 2012

	Note	2012	2011
Rupees ('000)			
Sales	20	176,812,437	127,036,966
Sales tax		(23,969,000)	(17,642,241)
NET SALES		152,843,437	109,394,725
Cost of products sold	21	(148,255,584)	(104,680,507)
GROSS PROFIT		4,587,853	4,714,218
Other operating income	22	2,659,322	1,978,931
Operating expenses	23	(889,356)	(611,315)
OPERATING PROFIT		6,357,819	6,081,834
Finance cost	24	(1,211,047)	(682,666)
Income on bank deposits and short term investments	25	889,427	962,838
Share of profit of associated companies	13	26,506	93,211
Other charges	26	(415,965)	(437,706)
PROFIT BEFORE TAXATION		5,646,740	6,017,511
Provision for taxation	27	(1,526,425)	(1,761,000)
PROFIT FOR THE YEAR		4,120,315	4,256,511
Earnings per share - Basic and diluted (Rupees)	28	59.61	61.58

The annexed notes 1 to 37 form an integral part of these financial statements.



Shuaib A. Malik
Chief Executive



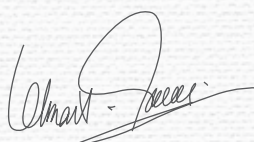
Abdus Sattar
Director

Statement of Comprehensive Income

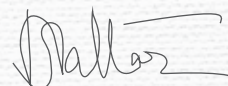
For the year ended June 30, 2012

	2012	2011
	Rupees ('000)	
PROFIT FOR THE YEAR	4,120,315	4,256,511
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,120,315	4,256,511

The annexed notes 1 to 37 form an integral part of these financial statements.



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Business
Review

Governance

Financial
Analysis

Financial
Statements

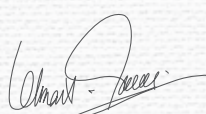
Annual General
Meeting

Cash Flow Statement

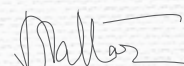
For the year ended June 30, 2012

Note	2012	2011
Rupees ('000)		
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	149,782,129	109,434,933
Price differential claims received from Government	19,110	-
Payments for purchase of products and operating expenses	(143,332,420)	(110,141,454)
Other charges paid	(348,900)	(409,866)
Long term deposits received	36,413	30,408
Income tax paid	(1,942,623)	(1,582,570)
Cash flow from operating activities	4,213,709	(2,668,549)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(402,248)	(308,200)
Proceeds from sale of property, plant and equipment	477	6,786
Long term investments in associated companies	(11,578)	-
Short term investments	(296,331)	317,588
Income received on bank deposits and short term investments	528,789	933,940
Dividend received from associated companies	25,004	15,993
Cash flow from investing activities	(155,887)	966,107
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(3,278,768)	(1,944,108)
Cash used in financing activities	(3,278,768)	(1,944,108)
Effect of exchange rate changes	4,470	1,903
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	783,524	(3,644,647)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,030,206	9,674,853
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6,813,730	6,030,206

The annexed notes 1 to 37 form an integral part of these financial statements.



Shuaib A. Malik
Chief Executive



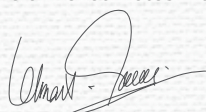
Abdus Sattar
Director

Statement of Changes in Equity

For the year ended June 30, 2012

	Share capital	Special reserves	Unappropriated profit	Total
	Rupees ('000)			
BALANCE AS AT JUNE 30, 2010	576,000	17,043	8,643,534	9,236,577
Total comprehensive income for the year	-	-	4,256,511	4,256,511
Transferred to special reserves by associated companies	-	10,364	(10,364)	-
Transaction with owners:				
Bonus shares @ 20% relating to the year ended June 30, 2010	115,200	-	(115,200)	-
Final dividend @ 200% relating to year ended June 30, 2010	-	-	(1,152,000)	(1,152,000)
Interim dividend @ 115% relating to year ended June 30, 2011	-	-	(794,880)	(794,880)
Total transactions with owners	115,200	-	(2,062,080)	(1,946,880)
BALANCE AS AT JUNE 30, 2011	691,200	27,407	10,827,601	11,546,208
Total comprehensive income for the year	-	-	4,120,315	4,120,315
Transferred to special reserves by associated companies	-	27,457	(27,457)	-
Transaction with owners:				
Final dividend @ 300% relating to year ended June 30, 2011	-	-	(2,073,600)	(2,073,600)
Interim dividend @ 175% relating to year ended June 30, 2012	-	-	(1,209,600)	(1,209,600)
Total transactions with owners	-	-	(3,283,200)	(3,283,200)
BALANCE AS AT JUNE 30, 2012	691,200	54,864	11,637,259	12,383,323

The annexed notes 1 to 37 form an integral part of these financial statements.



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

1. LEGAL STATUS AND OPERATIONS

Attock Petroleum Limited (the Company) was incorporated in Pakistan as a public limited company on December 3, 1995 and it commenced its operations in 1998. The Company was listed on Karachi Stock Exchange on March 7, 2005. The registered office of the Company is situated at Attock House, Morgah, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is procurement, storage and marketing of petroleum and related products. Pharaon Investment Group Limited Holding s.a.l holds 34.38% (2011: 34.38%) shares of the Company.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IFRS 7 Financial instruments: Disclosures (Amendments)	January 1, 2013
IAS 1 Presentation of financial statements (Amendments)	July 1, 2012 & January 1, 2013
IAS 12 Income Taxes (Amendments)	January 1, 2012
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2013
IAS 19 Employee benefits (Amendments)	January 1, 2013
IAS 27 Separate Financial Statements (Revised)	January 1, 2013
IAS 28 Investments in Associates and Joint Venture (Revised)	January 1, 2013
IAS 32 Financial instruments: Presentation (Amendments)	January 1, 2013 & 2014
IAS 34 Interim Financial Reporting (Amendments)	January 1, 2013
IFRIC 20 Stripping costs in the production phase of a surface mine	January 1, 2013

The management anticipate that, except for the effects on the financial statements of amendments to IAS 19 "Employee Benefits", the adoption of the above standards,

amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. The application of the amendments to IAS 19 would result in the recognition of cumulative unrecognized actuarial gains / losses in other comprehensive income in the period of initial application, which cannot be presently quantified on the date of the statement of financial position.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan, for the purpose of their applicability in Pakistan:

	Effective date (annual periods beginning on or after)
IFRS 1 First-time adoption of International Financial Reporting Standards	July 1, 2009
IFRS 9 Financial instruments	January 1, 2015
IFRS 10 Consolidated financial statements	January 1, 2013
IFRS 11 Joint arrangements	January 1, 2013
IFRS 12 Disclosure of interests in other entities	January 1, 2013
IFRS 13 Fair value measurement	January 1, 2013

The following interpretations issued by the IASB have been waived of by SECP effective January 16, 2012:

- IFRIC 4 Determining whether an arrangement contains lease
- IFRIC 12 Service concession arrangements

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes.

4.2 Staff retirement benefits

Effective July 01, 2011, the Company operates following staff retirement benefit funds:

- i) Approved defined benefit funded gratuity plan for all eligible employees. Actuarial valuation is conducted periodically using the "Projected Unit Credit Method" and the latest valuation was carried out as at June 30, 2012. The details of the valuation are given in note 31. Past service cost in respect of vested benefits is recognised immediately as an expense whereas past service cost related to non-vested benefits is recognised as expense on a straight-line basis over the average period until such benefits become vested. Net actuarial gains and losses are recognised over the expected remaining service life of the employees.

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

- ii) Approved contributory provident fund for all employees for which contributions of Rs 4,185 thousand (2011: Rs Nil) are charged to income for the year.

4.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

4.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional currency.

4.5 Foreign currency transactions and translations

Transactions in foreign currencies are converted into Rupees at the rates of exchange ruling on the date of the transaction. All assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items at year-end exchange rates, are charged to income for the year.

4.6 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received whether or not billed to the Company.

4.7 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.8 Dividend distribution

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

4.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land and capital work in progress which are stated at cost.

Depreciation is charged to income on the straight line method to write off the cost of an asset over its estimated useful life at the rates specified in note 12.1. Depreciation on additions is charged from the month in which the asset is available for use and on disposals upto the preceding month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of assets are included in income.

4.10 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each balance sheet date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which the assets' carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels, for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment, are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in income for the year.

4.11 Investments in associated companies

Investments in associated companies are accounted for using the equity method. Under this method the investments are stated at cost plus the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investment.

Unrealised gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate.

4.12 Stores and spares

These are stated at moving average cost less any provision for obsolete and slow moving items.

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

4.13 Stock in trade

Stock in trade is valued at the lower of cost, calculated on a first-in first-out basis, and net realisable value. Charges such as excise duty and similar levies incurred on unsold stock of products are added to the value of the stock and carried forward.

Net realisable value signifies the sale price in the ordinary course of business less costs necessary to make the sale.

4.14 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities are initially recognised at fair value plus transaction costs for all financial assets and liabilities not carried at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged to income for the year. These are subsequently measured at fair value, amortised cost or cost, as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is included in income for the year.

4.15 Financial Assets

The Company classifies its financial assets in the following categories: investments at fair value through profit or loss, held-to-maturity investments, loans and receivables and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset.

4.15.1 Investment at fair value through profit or loss

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or losses charged directly to income. The fair value of such investments is determined on the basis of prevailing market prices. The Company's investments at fair value through profit or loss comprise "Short term investment in mutual funds".

4.15.2 Held-to-maturity investments

Investments with fixed payments and maturity that the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments and are carried

at amortised cost less impairment losses. The Company's held to maturity investments comprise "Short term deposits" and "Short term investments".

4.15.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise "Trade debts", "Advances, deposits and other receivables" and "Cash and bank balances" in the balance sheet. Loans and receivables are carried at amortized cost using the effective interest method.

4.15.4 Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available-for-sale investments are initially recognised at cost and carried at fair value at the balance sheet date. Fair value of a quoted investment is determined in relation to its market value (current bid prices) at the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. Adjustment arising from remeasurement of investment to fair value is recorded in other comprehensive income and taken to income on disposal of investment or when the investment is determined to be impaired.

4.16 Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

4.17 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

4.18 Trade debts

Trade debts are recognised initially at fair value and subsequently measured at cost less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that Company will not be able to collect all amounts due according to the original terms of the trade debts. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default of delinquency in payments are considered indicators that the trade debt is doubtful. The provision for doubtful debts is charged to income for the year. When the trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the income.

4.19 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.20 Revenue recognition

Sales are recorded on dispatch of goods to customers.

Commission and handling income is recognised on shipment of products.

Income on bank deposits and short term investments is recognised on time proportion basis using the effective yield method.

Income on investments in associated companies is recognised using the equity method. Under this method, the Company's share of post-acquisition profit or loss of the associated companies is charged to income, and its share of post-acquisition movements in reserves is recognised in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment.

Gains or losses resulting from re-measurement of investments at fair value through profit or loss are charged to income.

4.21 Operating lease

Lease in which significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Payment made under operating leases are charged to income on straight line basis over the period of lease.

4.22 Taxation

Provision for current taxation is based on taxable income at the current rates of tax.

Deferred income tax is accounted for using the balance sheet liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except to the extent that it relates to items recognised in other comprehensive income or directly in the equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- i) Estimate of recoverable amount of investments in associated companies - note 13;
- ii) Provision for taxation - note 27
- iii) Estimated useful life of property, plant and equipment - note 12.1; and
- iv) Staff retirement benefits - note 31

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

	2012	2011
	Rupees ('000)	
6. SHARE CAPITAL		
AUTHORISED CAPITAL		
150,000,000 ordinary shares of Rs 10 each (2011: 150,000,000 ordinary shares of Rs 10 each)	1,500,000	1,500,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Shares issued for cash		
5,000,000 ordinary shares of Rs 10 each (2011: 5,000,000 ordinary shares of Rs 10 each)	50,000	50,000
Shares issued as fully paid bonus shares		
64,120,000 (2011: 64,120,000) ordinary shares 69,120,000 (2011: 69,120,000) ordinary shares of Rs 10 each	641,200	641,200
	691,200	691,200

The associated company Attock Refinery Limited held 15,120,115 (2011: 15,120,115) ordinary shares at the year end.

7. SPECIAL RESERVES

Special reserves includes Rs 52,608 thousand (2011: Rs 25,340 thousand) for expansion and modernisation and Rs 2,256 thousand (2011: Rs 2,067 thousand) on account of maintenance reserve. Reserve for expansion and modernisation represents the Company's share of amount set aside as a special reserve by National Refinery Limited and Attock Refinery Limited, as a result of the directive of the Government to divert net profit after tax (if any) from refinery operations above 50 percent of paid-up capital as at July 1, 2002 to offset against any future loss or to make investment for expansion or up gradation of refineries. Maintenance reserve represents amount retained by Attock Gen Limited (an associate of Attock Refinery Limited) to pay for major maintenance expenses in terms of the Power Purchase Agreement. The amount transferred to special reserve is not available for distribution to the shareholders.

8. LONG TERM DEPOSITS

These represent interest free security deposits received from distributors, retailers and contractors and are refundable on cancellation of respective contracts or termination of related services.

	2012	2011
	Rupees ('000)	
9. DEFERRED INCOME TAX LIABILITY		
Deferred tax liability arising due to accelerated tax depreciation	198,000	143,000
Deferred tax asset arising in respect of certain provisions	(31,000)	(32,000)
	167,000	111,000
10. TRADE AND OTHER PAYABLES		
Creditors	9,855	90,051
Due to related parties (unsecured) - note 10.1	14,800,352	9,594,695
Accrued liabilities	1,050,290	1,053,416
Advance from customers	1,504,526	1,170,019
Retention money	54,910	35,629
Worker's welfare fund	231,064	118,159
Unclaimed dividend	15,750	11,318
	17,666,747	12,073,287

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

	2012	2011
	Rupees	('000)
10.1 Due to related parties:		
National Refinery Limited	1,459,779	2,356,045
Attock Refinery Limited	13,306,444	7,221,552
Pakistan Oilfields Limited	15,561	15,946
The Attock Oil Company Limited	15,796	1,010
Attock Cement Pakistan Limited	-	142
APL Employees provident fund	2,772	-
	<u>14,800,352</u>	<u>9,594,695</u>
11. CONTINGENCIES AND COMMITMENTS		
11.1 CONTINGENCIES		
(i) Tax contingency related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department. The Company has filed its response against the show cause notice and no further action has yet been taken by the department.	850,348	883,709
(ii) Corporate guarantees and indemnity bonds issued by the Company to the Commissioner Inland Revenue, Islamabad.	2,013,101	2,433,157
(iii) Guarantees issued by bank on behalf of the Company	78,304	40,745
11.2 COMMITMENTS		
(i) Capital expenditure commitments	323,371	286,471
(ii) Commitments for rentals of assets under operating lease agreements as at June 30, 2012 amounting to Rs 1,381,421 thousand (2011: Rs 859,732 thousand) payable as follows:		
Not later than one year	65,572	35,028
Later than one year and not later than five years	311,458	186,616
Later than five years	1,004,391	638,088

	2012	2011
	Rupees ('000)	
12. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 12.1	1,342,228	1,038,290
Capital work in progress - note 12.2	259,348	336,477
	1,601,576	1,374,767

12.1 Operating assets

	Freehold land	Buildings on		Pipelines, pumps, tanks and meters	Equipment - signage	Electrical and fire fighting equipment	Furniture, fixture and equipment	Computer and auxiliary equipment	Motor vehicles	Total
		Freehold land	Lease hold land							
Rupees ('000)										
As at July 1, 2010										
Cost	192,444	136,887	111,669	528,109	330,199	64,220	13,718	23,155	72,526	1,472,927
Accumulated depreciation	-	(8,706)	(21,223)	(179,246)	(155,768)	(21,451)	(6,447)	(12,671)	(47,673)	(453,185)
Net book value	192,444	128,181	90,446	348,863	174,431	42,769	7,271	10,484	24,853	1,019,742
Year ended June 30, 2011										
Opening net book value	192,444	128,181	90,446	348,863	174,431	42,769	7,271	10,484	24,853	1,019,742
Additions	-	-	1,511	59,836	75,939	10,298	4,231	5,873	11,510	169,198
Disposals										
Cost	-	-	-	(5,935)	(4,456)	(52)	(503)	(2,908)	(1,935)	(15,789)
Depreciation	-	-	-	1,938	3,739	-	503	2,853	1,170	10,203
Depreciation charge	-	(6,844)	(5,647)	(51,099)	(58,039)	(6,269)	(1,345)	(4,426)	(11,395)	(145,064)
Closing net book value	192,444	121,337	86,310	353,603	191,614	46,746	10,157	11,876	24,203	1,038,290
As at July 1, 2011										
Cost	192,444	136,887	113,180	582,010	401,682	74,466	17,446	26,120	82,101	1,626,336
Accumulated depreciation	-	(15,550)	(26,870)	(228,407)	(210,068)	(27,720)	(7,289)	(14,244)	(57,898)	(588,046)
Net book value	192,444	121,337	86,310	353,603	191,614	46,746	10,157	11,876	24,203	1,038,290
Year ended June 30, 2012										
Opening net book value	192,444	121,337	86,310	353,603	191,614	46,746	10,157	11,876	24,203	1,038,290
Additions	-	-	50,283	293,865	104,889	13,812	1,190	2,914	12,424	479,377
Disposals										
Cost	-	-	-	-	(454)	-	-	-	(1,481)	(1,935)
Depreciation	-	-	-	-	454	-	-	-	1,481	1,935
Depreciation charge	-	(8,208)	(5,659)	(66,000)	(71,245)	(7,332)	(1,643)	(4,223)	(11,129)	(175,439)
Closing net book value	192,444	113,129	130,934	581,468	225,258	53,226	9,704	10,567	25,498	1,342,228
As at June 30, 2012										
Cost	192,444	136,887	163,463	875,875	506,117	88,278	18,636	29,034	93,044	2,103,778
Accumulated depreciation	-	(23,758)	(32,529)	(294,407)	(280,859)	(35,052)	(8,932)	(18,467)	(67,546)	(761,550)
Net book value	192,444	113,129	130,934	581,468	225,258	53,226	9,704	10,567	25,498	1,342,228
Annual rate of Depreciation (%)	-	5	5	10	20	10	10	20	20	

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

12.2 Capital work in progress

	Civil works	Pipelines, pumps, tanks and equipment	Advances to contractors	Total
	Rupees ('000)			
As at July 1, 2010	4,447	149,998	43,030	197,475
Additions during the year	36,420	206,501	53,349	296,270
Transfers during the year	(3,172)	(139,715)	(14,381)	(157,268)
Balance as at June 30, 2011	37,695	216,784	81,998	336,477
As at July 1, 2011	37,695	216,784	81,998	336,477
Additions during the year	31,161	384,666	46,571	462,398
Transfers during the year	(50,283)	(415,810)	(73,434)	(539,527)
Balance as at June 30, 2012	18,573	185,640	55,135	259,348

12.3 Cost of Property, plant and equipment held by dealers of retail outlets of the Company are as follows:

	2012	2011
	Rupees ('000)	
Pipelines, pumps, tanks and meters	269,091	199,777
Equipment - signage	495,547	391,586
Buildings	120,248	88,671
Electric and fire fighting equipment	12,699	2,002

Due to large number of dealers it is impracticable to disclose the name of each person having possession of these assets, as required under Paragraph 5 of Part 1 of the 4th Schedule to the Companies Ordinance, 1984.

12.4 Property, plant and equipment disposals:

All the items of property, plant and equipment disposed during the year had net book value below Rs 50,000.

	2012	2011
	Rupees ('000)	
13. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES		
Balance at beginning of the year	842,957	765,739
Investment in associated company	11,578	-
Share of profit of associated companies	76,966	110,260
Impairment loss related to investment in National Refinery Limited	(50,460)	(17,049)
	26,506	93,211
Dividend from associated companies	(25,004)	(15,993)
Balance at end of the year	856,037	842,957

13.1 Share of profit of associated companies is based on the unaudited financial statements for the nine months ended March 31, 2012 (2011: unaudited financial statements for the nine months ended March 31, 2011) since the audited financial statements for the year ended June 30, 2012 are not presently available.

13.2 The Company's interest in associated companies is as follows:

	2012	2011
	Rupees ('000)	
National Refinery Limited - Quoted		
799,666 (2011:799,666) fully paid ordinary shares including 133,278 (2011: 133,278) bonus shares of Rs 10 each; Cost Rs 321,865 thousand (2011: Rs 321,865 thousand);		
Quoted market value as at June 30, 2012: Rs 185,035 thousand (2011: Rs 281,690 thousand) - note 13.5	502,577	483,712
Attock Refinery Limited - Quoted		
1,432,000 (2011: 1,332,000) fully paid ordinary shares of Rs 10 each including 222,000 (2011: 222,000) bonus shares of Rs 10 each; Cost Rs 310,502 thousand (2011: Rs 298,924 thousand);		
Quoted market value as at June 30, 2012: Rs 175,950 thousand (2011: Rs 163,476 thousand) - note 13.6	452,798	409,127
Attock Information Technology Services (Private) Limited - Unquoted		
450,000 (2011: 450,000) fully paid ordinary shares of Rs 10 each; Cost Rs 4,500 thousand (2011: Rs 4,500 thousand);		
Value based on net assets as at March 31, 2012 Rs 9,004 thousand (2011: Rs 8,000 thousand)	9,004	8,000
Carrying value on equity method	964,379	900,839
Less: Impairment loss - National Refinery Limited	(108,342)	(57,882)
	856,037	842,957

All associated companies are incorporated in Pakistan.

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

13.3 The Company's share in assets, liabilities, revenues and profit of associated companies based on the most recent available financial statements is as follows:

	Assets	Liabilities	Revenues	Profit after tax	Holding %
	Rupees ('000)				
March 31, 2012					
National Refinery Limited	632,911	385,199	1,681,995	38,857	1.00
Attock Refinery Limited	1,584,987	1,102,694	2,404,893	37,105	1.68
Attock Information Technology Services (Private) Limited	9,444	440	4,022	1,004	10.00
	2,227,342	1,488,333	4,090,910	76,966	
March 31, 2011					
National Refinery Limited	582,883	354,037	1,418,474	61,638	1.00
Attock Refinery Limited	1,335,189	1,040,103	1,673,235	47,514	1.56
Attock Information Technology Services (Private) Limited	8,334	334	3,839	1,108	10.00
	1,926,406	1,394,474	3,095,548	110,260	

13.4 Although the Company has less than 20 percent shareholding in National Refinery Limited, Attock Refinery Limited and Attock Information Technology Services (Private) Limited, these companies have been treated as associates since the Company has representation on their Board of Directors.

13.5 The value of investment in National Refinery Limited as at June 30, 2012 is based on a valuation analysis carried out by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 5.15% (2011: 6.5%), terminal growth rate of 3.5% (2011: 4%) and capital asset pricing model based discount rate of 20.13% (2011: 20%).

13.6 Based on a valuation analysis carried out by the Company, the recoverable amount of investment in Attock Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes gross profit margin of 1.79% (2011: 2.16%), terminal growth rate of 3.5% (2011: 4%) and capital asset pricing model based discount rate of 20.13% (2011: 20%).

	2012	2011
	Rupees ('000)	
14 LONG TERM PREPAYMENTS		
Prepaid rent	16,099	30,463
Less: Shown under current assets - note 17	(5,366)	(15,232)
	10,733	15,231

	2012	2011
	Rupees ('000)	
15. STOCK IN TRADE		
Petroleum products - note 15.1 and 15.2	4,164,559	5,243,724
Packing material	1,336	2,981
	4,165,895	5,246,705

15.1 It includes the Company's share of pipeline stock amounting to Rs 2,196,602 thousand (2011: Rs 2,225,212 thousand) and Rs 1,039,752 thousand (2011: Rs 1,208,695 thousand) held by Pak-Arab Pipeline Company Limited and Pak Arab Refinery Limited respectively.

15.2 This includes items costing Rs 4,255,358 thousand (2011: Nil) which have been valued at net realisable value amounting to Rs 3,973,151 thousand (2011: Nil) as a result of decline in the selling prices of certain petroleum products with effect from July 01, 2012.

	2012	2011
	Rupees ('000)	
16. TRADE DEBTS		
Considered good		
Secured	1,226,681	1,076,616
Unsecured		
Due from related parties - note 16.1	13,191,027	6,377,899
Others	933,602	1,842,777
	14,124,629	8,220,676
	15,351,310	9,297,292
Considered doubtful - unsecured	31,000	31,000
Provision for doubtful debts	(31,000)	(31,000)
	-	-
	15,351,310	9,297,292
16.1 Due from related parties		
Attock Gen Limited	13,148,890	6,352,555
Pakistan Oilfields Limited	29,264	10,501
Attock Cement Pakistan Limited	12,082	14,141
Attock Refinery Limited	791	702
	13,191,027	6,377,899

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

	2012	2011
	Rupees ('000)	
17. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances - considered good		
Suppliers	303,522	532,970
Employees against expenses		
Executives	101	279
Other employees	1,072	1,119
	1,173	1,398
	304,695	534,368
Trade deposits and short-term prepayments		
Trade deposits	8,530	5,868
Short-term prepayments	32,551	27,247
	41,081	33,115
Current account balances with statutory authorities in respect of:		
Sales tax	40,155	54,727
Federal excise duty and petroleum levy	17,749	17,788
	57,904	72,515
Accrued income on bank deposits	20,184	32,622
Other receivables		
Price differential claim receivable from the Government	28,528	47,638
Receivable from oil marketing companies under freight pool	339,918	736,788
Claims receivable	-	332
Due from related parties - unsecured		
APL Gratuity fund	2,690	-
Attock Information Technology Services (Pvt.) Ltd.	936	1,044
Attock Cement Pakistan Limited	196	-
Workers' profit participation fund - note 17.1	46,940	1,100
Others	-	181
	419,208	787,083
	843,072	1,459,703
17.1 Workers' profit participation fund		
Balance at beginning of the year	1,100	7,060
Amount allocated for the year - note 26	(303,060)	(318,900)
Amount paid to Fund's trustees	348,900	312,940
Balance at end of the year	46,940	1,100

	2012	2011
	Rupees ('000)	
18. SHORT TERM INVESTMENTS		
Held to maturity investment in treasury bills - at amortized cost - Note 18.1		
Upto three months	-	812,169
Later than three months but not later than six months	-	203,761
Later than six months but not later than one year	545,503	-
	545,503	1,015,930
Investment in mutual funds at fair value through profit or loss - Note 18.2	327,665	-
	873,168	1,015,930

18.1 Balance of short term investment in treasury bills earned interest at weighted average rate of 12.31% per annum (2011: Rs 12.74% per annum).

	2012	2011
	Rupees ('000)	
18.2 Units of opened ended mutual funds		
NAFA Government Securities Liquid Fund		
10,859,607 (2011: Nil) units	109,164	-
Askari Sovereign Cash Fund		
540,564 (2011: Nil) units	54,633	-
UBL Liquidity plus Fund		
1,089,360 (2011: Nil) units	109,320	-
Meezan Sovereign Fund		
1,060,017 (2011: Nil) units	54,548	-
	327,665	-

19. CASH AND BANK BALANCES

Cash in hand	1,947	1,570
Bank balances		
On short term deposits	5,500,000	3,717,000
On interest/mark-up bearing saving accounts (includes US \$ 103 thousand; 2011: US \$ 103 thousand)	958,719	826,999
On current accounts (includes US \$ 189 thousand; 2011: US \$ 2,274 thousand)	353,064	672,468
	6,811,783	5,216,467
	6,813,730	5,218,037

19.1 Short term deposits of Rs 81,014 thousand (2011: Rs 68,515 thousand) were under lien with banks against letters of guarantees and letters of credits.

19.2 Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 11.05% per annum (2011: 11.07% per annum).

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

	2012	2011
	Rupees ('000)	
20. SALES		
Local sales	172,144,825	120,724,804
Export sales	5,181,795	6,597,087
Gross sales	177,326,620	127,321,891
Rebates/discount	(514,183)	(284,925)
	<u>176,812,437</u>	<u>127,036,966</u>
21. COST OF PRODUCTS SOLD		
Opening stock	5,246,705	993,282
Purchase of petroleum products and packing material	141,187,387	105,078,721
Excise duty	30,579	90,762
Petroleum levy	5,956,808	3,764,447
	<u>147,174,774</u>	<u>108,933,930</u>
Closing stock	(4,165,895)	(5,246,705)
	<u>148,255,584</u>	<u>104,680,507</u>
22. OTHER OPERATING INCOME		
Commission and handling income	1,315,211	1,160,868
Mark-up on late payments	1,307,359	707,536
Exchange gain	-	82,098
Tender and joining fee	9,458	6,956
Gain on sale of property, plant and equipment	477	1,200
Hospitality income	8,011	3,805
Other income	18,806	16,468
	<u>2,659,322</u>	<u>1,978,931</u>
23. OPERATING EXPENSES		
Salaries and benefits	292,670	210,134
Rent, taxes and other fees - note 23.1	171,746	78,474
Travelling and staff transport	24,405	20,713
Repairs and maintenance	59,558	42,961
Donations - note 23.2	-	555
Advertising and publicity	8,008	6,337
Printing and stationery	12,214	11,416
Electricity, gas and water	16,262	11,766
Insurance	27,442	23,292
Communication	7,815	7,333
Legal and professional charges	7,935	13,949
Subscription and fees	1,176	1,459
Transportation	8,405	6,860
Auditor's remuneration - note 23.3	2,774	3,001
Exchange loss	21,168	-
Depreciation - note 12.1	175,439	145,064
Trade debts written-off during the year	642	-
Others	51,697	28,001
	<u>889,356</u>	<u>611,315</u>

23.1 Rent, taxes and other fees include Rs 79,364 thousand (2011: Rs 51,706 thousand) paid under operating lease agreements.

23.2 No director or his spouse had any interest in the donations made by the Company.

	2012	2011
	Rupees ('000)	
23.3 Auditor's remuneration		
Annual audit	1,100	1,000
Review of half yearly financial statements, audit of staff funds and special certifications	422	358
Tax services	1,002	1,460
Out of pocket expenses	250	183
	<u>2,774</u>	<u>3,001</u>
24. FINANCE COST		
Bank charges	15,798	20,822
Late payment charges	1,195,249	661,844
	<u>1,211,047</u>	<u>682,666</u>
25. INCOME ON BANK DEPOSITS AND SHORT TERM INVESTMENTS		
Income on bank deposits	781,468	873,993
Income from short term investments measured at amortised cost	80,294	88,845
Gain on re-measurement of fair value of open ended mutual fund units	27,665	-
	<u>889,427</u>	<u>962,838</u>
26. OTHER CHARGES		
Workers' profit participation fund	303,060	318,900
Workers' welfare fund	112,905	118,806
	<u>415,965</u>	<u>437,706</u>
27. PROVISION FOR TAXATION		
Current tax - For the year	1,574,000	1,760,000
- For prior years	(103,575)	-
	<u>1,470,425</u>	<u>1,760,000</u>
Deferred	56,000	1,000
	<u>1,526,425</u>	<u>1,761,000</u>

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

	2012 %	2011 %
27.1 Reconciliation of tax charge for the year		
Applicable tax rate	35.00	35.00
Effect of surcharge	-	2.11
Tax effect of income taxed under final tax regime	(6.55)	(7.33)
Tax effect of income exempt from tax	(0.17)	-
Tax effect of share of profit of associated companies taxed on the basis of dividend income	(0.12)	(0.52)
Others	(1.13)	-
Average effective tax rate charged to income	27.03	29.26
28. EARNINGS PER SHARE		
Profit for the year (Rupees in thousand)	4,120,315	4,256,511
Weighted average number of ordinary shares in issue during the year (in thousand)	69,120	69,120
Basic and diluted earnings per share (Rupees)	59.61	61.58
	2012 Rupees ('000)	2011
29. CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,813,730	5,218,037
Short term investments	-	812,169
	6,813,730	6,030,206

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

30.1 Financial assets and liabilities

	Loans and Receivables	Held to maturity investments	Fair value through profit or loss	Total
June 30, 2012				
		Rupees ('000)		
Financial Assets				
Maturity up to one year				
Trade debts	15,351,310	-	-	15,351,310
Advance, deposits and other receivables	419,394	-	-	419,394
Short term investments	-	545,503	327,665	873,168
Cash and bank balances	1,313,730	5,500,000	-	6,813,730
	17,084,434	6,045,503	327,665	23,457,602
			Other financial liabilities	Total
			Rupees ('000)	
Financial Liabilities				
Maturity up to one year				
Trade and other payables			16,162,221	16,162,221
Maturity after one year				
Long term deposits			245,729	245,729
			16,407,950	16,407,950
	Loans and Receivables	Held to maturity investments	Fair value through profit or loss	Total
June 30, 2011				
		Rupees ('000)		
Financial Assets				
Maturity up to one year				
Trade debts	9,297,292	-	-	9,297,292
Advance, deposits and other receivables	777,935	-	-	777,935
Short term investments	-	1,015,930	-	1,015,930
Cash and bank balances	1,501,037	3,717,000	-	5,218,037
	11,576,264	4,732,930	-	16,309,194
			Other financial liabilities	Total
			Rupees ('000)	
Financial Liabilities				
Maturity up to one year				
Trade and other payables			10,903,268	10,903,268
Maturity after one year				
Long term deposits			209,316	209,316
			11,112,584	11,112,584

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

30.2 Credit quality of financial assets

The credit quality of the Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit rating determined based on their historical information for any defaults in meeting obligations.

		2012	2011
		Balance	Balance
	Rating	Rupees	('000)
Trade debts			
Counterparties with external credit rating	A1+	791	702
Counterparties without external credit rating			
Secured against bank guarantee		1,226,681	1,076,616
Due from related parties		13,190,236	6,377,197
Others		933,602	1,842,777
		<u>15,351,310</u>	<u>9,297,292</u>
Advances, deposits and other receivables			
Counterparties without external credit rating		419,394	777,935
Short term investments			
Counterparties with external credit rating	AA+	273,117	-
	AA	54,548	-
Counterparties without external credit rating		545,503	1,015,930
		<u>873,168</u>	<u>1,015,930</u>
Bank balances			
	A1+	6,202,453	5,098,629
	A1	500,015	-
	A2	109,315	117,838
		<u>6,811,783</u>	<u>5,216,467</u>

30.3 FINANCIAL RISK MANAGEMENT

30.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risk is primarily attributable to its trade debts and balances at banks. Credit sales are primarily to related parties. The credit risk on liquid funds is limited because counter parties are banks with reasonably high credit ratings.

As of June 30, 2012, trade debts of Rs 11,412,635 thousand (2011: Rs 6,679,135 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2012	2011
	Rupees ('000)	
Up to 3 months	4,213,108	4,669,825
3 to 6 months	4,575,912	1,938,455
6 to 9 months	2,551,980	18,488
Above 9 months	71,635	52,367
	<u>11,412,635</u>	<u>6,679,135</u>

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Less than 1 year	Above 1 year
	Rupees ('000)	
At June 30, 2012		
Long term deposits	-	245,729
Trade and other payables	16,162,221	-
At June 30, 2011		
Long term deposits	-	209,316
Trade and other payables	10,903,268	-

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

(c) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Financial assets include Rs 27,218 thousand (2011: Rs 201,142 thousand) which were subject to currency risk.

A 10% strengthening of the functional currency against USD at June 30 would have decreased profit and loss by Rs 2,722 thousand (2011: Rs 20,114 thousand). A 10% weakening of the functional currency against USD at June 30 would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets include balances of Rs 20,480,777 thousand (2011: Rs 11,794,623 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 157,026 thousand (2011: Rs 94,773 thousand) higher/lower, mainly as a result of higher/lower interest income from these financial assets.

(iii) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

30.3.2 Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Since inception the gearing ratio of the Company is nil and the Company has financed all its projects and business expansions through only equity financing and never resorted to debt financing.

30.4 Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities approximate their fair value.

31. STAFF RETIREMENT BENEFITS

The latest actuarial valuation of the defined benefit plan was conducted as at June 30, 2012 using the projected unit credit method. Details of the defined benefit plan are:

	2012
	Rupees ('000)
31.1 The amounts recognised in the balance sheet:	
Present value of defined benefit obligations	13,552
Fair value of plan assets	(10,748)
Net liability	2,804
Unrecognised actuarial gains	826
Unrecognised past service cost	(6,320)
Asset recognised in the balance sheet	(2,690)
31.2 The amounts recognised in the balance sheet are as follows:	
Balance as at July 01,	-
Expense recognised in profit and loss account	(8,058)
Contributions made during the year	10,748
Balance as at June 30,	2,690

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

	2012 Rupees ('000)
31.3 The amounts recognised in profit and loss account are as follows:	
Current service cost	2,125
Interest cost	1,505
Past service cost	4,428
Expense recognised in profit and loss account	8,058
31.4 Changes in the present value of defined benefit obligation are as follows:	
Present value of defined obligation as at July 01,	-
Interest cost	1,505
Current service cost	2,125
Past service cost	10,748
Actuarial gain on obligation	(826)
Present value of defined obligation as at June 30,	13,552
31.5 Changes in fair value of plan assets are as follows:	
Fair value of plan assets as at July 01,	-
Contributions during the year	10,748
Fair value of plan assets as at June 30,	10,748
<p>During the year 2012-13 the Company expects to contribute Rs 3,482 thousand to its defined benefit gratuity plan.</p>	
31.6 Plan assets consist of balance held with bank on interest/mark-up bearing saving account.	
31.7 Significant actuarial assumptions at the balance sheet date are as follows:	
Discount rate	13.25%
Expected rate of return on plan assets	13.25%
Expected rate of increase in salaries	11%
	2012 Rupees ('000)
31.8 Deficit as at the year end is as follows:	
Present value of defined benefit obligation	13,552
Fair value of plan assets	(10,748)
Deficit	2,804
31.9 Salaries, wages and benefits as appearing in note 23 include amounts in respect of the following:	
Provident fund	4,185
Gratuity fund	8,058
	12,243

32. TRANSACTIONS WITH RELATED PARTIES

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment disclosed in note-33, were as follows:

	2012	2011
	Rupees ('000)	
Associated companies		
Attock Refinery Limited		
Purchase of petroleum products	41,517,038	34,360,461
Purchase of services	77,791	63,487
Late payment charges	1,195,249	661,841
Sale of petroleum products	9,781	9,038
Commission and handling income	330,485	290,812
National Refinery Limited		
Purchase of petroleum products	75,131,368	48,834,829
Purchase of services	16,743	2,513
Sale of petroleum products	17,491	19,127
Handling income	984,727	870,057
Attock Gen Limited		
Purchase of services	-	184
Sale of petroleum products	18,048,609	13,589,943
Mark-up earned on late payments	1,294,629	689,174
Pakistan Oilfields Limited		
Purchase of petroleum products	220,469	174,169
Purchase of services	6,709	6,078
Sale of petroleum products	662,392	472,405
Sale of services	254	181
The Attock Oil Company Limited		
Purchase of services	40,566	21,383
Sale of services	2,704	-
Attock Cement Pakistan Limited		
Purchase of services	4,123	3,510
Sale of petroleum products	253,972	217,737
Sale of services	949	-
Attock Information Technology Services (Private) Limited		
Sale of services	4,558	3,708
Attock Hospital (Private) Limited		
Purchase of medical services	2,035	1,173
Other related parties		
Contribution to staff retirement benefits plans		
APL Employees provident fund	4,185	-
APL Gratuity fund	8,058	-
Contribution to Workers' profit participation fund	303,060	318,900

Notes to and forming part of the Financial Statements

For the year ended June 30, 2012

33. SEGMENT REPORTING

33.1 As described in note 1 to these financial statements the Company markets petroleum products. Revenue from external customers for products of the Company are as follows:

Product	2012	2011
	Rupees ('000)	
High Speed Diesel	83,295,518	51,747,347
Furnace Fuel Oil	48,301,129	38,391,772
Premier Motor Gasoline	22,384,651	13,793,937
Bitumen	13,428,862	12,428,392
Others	9,402,277	10,675,518
	<u>176,812,437</u>	<u>127,036,966</u>

33.2 Revenues of Rs 18,048,609 thousand (2011: Rs 13,589,943 thousand) are derived from a single external customer.

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives	
	2012	2011	2012	2011	2012	2011
	Rupees ('000)					
Managerial remuneration	8,158	5,865	2,596	2,006	27,154	16,201
Bonus	13,344	8,934	4,010	2,656	15,298	9,419
Company's contribution to provident, pension and gratuity funds	2,139	1,533	1,526	-	3,286	1,131
Housing and utilities	3,574	2,638	1,042	876	11,595	6,668
Other perquisites and benefits	1,347	1,089	1,667	1,498	7,499	4,231
Leave passage	716	650	223	193	450	338
	<u>29,278</u>	<u>20,709</u>	<u>11,064</u>	<u>7,229</u>	<u>65,282</u>	<u>37,988</u>
No. of person(s)	1	1	1	1	23	15

34.1 The above includes amounts charged by an associated company for share of chief executive's and one director's remuneration as approved by the Board of Directors of the Company. Executives were also provided with use of Company maintained cars and medical facilities as per Company policy.

34.2 In addition, four non-executive directors of the Company were paid meeting fee aggregating Rs 2,012 thousand (2011: Rs 1,929 thousand).

35. CAPACITY AND PRODUCTION

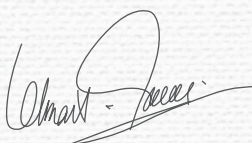
Considering the nature of the Company's business, the information regarding capacity has no relevance.

36. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

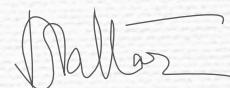
The Board of Directors in its meeting held on September 15, 2012 have proposed a final dividend for the year ended June 30, 2012 @ Rs. 32.50 per share, amounting to Rs. 2,246,400 thousand for approval of the members in the Annual General Meeting to be held on October 17, 2012.

37. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company on September 15, 2012.



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Notice of the Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting (being 28th General Meeting) of the Company will be held at Morgah Club, Morgah, Rawalpindi, on October 17, 2012 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2012.
2. To approve a final cash dividend of 325% i.e. Rs. 32.50 per share of Rs. 10/- each, as recommended by the Board of Directors in addition to the interim dividend of Rs. 17.50 per share i.e. 175% already paid to the shareholders, thus making a total of Rs. 50/- per share i.e. 500% for the year ended June 30, 2012.
3. To appoint auditors for the year ending June 30, 2013 and to fix their remuneration.

BY ORDER OF THE BOARD



Rehmat Ullah Bardaie
Company Secretary

Registered Office:
Attock House, Morgah
Rawalpindi
September 26, 2012

NOTES:

PARTICIPATION IN THE ANNUAL MEETING:

A member entitled to attend and vote at the meeting is entitled to appoint any other person/representative as his/her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES:

- i. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.

- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxies shall produce their original CNIC or original passport at the time of meeting.
- v. In case of corporate entities, the Board of Directors resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Members who may be seeking exemption from deduction of income-tax or are eligible for deduction at a reduce rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a declaration for non-deduction of zakat. Necessary advice in either case must be submitted within not more than 15 days from the date of dividend entitlement.

CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 10, 2012 to October 17, 2012 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, THK Associates (Private) Limited, Ground Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 09, 2012

will be treated in time for the purpose of payment of final cash dividend if approved by the Shareholders.

CHANGE IN ADDRESS:

Members are requested to promptly notify any change of address to the Company's Share Registrar.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

STATEMENT UNDER SRO 865 (1)/2000 DATED DECEMBER 6, 2000.

In the AGM held on September 27, 2007 shareholders approved investment in following Associated Companies:

National Refinery Limited	(NRL)
Attock Refinery Limited	(ARL)
Pakistan Oilfields Limited	(POL)
Attock Cement Pakistan Limited	(ACPL)

Except for ARL, no investment has been made in any other associated concern.

1. Reasons for not having investment made

Due to change in the Government policies, mounting circular debt and less than satisfactory growth and improvement in GDP and macro economic indicators respectively.

2. Major change in financial position of investee companies since the date of last resolution

Changes in financial position are as follows:

i. Earnings per share (restated):

Name of the Company	Year ended June 30, 2007	Year ended June 30, 2011	Nine Months ended March 31, 2012*
Rs. Per Share			
NRL	52.56	82.14	27.05
ARL	8.78	25.63	30.62
POL	25.11	45.72	39.44
ACPL	9.18	7.90	10.14

ii. Break-up value per share:

Name of the Company	March 31, 2007	June 30, 2011	March 31, 2012*
Rs. Per Share			
NRL	164.21	308.00	309.77
ARL	90.62	146.07	173.19
POL	92.30	141.30	138.37
ACPL	44.52	66.96	70.10

* The above figures are based on latest available financial statements.

Glossary

ACPL	Attock Cement Pakistan Limited
AGM	Annual General Meeting
APL	Attock Petroleum Limited
ARL	Attock Refinery Limited
ATG	Automated Tank Gauge
BPPL(MKTG)	Byco Petroleum Pakistan Limited (Marketing)
BTCPL	Bakri Trading Company Pakistan Limited
CDC	Central Depository Company of Pakistan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNIC	Computerized National Identity Card
CNG	Compressed Natural Gas
CPL	Chevron Pakistan Limited
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
EHS	Environment, Health & Safety
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
FO	Furnace Oil
GDP	Gross Domestic Product
GoP	Government of Pakistan
HSD	High Speed Diesel
HSE	Health, Safety and Environment
IFAC	International Federation of Accountants
KPK	Khyber Pakhtunkhwa
KW	Kilo Watt
LED	Light Emitting Diode
M.TON	Metric Ton
MP & NR	Ministry of Petroleum & Natural Resources
NRL	National Refinery Limited
OCAC	Oil Companies Advisory Committee
OGRA	Oil and Gas Regulatory Authority
OMC	Oil Marketing Company
OOTCL	Overseas Oil Trading Company Pakistan
PARCO	Pak-Arab Refinery Company
PMG	Premier Motor Gasoline
POL	Pakistan Oilfields Limited
PSOCL	Pakistan State Oil Company Limited
Pvt.	Private
Rs.	Rupees
SPL	Shell Pakistan Limited
TPPL	Total-Parco Pakistan Limited
UAE	United Arab Emirates
US\$	United States Dollar
WPPF	Workers' Profit Participation Fund
WWF	Workers Welfare Fund

FORM OF PROXY
17th Annual General Meeting
ATTOCK PETROLEUM LIMITED

I/We M/s _____ of _____ being a member(s) of Attock Petroleum Limited and holding _____ ordinary shares as per Share Register Folio No. _____ CDC Participant I.D. No. _____ CNIC No./Passport No. _____ hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote and act for me/our behalf at the 17th Annual General Meeting of the Company to be held on October 17, 2012 at 10:00 a.m. at Morgah Club, Morgah, Rawalpindi and at any adjournment thereof.

**Five Rupees
Revenue Stamp**

Signature of Shareholder

(The signature should agree with the specimen registered with the Company)

Dated this _____ day of _____ 2012

Signature of Proxy _____

Witnesses:

1. Signature _____

2. Signature _____

Name _____

Name _____

Address _____

Address _____

CNIC/Passport No. _____

CNIC/Passport No. _____

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company at Attock House, Morgah, Rawalpindi not less than 48 hours before the time of holding the meeting.
2. For CDC Account Holders / Corporate Entities
In addition to the above the following requirements have to be met.
 - I. Attested copies of CNIC or the passport of the shareholders and the proxy shall be provided with the proxy form.
 - II. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
 - III. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

The Secretary,
Attock Petroleum Limited
Attock House, Morgah
Rawalpindi, Pakistan.



Attock

Attock Petroleum Limited

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Website: www.apl.com.pk