

Interim

Report and Financial Statements

For the Half Year Ended December 31, 2009

Attock Petroleum Limited



Attock

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COMPANY INFORMATION

Directors

Dr. Ghaith R. Pharaon
Chairman
(Alternate Director
Mr. Shuaib A. Malik)

Mr. Laith G. Pharaon
(Alternate Director
Mr. Iqbal A. Khwaja)

Mr. Wael G. Pharaon
(Alternate Director
Mr. Rehmat Ullah Bardaie)

Mr. Babar Bashir Nawaz

Mr. M. Adil Khattak

Mr. Munaf Ibrahim

Mr. Shuaib A. Malik
Chief Executive

Company Secretary

Mr. Rehmat Ullah Bardaie

Audit Committee

Mr. Babar Bashir Nawaz
Chairman

Mr. M. Adil Khattak

Mr. Iqbal A. Khwaja
(Alternate Director to
Mr. Laith G. Pharaon)

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Registered Office

6, Faisal Avenue, F-7/1,
Islamabad

Bankers

Habib Bank Limited
National Bank of Pakistan
United Bank Limited

Share Registrar

THK Associates (Pvt.) Limited
Ground Floor, State Life Building -3
Dr. Ziauddin Ahmed Road, Karachi
Tel: 92-21-111-000-322
Fax: 92-21-35655595

Legal Advisor

Ali Sibtain Fazli & Associates
Mall Mansions, 30-The Mall,
Lahore

Correspondence Address

6, Faisal Avenue, F-7/1,
Islamabad
Tel:92-51-2611600
Email: contact@apl.com.pk
Website: www.apl.com.pk

DIRECTORS' REPORT



The Board of Directors of Attock Petroleum Limited has pleasure in presenting a brief review of the performance and auditor's reviewed financial statements for the half year ended December 31, 2009.

We remained committed to achieve the highest level of performance through good governance. It is our belief that high-quality of governance results in creation of valuable results for shareholders.

In spite of non-conducive environment and difficult economic conditions it has been an extraordinary period for your Company as it remained in an enviable position in industry. The fundamentals of APL remained strong and we managed to sustain sales volume notwithstanding the overall economic slow down. The Company earned profit after tax of Rs. 1,489 million during the half year ended December 31, 2009 (2008: Rs. 1,468 million) which translated into earnings per share of Rs. 25.86 (2008: Rs. 25.49 per share). The Board has declared an interim cash dividend @ 100% (Rs. 10/- per share of Rs. 10/- each) for the financial year ending June 30, 2010.

The Company is making all its endeavours for recovery of long outstanding receivables from Government owned entity arising due to circular debt issue, which was Rs. 2.1 billion as at December 31, 2009.

Our focus has always been on improving efficiency in all segments of business. On retail side 19 new retail outlets were commissioned bringing the total number of operational retail outlets to 265 as on December 31, 2009. Implementation of new vision at selected retail outlets is under process in order to bring up the outlets to meet the current internal and external standards and to avail the existing opportunities in the market.

Energy is not a luxury, it is an engine for economic growth. By investing in the future, we are creating not only value for our stakeholders, but are also building economic prosperity throughout the country.

The Board expresses its appreciation to all staff members for their continued devotion and contribution towards the success of the Company and further extends its gratitude to its shareholders, customers, suppliers, contractors and Government authorities for their support to the Company.

Damascus, Syria
February 09, 2010

On Behalf of the Board



SHUAIB A. MALIK
CHIEF EXECUTIVE

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Attock Petroleum Limited as at December 31, 2009 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for quarters ended December 31, 2009 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the

accompanying interim financial information as of and for the half year ended December 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



A.F. FERGUSON & CO.
Chartered Accountants
Islamabad
February 09, 2010

Engagement partner: M. Imtiaz Aslam

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT DECEMBER 31, 2009

	Note	December 31, 2009	June 30, 2009
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital 150,000,000 (June 30, 2009: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid up capital 57,600,000 (June 30, 2009: 57,600,000) ordinary shares of Rs 10 each		576,000	576,000
Reserves			
Special reserve		20,092	34,097
Revenue reserve			
Unappropriated profit		<u>7,111,441</u>	<u>6,472,171</u>
		<u>7,707,533</u>	<u>7,082,268</u>
NON CURRENT LIABILITIES			
Long term deposits		<u>173,355</u>	<u>159,538</u>
Deferred income tax liability		<u>95,500</u>	<u>92,000</u>
		<u>268,855</u>	<u>251,538</u>
CURRENT LIABILITIES			
Trade and other payables	4	<u>8,027,055</u>	<u>10,728,556</u>
Provision for income tax		<u>423,183</u>	<u>207,993</u>
		<u>8,450,238</u>	<u>10,936,549</u>
CONTINGENCIES AND COMMITMENTS			
	5	<u>16,426,626</u>	<u>18,270,355</u>

	Note	December 31, 2009	June 30, 2009
		Rupees ('000)	
PROPERTY, PLANT AND EQUIPMENT	6	1,191,025	1,130,875
LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES	7	730,460	733,397
CURRENT ASSETS			
Stores and spares		3,992	2,827
Stock in trade	8	1,926,220	141,507
Trade debts	9	5,336,122	7,835,521
Advances, deposits, prepayments and other receivables	10	601,873	991,318
Short term investments		205,049	-
Cash and bank balances	11	6,431,885	7,434,910
		14,505,141	16,406,083
		16,426,626	18,270,355

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

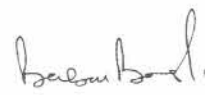
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Note	Quarter ended		Half year ended	
		December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
		Rupees ('000)		Rupees ('000)	
SALES		23,902,335	15,265,232	42,875,517	37,669,792
Sales tax		(3,135,007)	(1,953,047)	(5,570,155)	(4,613,876)
NET SALES		20,767,328	13,312,185	37,305,362	33,055,916
Cost of products sold		(19,965,229)	(12,574,709)	(35,744,147)	(31,437,548)
GROSS PROFIT		802,099	737,476	1,561,215	1,618,368
Other operating income	12	221,692	145,834	407,251	445,698
Operating expenses		(118,469)	(113,293)	(249,647)	(278,258)
OPERATING PROFIT		905,322	770,017	1,718,819	1,785,808
Income on bank deposits and investments		223,921	213,643	477,149	377,898
Share of profit/(loss) of associated companies		890	(17,251)	7,058	(31,245)
Other Charges	13	(184,425)	(50,427)	(237,761)	(109,429)
PROFIT BEFORE TAXATION		945,708	915,982	1,965,265	2,023,032
Provision for taxation	14	(190,000)	(233,083)	(476,000)	(555,000)
PROFIT FOR THE PERIOD		755,708	682,899	1,489,265	1,468,032
Earnings per share (Rupees)	16	13.12	11.86	25.86	25.49

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Half year ended	
	December 31, 2009	December 31, 2008
	Rupees ('000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	40,048,243	32,604,241
Price differential claims received from Government	490,000	1,807,000
Payments for purchase of products and expenses	(40,602,005)	(34,212,330)
Income tax paid	(257,310)	(436,802)
Cash flow from operating activities	(321,072)	(237,891)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(122,122)	(167,131)
Proceeds from sale of property, plant and equipment	5,903	2,073
Long term investments in associated companies	-	(22,679)
Short term investments	(198,125)	330,369
Income received on bank deposits and short term investments	470,996	321,709
Dividend received from associated companies	9,995	24,873
Cash flow from investing activities	166,647	489,214
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(862,417)	(956,332)
Long term deposits received	13,817	19,214
Cash flow from financing activities	(848,600)	(937,118)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,003,025)	(685,795)
CASH AND CASH EQUIVALENTS AT JULY 1	7,434,910	6,117,891
CASH AND CASH EQUIVALENTS AT DECEMBER 31	6,431,885	5,432,096

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Share capital	Special reserve	Unappropriated profit	Total
	Rupees ('000)			
Balance as at June 30, 2008	480,000	53,272	5,002,577	5,535,849
Final dividend @ 200% relating to the year ended June 30, 2008	-	-	(960,000)	(960,000)
Issue of bonus shares	96,000	-	(96,000)	-
Profit for the half year ended December 31, 2008	-	-	1,468,032	1,468,032
Transfer from special reserve by associated companies	-	(36,056)	36,056	-
Balance at December 31, 2008	576,000	17,216	5,450,665	6,043,881
Interim dividend @ 100% relating to the year ended June 30, 2009	-	-	(576,000)	(576,000)
Profit for the half year ended June 30, 2009	-	-	1,614,387	1,614,387
Transfer to special reserve by associated companies	-	16,881	(16,881)	-
Balance at June 30, 2009	576,000	34,097	6,472,171	7,082,268
Final dividend @ 150% relating to the year ended June 30, 2009	-	-	(864,000)	(864,000)
Profit for the half year ended December 31, 2009	-	-	1,489,265	1,489,265
Transfer from special reserve by associated companies	-	(14,005)	14,005	-
Balance as at December 31, 2009	576,000	20,092	7,111,441	7,707,533

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Director

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

1. LEGAL STATUS AND OPERATIONS

Attock Petroleum Limited (the Company) was incorporated in Pakistan as a public limited company on December 3, 1995, commenced its operations in 1998 and was listed on Karachi Stock Exchange on March 7, 2005. The Company is engaged in marketing of petroleum products. Pharaon Investment Group Limited Holding s.a.l holds 34.38% (June 30, 2009: 34.38%) shares of the Company.

2. BASIS OF PREPARATION

2.1 These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting'.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 All accounting policies as adopted for the preparation of these financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company.

4. TRADE AND OTHER PAYABLES

	December 31, 2009	June 30, 2009
	Rs ('000)	
Creditors	9,582	88,994
Due to related parties (note 4.1)	6,317,050	8,647,369
Accrued liabilities	458,624	625,080
Advance from customers	1,169,869	1,329,180
Retention money	22,373	31,814
Unclaimed dividend	7,702	6,119
Workers's welfare fund	41,855	-
	8,027,055	10,728,556
4.1 Due to related parties		
National Refinery Limited	2,322,708	4,788,411
Attock Refinery Limited	3,874,863	3,849,134
Pakistan Oilfields Limited	8,940	11,612
Attock Cement Pakistan Limited	102	141
Attock Hospital (Private) Limited	139	100
Attock Sahara Foundation	-	48
Staff Pension Fund payable/(receivable)	-	(2,077)
Workers' profit participation fund	110,298	-
	6,317,050	8,647,369
5. CONTINGENCIES AND COMMITMENTS		
(i) Claims of Government levies not accepted by the Company and currently under appeal	310	310
(ii) Corporate guarantees and indemnity bonds issued by the Company to the Collector Sales Tax and Federal Excise	5,405,651	4,844,886
(iii) Guarantees issued by bank on behalf of the Company	43,287	43,287
(iv) Capital expenditure commitments	79,599	95,901

	Six months to December 31, 2009	Year ended June 30, 2009
	Rupees ('000)	
6. PROPERTY, PLANT AND EQUIPMENT		
Opening net book value	939,780	532,512
Additions	124,380	492,046
Disposals		
Cost	(27,112)	(19,832)
Depreciation	25,667	17,688
	(1,445)	(2,144)
Depreciation charge	60,527	82,634
Closing net book value	1,002,188	939,780
Capital work in progress	188,837	191,095
	1,191,025	1,130,875
7. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES		
Balance at beginning of the period / year	733,397	709,081
Investment in associated companies	-	22,679
Share of profit of associated companies	7,058	25,562
Impairment reversal of investment in National Refinery Limited	-	948
	7,058	26,510
Dividend from associated companies	(9,995)	(24,873)
Balance at end of the period / year	730,460	733,397
	December 31, 2009	June 30, 2009
	Holding %	Amount Rs ('000)
	Holding %	Amount Rs ('000)
7.1 The Company's interest in associated companies is as follows:		
Quoted		
National Refinery Limited	1	425,173
Attock Refinery Limited	1.56	344,774
Unquoted		
Attock Information Technology Services (Private) Limited	10	6,381
Carrying value on equity method		776,328
Less: Impairment loss - National Refinery Limited (note 7.2)		(45,868)
		730,460
		733,397
7.2 Impairment loss is based on a valuation analysis carried out as at June 30, 2009 by an external investment advisor engaged by the Company. The recoverable amount has been estimated on a value in use calculation.		

8. STOCK IN TRADE

It includes Company's share of pipeline stock of Rs 1,584,006 thousand (June 30, 2009: Rs nil) filled in accordance with the terms of White Oil Pipeline throughput agreement and Mehmoodkot-Faisalabad- Machike transportation agreement implemented during half year ended December 31, 2009.

9. TRADE DEBTS

Trade debts include Rs 2,900,952 thousand (June 30, 2009: Rs 2,414,992 thousand) due from related parties.

	December 31, 2009	June 30, 2009
	Rupees ('000)	
10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances	19,119	16,832
Trade deposits and short term prepayments	23,090	15,048
Current account balances with statutory authorities	217,330	141,183
Accrued income	60,497	61,268
Price differential claim receivable from the Government	229,848	719,848
Receivable from oil marketing companies under freight pool	49,768	20,466
Claims receivable	1,524	5,202
Due from related parties		
Attock Information Technology Services (Private) Limited	196	1,252
The Attock Oil Company Limited	146	63
Workers' profit participation fund	-	9,801
Other	355	355
	601,873	991,318
11. CASH AND BANK BALANCES		
Cash in hand	1,787	814
Bank balances on		
Short term deposits	4,994,000	6,571,287
Interest/mark-up bearing saving accounts	1,019,046	856,686
Current account	417,052	6,123
	6,430,098	7,434,096
	6,431,885	7,434,910

11.1 Short term deposits of Rs 43,287 thousand (June 30, 2009: Rs 45,916 thousand) were under lien with banks against letters of guarantees and letters of credits.

Attock Petroleum Limited

	Quarter ended		Half year ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	Rs ('000)		Rs ('000)	
12. OTHER OPERATING INCOME				
Commission and handling income	213,730	141,370	393,313	438,562
Other income	7,962	4,464	13,938	7,136
	221,692	145,834	407,251	445,698
13. OTHER CHARGES				
Workers' profit participation fund	56,962	50,427	110,298	109,429
Worker's welfare fund - for the period	41,855	-	41,855	-
- for prior year	85,608	-	85,608	-
	127,463	-	127,463	-
	184,425	50,427	237,761	109,429
14. PROVISION FOR TAXATION				
Current - for the period	221,500	232,083	502,500	550,000
- for prior year	(30,000)	-	(30,000)	-
	191,500	232,083	472,500	550,000
Deferred - for the period	(1,500)	1,000	3,500	5,000
	190,000	233,083	476,000	555,000
15. TRANSACTIONS WITH RELATED PARTIES				
<i>Associated companies</i>				
Purchase of petroleum products	16,120,018	10,782,444	30,073,702	29,962,159
Sale of petroleum products	2,806,632	267,351	5,684,549	574,019
Commission, handling and other income	215,410	141,369	394,993	438,561
Administrative services expense	7,941	3,551	13,808	11,340
<i>Other related parties</i>				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	18,615	12,230	27,060	16,667
Contribution to staff retirement benefits plans				
Staff Pension fund trust	-	646	1,647	2,263
Staff Provident fund trust	-	722	838	1,530
Contribution to workers' profit participation fund	56,962	50,427	110,298	109,429

16. EARNINGS PER SHARE

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2009 and 2008 which would have any effect on the earnings per share if the option to convert is exercised.

17. GENERAL

17.1 Non-adjusting event after the Balance sheet date

The Board of Directors in their meeting held on February 09, 2010 have declared an interim cash dividend @ Rs.10/- per share, amounting to Rs. 576 million for the year ending June 30, 2010.

17.2 Date of authorisation for issue of financial statements

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on February 09, 2010.



Chief Executive



Director



Attock Petroleum Limited

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