



Interim Report
&
Financial Statements

For the 1st Quarter Ended September 30, 2009

Attock Petroleum Limited

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

Faysal Bank Limited
Habib 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: 92-21-5655595

Legal Advisor

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

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DIRECTORS' REVIEW

The Board of Directors of Attock Petroleum Limited is pleased to present the report on the affairs of the Company together with financial statements for the quarter ended September 30, 2009.

The Company has earned profit after tax of Rs 734 million for the quarter under review (quarter ended Sept 30, 2008: Rs 785 million). The results translate into earnings per share of Rs 12.74 against Rs 13.63 earned during same period last year. The reduction in the prices and the margins together with the growing competition led to the decrease in profitability of the Company.

The price of crude oil in the international market remained stabilized (US\$ 60/bbl to US\$ 73/bbl) during the review period. Average crude oil prices announced by the Organization of the Petroleum Exporting Countries' (OPEC) was US \$ 67/bbl in September 2009 against US \$ 68/bbl in June 2009.

Recovery of receivables from Government owned entities due to circular debt remained in focus during the quarter. As at September 30, 2009, an amount of Rs 2.8 billion was receivable from these entities and management is making all the possible efforts for recovering this amount.

Adopting a proactive approach and realizing the competition in the market, the Company undertook plan of implementing new vision at the selected outlets. Further, focusing on improving efficiency in the business, 8 new retail outlets were commissioned during the period bringing the total number of operational retail outlets to 254 as on September 30, 2009.

In order to ensure uninterrupted supplies of petroleum products to its retail outlets and other customers in mid country area, a new bulk oil terminal was commissioned at Machike in June 2009. Continuing the pace of the progress, the Company entered into throughput agreement with Pak-Arab Pipeline Company Limited for use of White Oil Pipeline (WOP) and Mehmoodkot - Faisalabad - Machike (MFM) transportation agreement with Pak-Arab Refinery Limited for use of MFM pipeline. By signing these important agreements your Company became the first Oil Marketing Company after the three initial in-putters to utilize the WOP system by pushing products from South to mid country market. Further, it will also facilitate the Company in acquiring timely product through most economical mode from refineries.

DIRECTORS' REVIEW

The Board would like to extend its gratitude to the staff members, customers, suppliers, contractors, shareholders and Government authorities for their continued interest, support and loyalty to the Company.

Karachi
October 19, 2009

On Behalf of the Board



SHUAIB A. MALIK
CHIEF EXECUTIVE

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT SEPTEMBER 30, 2009

	Note	September 30, 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		30,332	34,097
Revenue reserve		6,345,493	6,472,171
Unappropriated profit		<u>6,951,825</u>	<u>7,082,268</u>
NON CURRENT LIABILITIES			
Long term deposits		168,112	159,538
Deferred income tax liability		97,000	92,000
		<u>265,112</u>	<u>251,538</u>
CURRENT LIABILITIES			
Trade and other payables	4	8,515,908	10,728,556
Provision for income tax		437,731	207,993
		<u>8,953,639</u>	<u>10,936,549</u>
CONTINGENCIES AND COMMITMENTS			
	5	<u>16,170,576</u>	<u>18,270,355</u>

	Note	September 30, 2009 Rupees ('000)	June 30, 2009
PROPERTY, PLANT AND EQUIPMENT	6	1,166,402	1,130,875
LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES	7	739,565	733,397
CURRENT ASSETS			
Stores and spares		3,705	2,827
Stock in trade	8	1,140,941	141,507
Trade debts	9	5,631,135	7,835,521
Advances, deposits, prepayments and other receivables	10	564,391	991,318
Short term investments		198,865	-
Cash and bank balances	11	6,725,572	7,434,910
		14,264,609	16,406,083
		16,170,576	18,270,355

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Chief Executive


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Note	Quarter ended	
		September 30, 2009	September 30, 2008
		Rupees ('000)	
SALES		18,973,182	22,404,560
Sales tax		(2,435,148)	(2,660,829)
NET SALES		16,538,034	19,743,731
Cost of products sold		(15,778,918)	(18,862,839)
GROSS PROFIT		759,116	880,892
Other operating income	12	185,559	299,864
Operating expenses		(131,178)	(164,965)
OPERATING PROFIT		813,497	1,015,791
Income on bank deposits and short term investments		253,228	164,255
Share of profit/(loss) of associated companies		6,168	(13,994)
Workers' profit participation fund		(53,336)	(59,002)
PROFIT BEFORE TAXATION		1,019,557	1,107,050
Provision for taxation- Current		(281,000)	(317,917)
- Deferred		(5,000)	(4,000)
		(286,000)	(321,917)
PROFIT AFTER TAXATION		733,557	785,133
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		733,557	785,133
Earnings per share (Rupees)	14	12.74	13.63

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Chief Executive



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Quarter ended	
	September 30, 2009	September 30, 2008
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	18,780,535	15,790,984
Price differential claims received from Government	490,000	950,000
Payments for purchase of products and operating expenses	(19,100,182)	(17,497,133)
Workers' profit participation fund receipts	9,801	-
Income tax paid	(51,262)	(208,335)
Cash flow from operating activities	128,892	(964,484)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(66,066)	(78,086)
Proceeds from sale of property, plant and equipment	3,801	54
Long term investment in associated companies	-	(22,679)
Short term investments	(198,125)	200,000
Income received on bank deposits and short term investments	270,818	174,519
Net cash flow from investing activities	10,428	273,808
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(857,232)	(73)
Long term deposits received	8,574	11,710
Net cash flow from financing activities	(848,658)	11,637
(DECREASE) IN CASH AND CASH EQUIVALENTS	(709,338)	(679,039)
CASH AND CASH EQUIVALENTS AT JULY 1	7,434,910	6,117,891
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30	6,725,572	5,438,852

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Chief Executive



Director

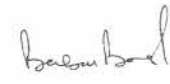
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	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
Profit for the quarter ended September 30, 2008	-	-	785,133	785,133
Transfer from special reserve by associated companies	-	(21,896)	21,896	-
Balance as September 30, 2008	480,000	31,376	5,809,606	6,320,982
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 nine months ended June 30, 2009	-	-	2,297,286	2,297,286
Interim dividend @ 100% relating to the year ending June 30, 2009	-	-	(576,000)	(576,000)
Transfer to special reserve by associated companies	-	2,721	(2,721)	-
Balance as at June 30, 2009	576,000	34,097	6,472,171	7,082,268
Profit for the quarter ended September 30, 2009	-	-	733,557	733,557
Final dividend @ 150% relating to the year ended June 30, 2009	-	-	(864,000)	(864,000)
Transfer from special reserve by associated companies	-	(3,765)	3,765	-
Balance as at September 30, 2009	576,000	30,332	6,345,493	6,951,825

The annexed notes 1 to 15 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 QUARTER ENDED SEPTEMBER 30, 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

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.
- 3.2 The following amendments to standards are mandatory for the first time for the financial year beginning January 1, 2009.

IAS 1 (Revised) 'Presentation of financial statements' has been applied which requires that all non-owner changes in equity be presented as other comprehensive income in profit and loss account.

In addition to above, various new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2009 and are also relevant to the Company. However, the adoption of these new standards and amendments to standards did not have any significant impact on the financial information of the Company.

4. TRADE AND OTHER PAYABLES

	September 30, 2009	June 30, 2009
	Rupees ('000)	
Creditors	95,588	88,994
Due to related parties (note 4.1)	6,221,440	8,647,369
Accrued liabilities	552,961	625,080
Advance from customers	1,554,744	1,329,180
Retention money	24,951	31,814
Workers' profit participation fund	53,336	-
Unclaimed dividend	12,888	6,119
	8,515,908	10,728,556

	September 30, 2009	June 30, 2009
	Rupees ('000)	
4.1 Due to related parties		
National Refinery Limited	2,984,189	4,788,411
Attock Refinery Limited	3,227,054	3,849,134
Pakistan Oilfields Limited	10,076	11,612
Attock Cement Pakistan Limited	121	141
Attock Hospital (Private) Limited	-	100
Attock Sahara Foundation	-	48
Staff pension fund (receivable)	-	(2,077)
	<u>6,221,440</u>	<u>8,647,369</u>
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, Islamabad	4,484,618	4,844,886
(iii) Guarantees issued by bank on behalf of the Company	43,287	43,287
(iv) Capital expenditure commitment	85,594	95,901
	Three months to September 30, 2009	Year ended June 30, 2009
	Rupees ('000)	
6. PROPERTY, PLANT AND EQUIPMENT		
Cost		
Opening balance	1,294,352	822,138
Additions during the period/ year	55,116	492,046
Disposals during the period/ year	(16,269)	(19,832)
Closing balance	<u>1,333,199</u>	<u>1,294,352</u>
Accumulated depreciation		
Opening balance	354,572	289,626
Charge for the period/ year	29,640	82,634
Relating to disposals	(15,370)	(17,688)
Closing balance	<u>368,842</u>	<u>354,572</u>
Operating assets - written down value	<u>964,357</u>	<u>939,780</u>
Capital work in progress	202,045	191,095
	<u>1,166,402</u>	<u>1,130,875</u>

	Three months to September 30, 2009	Year ended June 30, 2009
	Rupees ('000)	
7. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES		
Balance at beginning of the period/ year	733,397	709,081
Investment in associated company during the period/ year	-	22,679
Share of profit for the period/ year	6,168	25,562
Impairment reversal-National Refinery Limited	-	948
	6,168	26,510
Dividend received during the period/ year	-	(24,873)
	6,168	26,510
Balance at end of the period/ year	739,565	733,397

	September 30, 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	382,525	1	375,731
Attock Refinery Limited	1.56	350,955	1.56	352,024
Unquoted				
Attock Information Technology Services (Private) Limited	10	6,085	10	5,642
		739,565		733,397

7.2 Share of profit of associated companies is based on audited financial statements for the year ended June 30, 2009 (June 30, 2009: unaudited financial statements for the nine months ended March 31, 2009).

8. STOCK IN TRADE

It includes Company's share of line fill in accordance with the terms of White Oil Pipeline (WOP) throughput agreement and Mehmoodkot-Faisalabad-Machike (MFM) transportation agreement implemented during quarter ended September 30, 2009.

	September 30, 2009	June 30, 2009
	Rupees ('000)	
9. TRADE DEBTS		
Considered good		
Secured	2,789,164	5,307,458
Unsecured	141,743	113,071
Due from related parties (note 9.1)	<u>2,700,228</u>	<u>2,414,992</u>
	5,631,135	7,835,521
Considered doubtful - unsecured	31,000	31,000
Provision for doubtful debts	<u>(31,000)</u>	<u>(31,000)</u>
	5,631,135	7,835,521
9.1 Due from related parties		
Attock Gen Limited	2,657,527	2,400,566
Pakistan Oilfields Limited	15,699	7,425
Attock Cement Pakistan Limited	25,988	5,479
Attock Refinery Limited	706	1,076
National Refinery Limited	308	446
	<u>2,700,228</u>	<u>2,414,992</u>
10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances	112,787	16,832
Trade deposits and short term prepayments	23,076	15,048
Current account balances with statutory authorities	132,933	141,183
Accrued income	42,937	61,268
Price differential claim receivable from the Government	229,848	719,848
Receivable from oil marketing companies under freight pool	19,090	20,466
Claims receivable	2,762	5,202
Due from related parties		
Attock Information Technology Services (Private) Limited	456	1,252
The Attock Oil Company Limited	147	63
Workers' profit participation fund	-	9,801
Other	355	355
	<u>564,391</u>	<u>991,318</u>
11. CASH AND BANK BALANCES		
Cash in hand	1,403	814
Bank balances on		
Short term deposits	5,382,500	6,571,287
Interest / mark-up bearing saving accounts	1,329,427	856,686
Current account	12,242	6,123
	<u>6,724,169</u>	<u>7,434,096</u>
	6,725,572	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.

Three months to
September 30, September 30,
2009 2008
Rupees ('000)

12. OTHER OPERATING INCOME

Commission and handling income	179,583	297,192
Other income	5,976	2,672
	185,559	299,864

13. TRANSACTIONS WITH RELATED PARTIES

Associated companies		
Purchase of petroleum products	13,953,684	19,179,715
Sale of petroleum products	2,877,917	306,668
Commission and handling income	179,583	297,192
Administrative services expense	5,867	7,789
Other related parties		
Remuneration of Chief Executive and key management personnel including benefits and perquisites	8,445	4,437
Contribution to staff retirement benefits plans		
Staff Pension fund trust	1,647	1,617
Staff Provident fund trust	838	808
Contribution to workers' profit participation fund	53,336	59,002

14. EARNINGS PER SHARE

Basic earnings per share previously reported at Rs 16.36 in the financial statements for the quarter ended September 30, 2008 has been restated to Rs 13.63 for 9,600,000 bonus shares issued during the year ended June 30, 2009.

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2008 and 2009 which would have any effect on the earnings per share if the option to convert is exercised.

15. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on October 19, 2009.



Chief Executive



Director

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