Attock

Success is a Journey, not a Destination

Attock Petroleum Limited

2014

Annual Report

Financial Highlights

Our Performance in numbers

01
Net Sales Revenue
Rs 205,163 million

02
Gross Profit
Rs 5,942 million

03
Operating Profit
Rs 5,381 million

04
Profit After Tax
Rs 4,327 million

05
Earnings Per Share
Rs 52.16

06
Cash Dividend
Rs 3,940 million

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Our Vision

To become a world class, professionally managed, fully integrated, customer focused, Oil Marketing Company, offering Value added quality and environment friendly products and services to its customers in Pakistan and beyond.

Our Mission

To continuously provide quality and environment friendly petroleum products and related services to industrial, commercial and retail consumers, and exceeding their expectations through reliability, economy and quality of products and services. We are committed to benefiting the community and ensuring the creation of a safe, responsible and innovative environment geared to client satisfaction, end user gratification, employees' motivation and shareholders value.

Core Values

Ethical Principles and Moral Values

We promote a commitment to the highest moral values and ethical principles, demanding both personal and professional dedication towards the realization of these values and principles.

Commitment and Cooperation

Two core fundamentals for the success of any business are complete employee commitment and cooperation. At APL we foster an environment of solid teamwork and professionalism to ensure that our employees engage in both personal and professional development.

Environment Consciousness

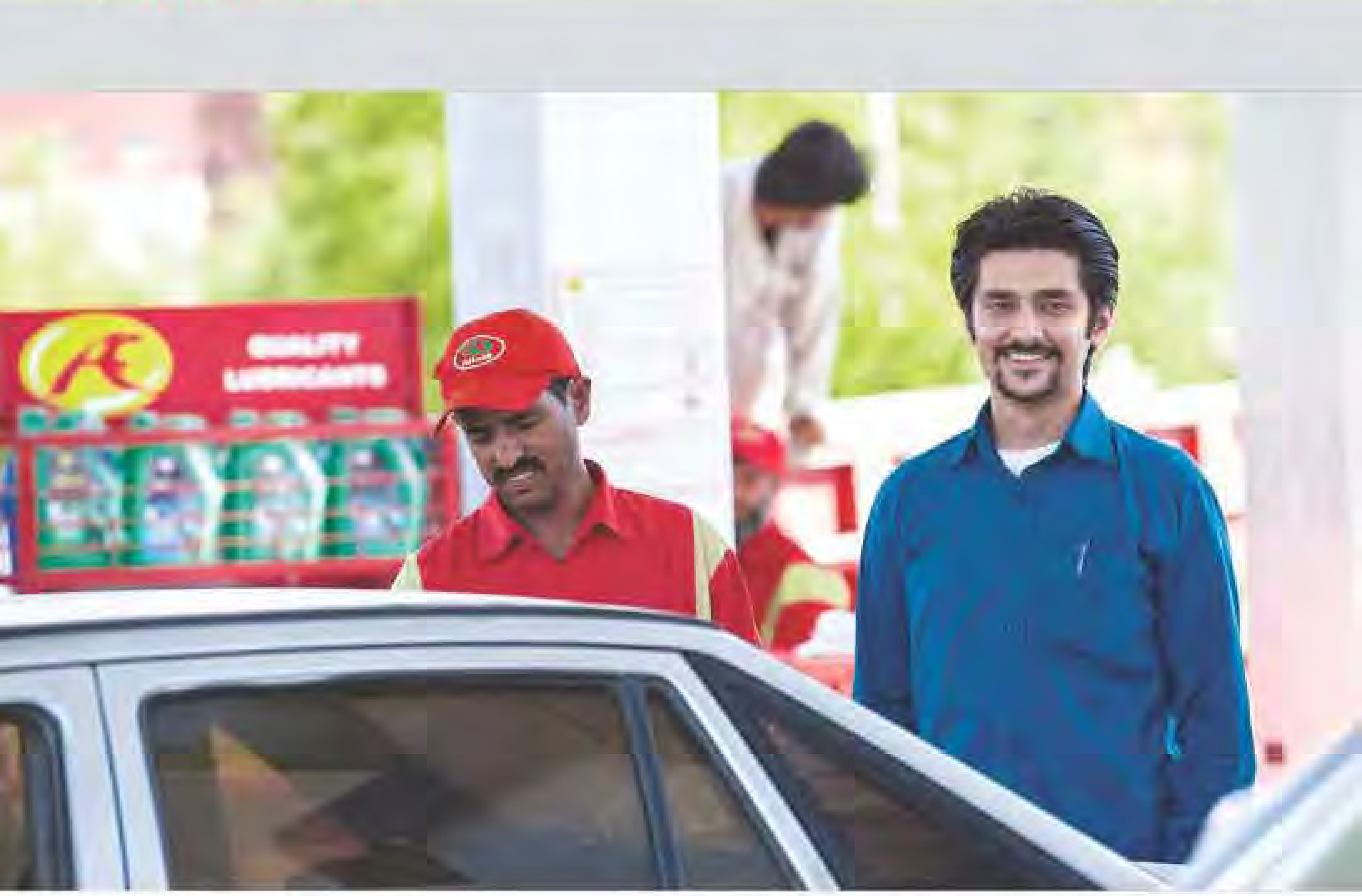
We believe that it is our responsibility to safeguard our natural resources for future generations and actively engage in environment friendly practices, policies and management techniques.

Corporate Social Citizenship

We strongly believe in the promotion of societal well-being and awareness within ones community, actively engaging in activities and initiatives to meet this objective.

Maximum Stakeholder Return

Through our streamlined business processes and commitment to total quality management we seek to ensure maximum company performance and rewards for shareholders and stakeholders alike.



Corporate Strategy

To enable APL to attain new heights of success through investment in human capital, implementation of lean production methods and a commitment to Total Quality and Environment Management, we plan, with the help of Almighty Allah, to further expand our existing retail network and penetrate untapped markets with pro-active measures and effective planning, implementation and execution.

Our objective is to successfully deliver premium quality products and services, which will translate into maximum customer satisfaction. Beyond the technical excellence of our products, we intend to set an example in all dimensions of our entrepreneurial activities. We see ourselves committed to the self-defined models of economic, social and ecological responsibility, which means not only economic success but also conscientious interaction with our employees, people and the environment.

Clean Oil

Quality Policy Statement

To further enhance its commitment towards Quality, APL management has set the following quality objectives:

1. The primary objective of the Quality Management System is to ensure conformance to product specifications of all goods shipped to customers.
2. Clearly identify and understand our internal and external customers stated and hidden needs, to develop a way of working to meet and exceed the expectations of customers.
3. Provide confidence to management, our employees, clients, and stakeholders that the requirements for quality are being fulfilled and maintained and that quality improvement is continuously taking place.

Clean Engine

4 To develop measurement techniques to gauge performance for improving effectiveness of our services, operations and quality management system.

5 Fulfill all quality system requirements stated in our Quality Manual, including the requirements of ISO 9001:2000.

6 To be a trustworthy and leading oil marketing organization for providing consistent high quality products and services in the market.

With this vision we want to create a culture of continuous quality improvement at APL.


Tyre Shop
Oil Change
Supreme 108.30
Diesel 109.70
CNG 74.25

Code of Conduct

Attock Petroleum Limited has committed itself to conduct its business in an honest, ethical and legal manner. The Company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the Company's personnel, as they are the ones who are at the forefront of Company's affairs with the outside world. Every member of the Company has to be familiar with his / her obligations in this regard and has to conduct him / her accordingly.

This statement in general is in accordance with Company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to.

1. Respect, Honesty and Integrity

Directors and employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

2. Compliance with Laws, Rules and Regulations

The Company is committed to comply, and take all reasonable actions for compliance, with all applicable laws, rules and regulations of state or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

3. Full and Fair Disclosure

Directors and employees are expected to help the Company in making full, fair, accurate, timely, and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to, any governmental authorities in the applicable jurisdiction, and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

4. Prevent Conflict of Interest

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company.

Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board, and will be disclosed to the shareholders.

5. Trading in Company Shares

Trading by directors and employees in the Company shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws.

6. Inside Information

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or "inside" information about the Company other than in the normal performance of one's work, profession or position is unethical and may also be a violation of law.

Directors and employees becoming aware of information which might be price sensitive with respect to the Company's shares have to make sure that such information is treated strictly confidential and not disclosed to any colleagues or to third parties other than on a strict need-to-know basis.

Potentially price sensitive information pertaining to shares must be brought promptly to the attention of the management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the CFO.

7. Media Relations and Disclosures

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in quarterly and annual reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of "insider trading" on the stock market.

8. Corporate Opportunities

Directors and Employees are expected not to:

a) take personal use of opportunities that are discovered through the use of Company property, information or position.
b) use Company property, information, or position for personal gains.

Directors and employees are expected to put aside their personal interests in favor of the Company interests.

9. Competition and Fair Dealing

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee is expected to deal fairly with Company's customers, suppliers, competitors, and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code.

Bribes, kickbacks, and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission payment should be justified by a clear and traceable service rendered to the Company. The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the Company's book of accounts.

10. Equal Employment Opportunity

The Company believes in providing equal opportunity to everyone around. The Company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender, or disability is acceptable. No harassment or discrimination of any kind will be tolerated; directors and employees need to adhere standards with regard to child labor and forced labor.

Building Our Capabilities

Optimizing Our Process and

Shaping Our Business

11. Work Environment

All employees are to be treated with respect. The Company is highly committed to providing its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation, or personal behavior not conducive to a productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

12. Protect Health, Safety and Security

The Company intends to provide each director and employee with a safe work environment and comply with all applicable health and safety laws. Employees and directors should avoid violence and threatening behavior and report to work in fair condition to perform their duties.

13. Record Keeping

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books. No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason.

Records must always be retained or destroyed according to the Company's record retention policies.

14. Protection of Privacy and Confidentiality

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the Company's assets (processes, data, designs, etc) are considered as certified information of the Company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the Company to recover the damages and losses sustained.

15. Protection and Proper use of Company Assets / Data

Each director and employee is expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only.

The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited.

Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

16. Gift Receiving

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company.

However, this does not

preclude giving or receiving gifts or entertainment which are customary and proper in the circumstances, provided that no obligation could be, or be perceived to be, expected in connection with the gifts or entertainment.

17. Communication

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to employee concerns. The Company strongly believes in a clean desk policy, and expects its employees to adhere to it not only for neatness but also security purposes.

18. Employee Retention

High quality employee's attraction and retention is very important. The Company will offer competitive packages to the deserving candidates. The Company strongly believes in personnel development and employee-training programs are arranged regularly.

19. Internet use / Information Technology

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit, should not be misused during work time, and remain the property of the Company. Disclosure or dissemination of confidential or proprietary information regarding the Company, its products, or its customers outside the official communication structures is strictly prohibited.

20. Compliance with Business Travel Policies

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's business purposes.

It is not permitted to combine business trips with a vacation or to take along spouse, relative or friend without the prior written authorization from Management.

21. Compliance

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension, and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation. Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code.

Any person meeting with difficulties in the application of this code should refer to the management.


Attock


Attock
Company Operated
Tuck Shop
Speed Wash
Tyre Shop
Oil Change
Supreme
Diesel
CNG

Environment, Health & Safety Policy

Attock Petroleum Limited's overriding objective is to ensure that none of our activities harm our employees, the public or the environment.

In order to achieve this objective...

We embrace a comprehensive policy on the Environment, Safety and Health that includes:-

1. We consider that none of our activities are more important than health and safety of any individual or protection of environment.
2. As a minimum we will comply with all relevant legislation and any other requirements to which we subscribe.
3. We will encourage a pro-active safety culture and ensure that each employee is trained, experienced and competent to perform his or her duties.
4. We will strive to remove all causes of accidents and events and to minimize the consequences of such if they occur.
5. We will ensure that all our operations are performed, and seen to be performed safely.
6. We will strive to continually improve performances in all areas of EHS performance and priorities on the basis of risk.
7. We will apply our EHS policy, standards, objectives and targets to our Retail Outlets, Distributors, Dealers and Contractors.

بسم الله الرحمن الرحيم

Chairman's Review

It is indeed a great pleasure to welcome you to the 19th Annual General Meeting of the Company and to present Company's annual report and audited financial statements for the year ended June 30, 2014.

The world is still recovering from the effects of the 2008-2009 global recession. As these effects continue to be felt, many unresolved economic issues add to the uncertainty associated with this year's long-term assessment of world energy markets. Currently, there is wide variation in the economic performance of different countries and regions around the world. The pace of growth is slow. In the United States and Europe, short and long-term debt issues remain largely unresolved and are key sources of uncertainty for future growth. Economic recovery in the United States has been weaker than the recoveries from past recessions, although expansion is continuing. In contrast, many European countries fell back into recession in 2012 and the region's economic performance has continued to lag. In contrast to these nations, Asia led the global recovery from the 2008-2009 recession. China and India have been among the world's fastest growing economies for the past two decades. Although economic growth in the two countries remained strong through the global recession, both slowed in 2013 to rates much lower than analysts had predicted. Despite all these odds in 2013-14 energy demand grew modestly whilst commodity prices remained broadly stable.

At national level, Pakistan's economy continued to witness tough fiscal challenges and instability, suffering from the consequences of a number of factors like excessive power and gas shortages, issue of mounting circular debt, unstable law and order situation, increased prices of petroleum products, growing unemployment and income disparities. However, a comprehensive agenda of reforms is highly focused on inclusive growth and to reinvigorate the economy.

Despite these challenges, your Company continued to perform strongly in 2013-14 and made significant progress, delivering on its strategy in the face of the prevailing uncertain global and national economic conditions and managed to increase its sales volume by 19% resulting in increase in market share to 10.1% from 9.3% of last year due to its targeted and pro-active marketing strategy, whereas the overall oil industry's volume grew by only 9%. This is reflection of our commitment and focus on operational excellence, financial discipline, risk management and principles of good corporate governance.

Your Company once again with better directions and focused strategy succeeded in adding values driven by a strong operational performance, efficient product mix optimization and inventory and portfolio management. During the year, the Company increased its net sales revenue by 25% to Rs 205,163 million (2012-13: Rs 164,710 million). However, tough market conditions which resulted in reduced margins and increased cost of doing business together with other challenges mentioned above resulted in increase in net profitability by 11% to Rs 4,327 million (2012-13: Rs 3,907 million) and translated into earnings per share of Rs 52.16 (2012-13: Rs 47.10). Further, as part of a fully integrated energy group with no gearing and strong cash flows, we have the financial strength to weather economic crises.

Your Company is particularly careful in handling its financial resources to ensure that not only we have means to proceed with major investment projects but also promise sustainable value

growth. This approach will set us apart from our competitors and enable us to remain an attractive Company for all the stakeholders. We want to do business sustainably, as well as being commercially successful. This means minimizing the potential social and environmental impact of our activities.

I wish to place on record my appreciation and gratitude for the support received by the Company from the Ministry of Petroleum & Natural Resources and other Government organizations, suppliers, customers and contractors. I would also like to thank you, our shareholders, for your confidence and trust in the Company and our Board of Directors and employees for their untiring endeavors and contribution that have made our success to date possible.

Dr. Ghaith R. Pharaon
Chairman

Beirut, Lebanon.
August 14, 2014

Board of Directors

Mr. Laith G. Pharaon
Non Executive Director

Dr. Ghaith R. Pharaon
Chairman
Non Executive Director

Mr. Wael G. Pharaon
Non Executive Director

Mr. Abdus Sattar
Independent Non Executive Director

Mr. Shuaib A. Malik
Chief Executive Officer & Alternate Director
to Dr. Ghaith R. Pharaon
Executive Director

Mr. Babar Bashir Nawaz
Non Executive Director

Mr. M. Adil Khattak
Non Executive Director

Mr. Iqbal A. Khwaja
Alternate Director to Mr. Laith G. Pharaon
Non Executive Director

Mr. Rehmat Ullah Bardaie
Company Secretary & Alternate Director
to Mr. Wael G. Pharaon
Executive Director

Board Committees and Corporate Information

Board Audit Committee

1.	Mr. Abdus Sattar	Chairman
2.	Mr. Babar Bashir Nawaz	Member
3.	Mr. Iqbal A. Khwaja (Alternate director to Mr. Laith G. Pharaon)	Member

Human Resource & Remuneration Committee

1.	Mr. Babar Bashir Nawaz	Chairman
2.	Mr. Shuaib A. Malik	Member
3.	Mr. M. Adil Khattak	Member

Auditors
A. F. Ferguson & Co.
Chartered Accountants, Islamabad.

Registered Office
Attock House, Morgah, Rawalpindi.

Legal Advisor
Ali Sibtain Fazli Associates
Mall Mansion, 30-The Mall, Lahore.

Share Registrar
THK Associates (Pvt.) Limited
2nd Floor, State Life Building-3
Dr. Ziauddin Ahmed Road, Karachi.
Tel: +92-21-111-000-322
Fax: +92-21-35655595

Bankers
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
NIB Bank Limited
National Bank of Pakistan
The Bank of Khyber
The Bank of Punjab
The Bank of Tokyo Mitsubishi
United Bank Limited

Correspondence Address
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Rawalpindi, Pakistan.
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Fax: +92-51-5127272
Email: contact@apl.com.pk
Website: www.apl.com.pk

Board Committees and their terms of reference

Board Committees

The management is committed to follow the principles of good Corporate Governance and being a responsible corporate entity it believes in transparency of system for effective monitoring and to enhance governance process. Keeping in view the requirements of new Code of Corporate Governance issued on 10th April, 2012 the Board has revised the terms of reference of Audit Committee and established Human Resource and Remuneration Committee. The following Board Committees have been formed to assist the Board in fulfilling its responsibilities.

Audit Committee

The Audit Committee reviews the financial and internal reporting processes, the system of internal control, management of risk and the internal and external audit processes. The Audit Committee ensures that the Company has a sound system of internal financial and operational controls. It assists the Board in discharge of its fiduciary responsibilities. The Audit Committee reviews the periodical statement of the Company before their respective presentation to the Board and ensures implementation of relevant controls for the integrity of the information. The Committee recommends to the Board of Directors the appointment of external auditors and discusses major observations with the external auditors arising from interim review and final audit. In doing so, Committee also reviews the management letter issued by the external auditors and management's response thereto. The Committee also goes through the legal matters which may significantly impact the financial statements and ensure compliance with relevant statutory requirements. Besides this, monitoring compliance with the best practices of corporate governance, investigating any violations thereof and ensuring coordination between internal and external auditors are also the main responsibilities of the Audit Committee.

Human Resource & Remuneration Committee

The Board has established Human Resource and Remuneration Committee which is responsible for recommending human resource management policies. The Committee is also responsible for recommending the selection, evaluation, compensation (including retirement benefits) of key management personnel and for consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer.

Budget Committee

The Committee comprises of three directors and their responsibility is to assist the Board in formulating the annual budget and forecasts and reviewing analysis of actual performance with those budgeted/forecasted. The Committee also keeps an eye on the developments and trends in the industry to assist the Board in planning for future capital intensive investments and growth of the Company.

Share Transfer Committee

The Committee consists of three directors and is responsible for dealing with matters relating to the shares of the Company like transfers, issuance of new shares and related legal and regulatory requirements.

Management Committees

Executive Committee

Consist of all departmental heads and chaired by the CEO, they meet regularly to coordinate the activities, accomplishments and other pertinent issues.

Retail Outlet Development Committee

Responsible for recommending proposals for setting up retail outlets and reviewing progress.

Budget Committee

Reviews and recommends the annual budget proposals and discusses deviations with the departmental heads.

Information Technology Committee

Responsible for automation of process and system in line with latest technology and developments.

Pricing Committee

Reviews and recommends the pricing of deregulated products on regular intervals.

Safety And Technical Committee

Reviews and monitors, the safety, health and environment matters for safe operations and better environment and matters relating to technological problems and operational risks affecting the business.

DIRECTORS' REPORT

Mr. Shuaib A. Malik
Chief Executive Officer

The Board of Directors of Attock Petroleum Limited (APL) takes great pleasure in presenting the annual report on the performance, position and progress of the Company together with the audited financial statements for the year ended June 30, 2014.

NATURE OF BUSINESS

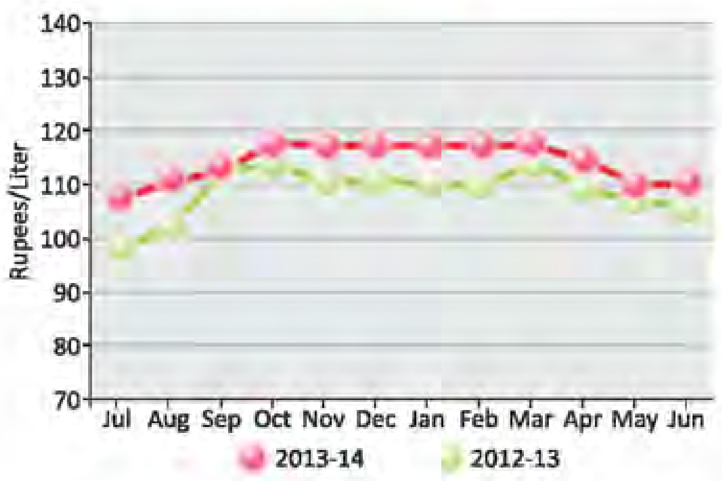
Belonging to the only fully integrated Attock Oil Group in Pakistan, Attock Petroleum Limited is engaged in the downstream petroleum sector business since 1997-98 . Being an oil marketing company, APL is dealing in a wide range of petroleum products to serve the local and international clientele. APL markets and supplies fuels to manufacturing industry, armed forces, power producers, government/semi-government entities, agricultural customers and retail outlets etc. APL also offers a range of lubricants which includes both automotive and industrial grades blended with base oils and additives. The oil industry operates under the regulations framed by the Government of Pakistan (GoP) through Ministry of Petroleum and Natural Resources (MP&NR) and Oil and Gas Regulatory Authority (OGRA). OGRA regulates prices of some of the petroleum products whereas prices of other products are deregulated and announced by the Company as per its own internal mechanism.

MANAGEMENT OBJECTIVES AND STRATEGIES

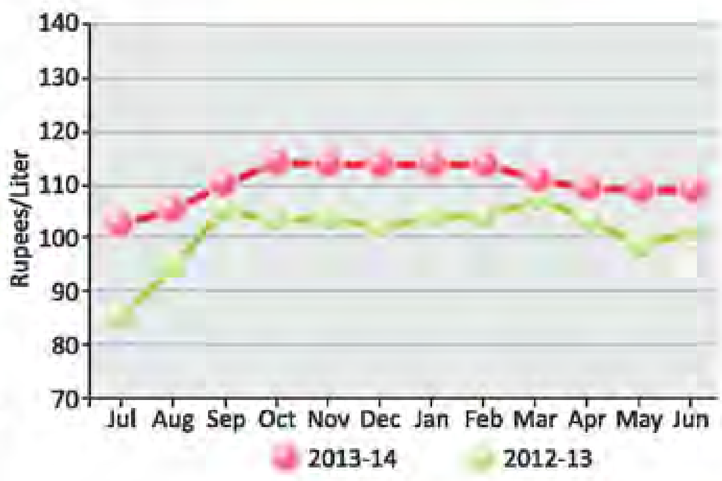
The Objectives of the Company are prioritized and strategies are formulated to translate the weaknesses to become strengths and threats into opportunities. Long term goals can only be achieved by converting vision into strategies. The management strongly adheres to follow its vision to become a world-class, professionally managed, fully integrated, customer focused oil marketing company providing quality products to industrial, commercial and retail consumers and benefitting the community, meeting end user gratification and coming up to the expectation of stakeholders.

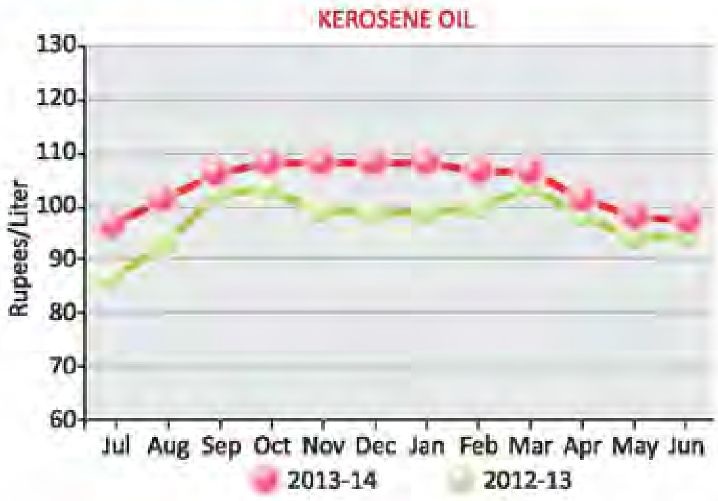
PRICE TREND ANALYSIS

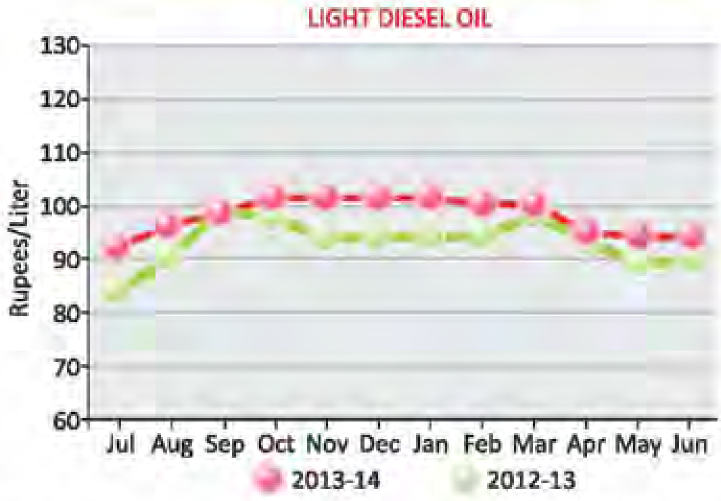
HIGH SPEED DIESEL



PREMIER MOTOR GASOLINE







FINANCIAL PERFORMANCE

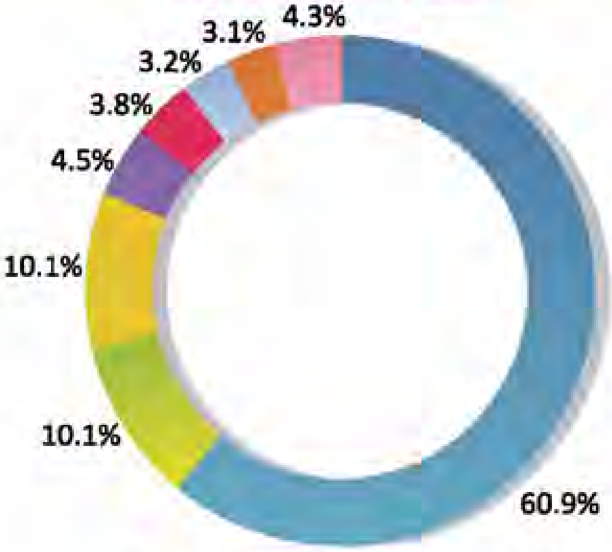
Rigorous execution of our business model delivers a year of good results and progress. We rely on our long term commitments to improve operational excellence, invest with discipline and drive technological leadership in resource development to see ourselves through pivotal periods of Company history. During the year under consideration we continued our progress on a number of fronts keeping in view the goal of strengthening the Company.

For the year 2013-14, the Company reported net sales revenue of Rs 205,163 million, representing 25% increase over last year (2012-13: Rs 164,710 million). This was the result of increase in volumes sold and higher international oil prices. However, stiff competition led to significant increase in operating cost in order to increase market share. Accordingly, the Company earned profit after tax of Rs 4,327 million (2012-13: Rs 3,907 million) and earnings per share of Rs 52.16 (2012-13: Rs 47.10).

Financial results and appropriations for the year ended June 30, 2014 have been summarized below:

	Rs. in Million
Profit before taxation	5,907
Less: Provision for taxation	1,580
Profit after taxation	4,327
Add: Balance as at June 30, 2013	13,267
Less: Other comprehensive loss for the year	(9)
Profit available for appropriation	17,585
Appropriations during the year:	
Transfer to special reserve by associated companies	11
Final cash dividend for the year 2012-13 @ 450% (Rs 45/- per share of Rs 10/- each)	3,110
Transfer to reserve for issue of bonus shares in the proportion of one share for every five shares held i.e., 20%.	138
Interim cash dividend for the year 2013-14 @ 175% (Rs 17.50 per share of Rs 10/- each)	1,452
	4,711
Balance as at June 30, 2014	**12,874**
Subsequent Effects:	
Final cash dividend for the year 2013-14 @ 300% (Rs 30/- per share of Rs 10/- each)	**2,488**
	10,386

OVERALL MARKET SHARE



Source: Oil Companies Advisory Council (OCAC)

REVENUE CONTRIBUTION

Dividend

The directors have recommended a final cash dividend @ 300% (Rs 30/- per share of Rs 10/- each). This is in addition to interim cash dividend @ 175% (Rs 17.5 per share of Rs 10/- each) already declared and paid to the shareholders thereby making a total of 475% for the year 2013-14.

Contribution towards National Exchequer and Economy

The Company contributed Rs 47,510 million towards national exchequer in the form of taxes and levies. The Company is serving the nation by providing premier quality petroleum products even in remote areas particularly the northern areas and interior Sindh through expansion of its network of retail outlets and distributors contributing for the development of the local labour force thus promoting employment ultimately fostering the quality of life of the local populace.

Cash flow

The Company generated cash from operating and investing activities amounting to Rs 2,235 million and used Rs 4,555 million in financing activities. At the end of the year, the Company had cash and cash equivalents of Rs 7,650 million and is well positioned to meet its future commitments and development plans.

Strategies to overcome financial problems

The management does not envisage any financial problem in a year ahead. However, to overcome any unforeseen financial problem the Company has standby arrangements with financial institutions to arrange sufficient funds for smooth operations of the Company.

Significant changes in financial position

APL relies on equity capital for financing and other activities and there is no change in the capital structure during the current fiscal year. Total assets increased by Rs 3,988 million compared with June 30, 2013 to Rs 34,086 million and total liabilities increased by Rs 4,232 million to Rs 20,286 million. Non current assets increased by Rs 96 million to Rs 2,837 million representing expenditure on construction/ modification of retail outlets. Net current assets decreased by Rs 221 million to Rs 11,544 million due to use of cash in the operations. Trade debts increased by Rs 4,938 million representing increase in receivable balance from power producers and others and also contributed corresponding increase in trade payables primarily due to increase in the customer base.

Company Owned and Company Operated site – Model Filling Station, F-11, Islamabad


Attock
Company Operated
Tuck Shop
Speed Wash
Tyre Shop
Oil Change
Supreme 108.30
Diesel 109.70
CNG 74.25

MARKET & INDUSTRY REVIEW

Global

With every passing day the world is experiencing improvements and advancements in an ever growing energy sector. Market participants at the same time are inclined towards increasing trend which has given rise to an immense competition around the world. As a matter of fact, all the efforts are being exerted into catering the rising energy demand. Special consideration should be given to the fact that changing supply streams and production of heavier crude in North America will have considerable impact on the prices and availability of fuels globally.

Domestic

Current administration overseeing the energy sector is emphasizing on bringing about the improvement and efficiency starting from the ground level. People are being educated and instilled with the importance of timely payment of taxes and bills which is affecting the National Exchequer positively. Awareness programs are being developed and a sense of responsibility amongst the masses is being inculcated to use energy with care.

Many daunting infrastructure projects have been taken up by the new government with special focus on the right energy mix enabling the country to meet its ever growing internal energy requirements. Generation of electricity using coal based power plants is being focused upon. Several small scale renewable energy programs are also underway and special incentives to investors within the renewable energy domain have been developed.

However, many challenges still remain. The curse of the circular debt still looms on our heads. Due to non-systemized collections of bills/taxes, delays in payments by consumers, lack of state-of-the-art infrastructure and control over line losses etc – all burden the overall supply chain cycle which ultimately results in circular debt being accrued.

INDUSTRIAL REVIEW

Rising international crude oil prices amid fixed absolute margins for the oil marketing companies (OMCs) will increase working capital requirements and reduce return on working capital for them.

During the year under review, the OMC industry sales volumes stood around 21.78 Million M.Tons representing 9% rise year-on-year. The prime reason behind Premier Motor Gasoline (PMG) demand escalation during the period was the shortage of gas and the resultant Compressed Natural Gas (CNG) outages. Consumption of High Speed Diesel (HSD) remained almost the same and did not witness any change. Increase in development projects during the latter part of the year 2013-14, mostly foreign funded involving rehabilitation of existing highways and construction of motorways throughout the country led to the increase in consumption of Bitumen. Furnace oil also witnessed a slight increase owing primarily to the focus of the GoP to coverup the electricity shortfall and the menace of loadshedding.

COMPANY'S SALES & MARKETING REVIEW

At APL, our customers stand at the core of our business philosophy. We are catering to their needs and facilitating them with our premium products and unmatched services; keeping in view the future trends, legislation amendments and contending with our competitor's offers etc.

There are many factors that hamper the smooth flow of the business and many uncertain variables that define our progress model. Despite these, our Company remained steadfast in modelling successful business strategies. Our Company increased its market share by capturing 10.1% share from the nationwide sales of the petroleum products.

APL is achieving milestone after milestone and is on course to success; we celebrated commissioning of our 450th retail outlet this year and currently stand at 468 outlets, a staggering addition of 54 new retail outlets. Under the previous campaign of improving the overall Retail Visual Identity (RVI); 60 retail outlets have already been equipped with smart signages, upgraded from conventional signages. This not only results in crisp and clean illumination of our outlets but also acts as a great energy conservation drive – as the new signages consume less than half the energy as compared to previous signages. As part of our development strategy, we are concentrating our efforts to develop sites in major cities, key sales pockets on national highways and partnering with institutions like CAA, DHA, AWT etc. Currently 167 sites are in pipeline, out of which 49 are under-construction and remaining 118 are at different stages of securing the necessary licenses/approvals.

Moreover, to improve the effectiveness of our retail network we are also working to strengthen our brand image. To this effect, our focus is to improve our quality and service standards, site staff engagement through sales team and confirmation through Mobile Quality Assurance Cell, helping us improve our over-all performance. Standardization of customer's service equipment, dispensing unit branding and improving colour scheme of fascia logo, new uniforms for filling staff, new name-badges, re-branding and re-standardization of our carriage fleet, conducting small customer engagement and Below-The-Line (BTL) activities on our forecourts etc are some of the projects designed and initiated.

For customer convenience and with the concept of multi-service offering under one roof, we have planned to introduce ATM facility at 120 retail outlets. In this regard a breakthrough agreement has been signed with a leading bank of Pakistan. This will not only provide additional service to our customers but will also help APL generate additional revenue. The project has commenced and numerous ATMs are under operation while many are under deployment and shall soon be operational as well.
Furthermore, we are focusing and negotiating on different multi-dimensional ideas like entering into alliance partnership with food chains, soft drink manufacturers etc. for their exclusive product offering at APL retail network. These steps would give substantial value addition in Company's overall profitability, and partnering with big brands shall also help boost our brand equity.

Our Company is committed to explore new areas for expanding the business and unfolding new opportunities. APL continues to be the trusted supplier of Jet fuel to Pakistan Army in the subject year (4th consecutive year) and has also won back the main fuel contract for Army and Airforce for the upcoming year, substantiating our commitment to deliver the best to our customer base. Moreover, we have also successfully completed fuel supplies contract with Pakistan Navy in Lahore and shall endeavour to continue to serve in future as well.

Government of Pakistan initiated road development projects leading to a rise in demand of bitumen. These projects are mostly foreign funded involving rehabilitation of existing Highways and construction of Motorways throughout the country. Keeping in view the competition and availability of cheap Iranian Bitumen, your Company proficiently segmented the market and targeted the customers by providing not only competitive but customized commercial offers. APL also commenced bitumen delivery at project site to facilitate its customer base. These efforts enabled your Company to enter into the agreement for Bitumen supplies with some major institutional customers undertaking development works in the country.

Committed with our mission statement of providing quality petroleum products to our customers, we have successfully completed supplies of a new petrochemical, High Octane Blending Component (HOBC) – for the first time to Pakistan Army.

Another major milestone achieved was entering into a Joint-Venture (JV) with one of the leading OMC of Pakistan last year for working on the new Benazir Bhutto International Airport at Islamabad. The contract for establishing a Fuel Farm along-with operations and maintenance of the Hydrant Refuelling System (HRS) had been awarded to the JV – thus taking APL into a new business segment of Aviation Fuels for the first time. Much progress has been made and we are sailing towards achieving our targets in line with the Civil Aviation Authority's (CAA) timelines. Moreover, another breakthrough is signing of Memorandum of Understanding (MoU) with one of the leading Japanese company for joint business collaboration in marketing and blending of international lubricants brands in Pakistan. This initiative will open new venues of business to flourish and grab market share in lube industry of Pakistan.

Company Owned and Company Operated site – Liberty Filling Station, Lahore

Other Business Activities

APL is further focusing on the technological advancements in all its business activities. Newer standards of fleet management and vehicle design are all steps towards realization of a socially responsible corporate entity – which strives on continuous improvements in the fields of health and safety of not only our employees and staff, but also in the communities where we conduct our business.

Furthermore, to enhance the uninterrupted service to customer and reliability, the Company has introduced Japanese brand Tatsuno dispensers instead of Dresser Wayne (China made) to newly commissioned retail outlets all over Pakistan since last year. These units are directly imported from Japan which is also cost saving to the Company.

In-line with our focus of responsible business conduct, we have yet again made breakthroughs in our energy conservation drives.
Continuous improvements are being made to optimize energy consumption and reducing our carbon footprint – in the first phase, smart signages were designed and implemented – the use of Light Emitting Diodes (LEDs) and submersible pumps at our outlets instead of the conventional lights and suction pumps have resulted in far-reaching energy savings. We have also begun the project of converting one of our company operated outlet in Islamabad with Hybrid Solar Systems as a pilot project towards self-reliance on uninterrupted and clean energy.

Our Company entered into a few agreements with other OMCs for smooth supply of major products to our customers and create alternate supply sources in the southern region of the Country for smooth and streamlined operations. Moreover, alternate import channels and hiring of storage facilities are also being made for ample product availability in Karachi region.

Infrastructure Development

The Company recognizes the importance of improving and expanding infrastructure for sustaining economic development and gaining the competitive edge. Despite stiff investment conditions in the country, your Company has managed to endure several projects and invest in this sector significantly. Substantial investment for acquisition of the land at Mehmoodkot for building bulk oil storage has been made and work on the same has commenced. Moreover, land procurement activities at Sahiwal, Shikarpur, Daulatpur, Habibabad are also being made; which will help us streamline our operations in different regions and shall unfold new avenues to penetrate all the segments of marketing.

RISK MANAGEMENT

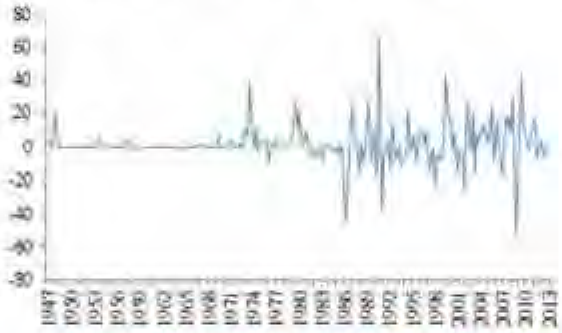
Volatility in International Oil Prices and Regulatory Risk

Crude oil is arguably one of the single most important driving forces of the global economy and changes in the price of oil have significant effects on economic growth and welfare around the world. High oil prices variously affect economies, both directly and indirectly. Volatile oil prices introduce uncertainty in the macroeconomic environment. Further, global conflicts, surge for oil, natural disasters and political instability influence the supply and demand envelop globally. GoP also controls the prices of the petroleum products through implementation and adjustment of various duties, taxes, levies and subsidies. Prices are the key drivers of an OMC's profitability. Higher prices translate into increased revenues and vice versa. Further, imposition / enhancement of duties, taxes, other levies and revision in pricing formula of products remain a possibility.

The Company continues to focus on developing an efficient mix of regulated and deregulated products and characterized strategy, the aggregate effect of implementing these structural measures would significantly reduce the impact of high and volatile oil prices. GoP has demonstrated a strong commitment and taken a number of steps towards complete deregulation of the Oil and Gas sector in line with the overall vision of a liberalized economy.

Geopolitical and Security Risks

The world is increasingly interconnected, yet borders still matter in a globalized world. Geopolitics have become increasingly important, not just because of shifting power dynamics, but also because issues of security have become intertwined with those of trade, migration, employment and other forms of international relations. The international developments, the middle-east crisis of Egypt, Iraq, the new emerging ties between Iran and USA and the recent military dominance of Russia over the Crimean peninsula create an uncertain atmosphere within the global perspective. This can have serious implications on Pakistan


Percentage changes of the price of crude oil (Source: Dow Jones & Co., Thomson Reuters)


Machike Bulk Oil Terminal, Sheikhupura

as the country depends on imports to cater to its energy needs. Pakistan refines approximately 30-35% of its requirement from indigenous crude oils; the remaining 65-70% is catered via imports – majorly from the Gulf region. APL like any other OMC is exposed to risks - which any destabilization of political or law and order situation within the gulf region or within our country poses threats to its smooth product supplies that could possibly result in disruption in supplies of petroleum products thus adversely affecting the profitability of the Company.

The Company at the positive edge enjoys the support of refineries and hospitality arrangements with other OMCs under proper agreements thereby ensuring smooth supply of petroleum products for the Company.

Intense Competition

Under almost any facet of life, within any industry; the competitive landscape is ever challenging and constantly evolving. Today, the global oil market and the country's industry both are at their highest competitiveness. The advent of renewable energy sources, alternate bio-fuels, newer technologies and the shifts in paradigms and mind-sets of consumers all create variables which are hard to deal with. Thorough research, analysis and expertise of the management is required in order to identify and assess various threats and opportunities within the markets. Quick responsiveness, collective wisdom and swift implementation of ideas and thoughts is what makes the Company stand out from the clutter. Each passing day, the operational dynamics of the industry are changing. The sporadic growth in new entrants in the industry has given birth to many new challenges and uncertainties.

However, our collective wisdom and the inherent strengths of the Attock Oil Group of Companies – being the only fully vertically integrated oil group in Pakistan – places your Company in the most suitable position for times to come. Based on this guaranteed and sustainable product supply source, our Group's collective experience and wisdom of over 100 years, adoption of best industry practices, perfect mix/blend of energetic/young and experienced human resource all play a vital role in strategically steering your Company towards diversification, growth and sustainability.

Human Resource

Employees are among the most important assets of any company and are the significant contributors towards an organization's growth and profitability. If we do not effectively manage our workforce, our business may not operate efficiently and this could have a negative impact on our profit. Currently, there is a cut throat competition within the organizations to attract and retain personnel having adequate specialized expertise and experience.

Company has designed its compensation and benefit program in such a manner that focuses on enhancing motivation and retention of our existing employees as well as attraction of the competent and valued workforce. These benefits reflect Company's business success. In addition to competitive salaries, we offer our employees additional benefits as well.

Health, Safety, Environment and Security

Human as well as environmental safety and health protection remains the number one priority for the oil and gas industry. So being an oil marketing company, health, safety and environment issue has always been the top concern for us.

Company's Health, Safety and Environment policy ensures the company practices does not contravene to various local, national and international laws and regulations relating to health, safety and the environment.

Information Technology Risk

An information technology risk management system should consider internal factors such as the number and length of system failures, employee access controls and protection of confidential data and information, as well as external factors such as the introduction of advanced software and hardware into the industry and incidents of cybercrime.

The Company maintains a central database environment where online transactions are entered in real time. An automated procedure generates a daily data backup at midnight. Further, incremental and monthly backups are generated and maintained on hard drives and data tapes. An offsite backup mechanism is also in place as an additional measure to safeguard data integrity.

Gantry area – Rawalpindi Bulk Oil Terminal, Morgah

CORPORATE GOVERNANCE

Sound Corporate Governance is critical to our Company's integrity and maintaining investors' trust in the Company. The Board is committed to foster healthy corporate culture, implant ethical business practices, open communication channels with shareholders and compliance with laws and regulations. As a result, good corporate governance principles have been deeply embossed.

Directors' Training Programme

In terms of the clause xi of the Code of Corporate Governance, listed companies have to ensure that at least their one director is certified every year till June 30, 2016. Most of the Directors on the Board of APL either meet the exemption criteria of this requirement or have attained this certification.

Board Annual Evaluation

The Board strives to continuously improve its and Board Committees' effectiveness. Board of Directors has developed a mechanism during the year as required under Code of Corporate Governance to undertake annual evaluation to assess Board's and its Committees' performance. The Board also reviews developments in corporate governance to ensure that the Company always remains aligned with best practices.

Whistleblower Protection Mechanism

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. The Whistleblower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour. During the year no incident of whistle blowing has been reported.

Code of Conduct for Directors and Employees

The Code of Conduct for the directors and employees strengthens the standard for professional behaviours so that company can conduct its business in an honest, ethical and legal manner. The Code of Conduct has been disseminated across the Company to all the directors and the employees for their compliance as required under Code of Corporate Governance 2012.

Compliance with the Code of Corporate Governance

The Company is fully compliant with the Code of Corporate Governance as per the requirements of the Listing Regulations. Specific statements are being given hereunder:

1) The financial statements, prepared by the management, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.

2) Proper books of account have been maintained.

3) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

4) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.

5) The system of internal control is sound in design and has been effectively implemented and monitored.

6) There are no significant doubts upon the Company's ability to continue as a going concern.

7) Significant deviations from the last year's operating results have been disclosed in this Report.

8) Key operating and financial data of the last 6 years in summarised form is annexed with this Report.

9) All major Government levies in the normal course of business, payable as at June 30, 2014, have been cleared subsequent to the year-end.

10) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.

11) The value of investments in employee retirement funds based on the latest audited accounts as of June 30, 2014 are as follows:

    Employees' Gratuity fund
    Rs 26.883 million
    Employees' Provident fund
    Rs 44.085 million

12) The total number of Company's shareholders as at June 30, 2014 was 2,783. The pattern of shareholding as at June 30, 2014 along with necessary disclosures as required under the Code of Corporate Governance is annexed.

A separate statement of compliance signed by the Chief Executive Officer is included in this Annual Report.

Board of Directors Structure, its Committees and Meetings

The status of each director on the Company's Board whether non-executive, executive or independent has been disclosed in the Statement of Compliance as required under Code of Corporate Governance, 2012. During the year the Board remained actively involved in performing their duties under various laws and the Memorandum and Articles of Association of the Company with the ultimate objective of enhancing the profitability of the Company thus increasing shareholders' return.

During the year under review, five meetings of the Board of Directors were held for review of periodic financial statements as well as for consideration of significant and routine matters including those referred to it by the Board Committees. The number of meetings attended by each director during the year is shown below:

Sr. No.	Name	No. of meetings attended
1	Dr. Ghaith R. Pharaon*	05
2	Mr. Laith G. Pharaon*	05
3	Mr. Wael G. Pharaon*	05
4	Mr. Shuaib A. Malik	05
5	Mr. Abdus Sattar	05
6	Mr. Babar Bashir Nawaz	05
7	Mr. M. Adil Khattak	05

*Overseas directors attended the meetings either in person or through alternate directors

Meetings held outside Pakistan

During the year ended June 30, 2014, one meeting of Board of Directors was held outside Pakistan to review and approve half yearly financial accounts of the Company.

Audit Committee

The Audit Committee consists of three members comprising of non-executive directors including the Chairman having relevant expertise and experience. The Chairman of the committee is an independent director. The Audit Committee met five times during the year and these meetings were held prior to the Board meetings. Attendance by each member is as follows:

Sr. No.	Name	No. of meetings attended
1	Mr. Abdus Sattar	05
2	Mr. Babar Bashir Nawaz	05
3	Mr. Iqbal A. Khwaja	05

Human Resource and Remuneration Committee

The Board Human Resource and Remuneration Committee comprises of two non-executive directors and Chief Executive Officer. The Committee met once during the year to review the HR related policies and other agenda.

Sr. No.	Name	No. of meetings attended
1	Mr. Babar Bashir Nawaz	01
2	Mr. Shuaib A. Malik	01
3	Mr. M. Adil Khattak	01

Internal Audit Department

Our Internal Control Framework is a major part of our overall governance framework. It is fundamental to the successful operation, day-to-day running of a business and assists the Company in achieving its business objectives. The scope of internal control is very broad. It encompasses all controls incorporated into the strategic, governance and management processes, covering the company's entire range of activities and operations, and not just those directly related to financial operations and reporting.

Internal control as a process designed to provide reasonable assurance regarding the achievement of objectives in relation to the following:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

Internal auditors play an important role in evaluating the effectiveness of control systems and have a significant monitoring role because of authority and independency in the organisation.

Accelerating Growth

Long Service Award Ceremony 2014

CORPORATE SUSTAINABILITY

Human Resource Development

APL prides itself to be included amongst the leading OMCs of the country. Our most valued resource is our competent and committed workforce, powering Company's growth and contributing towards its corporate image. We invest in our human capital to maintain a healthy working relationship by providing an employee-friendly environment, nurturing their skills and talents. The management of APL is committed to induct talented and innovative professionals through a transparent and competitive process while complying with legal and ethical practices and APL code of conduct, maintaining its resolve to be an equal opportunity employer. Apart from compensation, APL organizes various activities to feed social appetite of our employees and enhance the level of comfort among their superiors and co-workers by maintaining an amicable relationship with our employees; we ensure their welfare while reducing risk of employee turnover.

To further improve effectiveness of business as well as human resource processes, APL is in process of implementing Human Resource Management System (HRMS) across the organization. The implementation of HRMS will further facilitate to streamline employee database management.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is the alignment of business operations with social values, integrating the interests of stakeholders.

APL's commitment to ethical conduct and strong corporate governance has helped us build a Company that has a recognized CSR program. Our management believes in the importance of all facets of CSR.

Responsibility

Sustainability

Profitability

Internship Opportunities: APL provides internship opportunities to fresh graduates from different disciplines in a manner that not only provides them the exposure of a corporate environment but also a platform to apply their academic skills in order to jump-start their professional careers. Students are provided with an opportunity to experience and preview the practical environment, building their professional confidence through its internship programs. During the year 22 students from different reputed universities / institutes were offered internships in various disciplines like Engineering, Finance and Accounts, Human Resource and Marketing and Sales.

Students Visits: APL welcomes visits by students from different universities to give them industry awareness. This year, a delegation of 15 students from NUST Business School visited APL. Students were briefed about working of different sections of Finance & Accounts and Marketing & Sales Departments of the Company.

Health, Safety and Environment Consciousness

Continuous improvement is the main focus throughout APL and is integral to its Health, Safety and Environment (HSE) program. Good performance in the field of environment, health and safety is a prerequisite for effective and profitable operation.

Employee Safety: APL ensures the employee safety by organizing different programs for awareness and training of employees. Periodic training and related events are conducted for the staff members for responsible, safe and ethical handling of all products. 18 fire drills were conducted during the current year. Relevant signages are displayed where needed and all the processes are checked for risks to avert any untoward events. There is a proper plan of emergency evacuation especially at Company's Bulk Oil Terminals.

Chemical Safety: Utmost care is taken to prevent any hazard from chemicals being used within the Company. Material Safety Data Sheet (MSDS) is strictly followed at all places where chemicals are used. An in-house workshop of "Oil spill management and prevention" was arranged during the current year to equip Company employees, involved in oil operations / handling, with the necessary knowledge of oil spill response and management.

The Company and its people are required to act responsibly at all times and at the same time, we are seeking to reduce our environmental footprint.

Energy Conservation

The Company has taken number of steps to optimise energy consumption at its various locations across the country by introducing energy efficient equipments like installing Light Emitting Diodes in pylons, spreaders and fascia. Before this initiative, a general site used to consume 11KW per hour of electricity which is now reduced to 2.5KW per hour only.

In addition, APL has planned to introduce the Variable Speed Drive System (VSD) initially at Machike and Rawalpindi Bulk Oil Terminals in next fiscal year which will results in saving around 20%-30% of energy.

Furthermore, employees are encouraged through on-going awareness programmes to conserve the use of electricity, gas and water. Emphasis is also made on minimum use of paper (for printing purposes) unless really needed, sharing of resources and other similar green-activities.

Training and Organizational Development

Assisting our employees' personal and professional development is one of the fundamental building blocks of our corporate growth. While implementing our principle of continuous improvement in all of our value chain, we carry out professional training programmes at various intervals for our human resources, our most important asset. We establish and appreciate the skills of every single employee and perform initiatives to encourage their professional development and improve their talents. Our fundamental trainings are composed of internal and external training programs. During the year, more than 112 employees were sent for training programs. Two In-house workshops were arranged on "Oil Spill Management and Response" and "Effective Self-Management". We value our employees' feedback regarding their trainings and workshops.

AUDITORS

The auditors Messrs A. F. Ferguson and Co., Chartered Accountants, a member firm of the PwC network, retire and are eligible for reappointment for the year 2014-15. The Audit Committee of the Board has recommended the re-appointment of the retiring auditors. The Board has recommended the same for the approval of the shareholders in the forthcoming Annual General Meeting.

FUTURE PLANS AND PROJECTS

On the back of less than satisfactory economic growth due to acute shortage of power and the war against terrorism, the POL products domestic consumption exhibited a meager recent four years Compounded Annual Growth Rate (CAGR) of 1.24 percent. Dependent upon the long-term solution of circular debt and simultaneous stabilization of domestic security environment, expected four years CAGR of POL products consumption is 2.62 percent.

In terms of product-wise forecast analysis, expected four years CAGR for MOGAS is 10 percent derived from expected increase in vehicle density and constrained supply of CNG. Expected four years CAGR for HSD is 2.00 percent, while for furnace oil, the demand has been kept constant on expectation of settlement of circular debt through phasing out of subsidies.

The deficit of domestic throughput in comparison to domestic demand for MOGAS is expected to increase on four years CAGR of 6.30 percent on the back of constrained domestic refining capacity for this product. HSD and HSFO/LSFO deficit is expected to retract over the next four years at a CAGR of 24.78 percent and 9.63 percent, respectively due to expected increased production of HSD and HSFO/LSFO by domestic refineries.
(Source: OCAC Pakistan Oil Report – 2012-13)

Keeping the above trends and analysis in mind; your Company is already planning for the future. The management and employees are consistently generating breakthrough ideas for stable and successful business growth policies with a special focus on sustainability of any project undertaken. Some of the major projects currently under progress are as follows:

- Establishment of Fuel Farm Facility at the New Benazir Bhutto International Airport - Islamabad. The project is a joint venture with Pakistan State Oil (PSO) Company Limited. The project is under-way and is expected to be commissioned by Fall 2015 which shall open new avenues for aviation and allied businesses for APL. The Company is expected to invest Rs 800 million in this venture.

- More land acquisitions for erecting state-of-the-art Bulk Oil Terminals at all strategic locations of the Country. The Company has been able to finalize deals in Shikarpur, Sahiwal, Habibabad regions for now and has greater vision to expand more in next phases and years to come. We also intend to construct these terminals hopefully by the end of next fiscal year. Company has budgeted Rs 980 million in this regard.

- Your Company is also working towards increasing its storage capacity in Karachi (under hospitality and own arrangements) to further strengthen its imports – with a special focus on FO and PMG in line with the industry and market trends.

- During the year much work has been done with respect to seeking all No Objection Certificates (NOCs) from various Government departments for development of a Bulk Oil Terminal at Mehmood Kot. This shall lead us to enter into the construction phase very soon.

- MoU with one of the leading Japanese company for joint business collaboration in marketing and blending of international lubricants brands in Pakistan is signed. This initiative will open new venues of business to flourish and grab market share in lube industry of Pakistan. Further progress and entering into a formal Joint Venture for boosting sales in different industry segments and synthetic oils is expected in the year to come.

- Implementation of next phase of up-gradation of all retail outlets (over the next few years) towards the Green Signage Program (the smart and energy efficient LED based lighting systems) to ensure its contribution towards a better and greener environment for the community and ensuring our commitment to the environment and the communities we work in.
- Striving for continuous improvements in everything that we do, the Company also intends to upgrade its terminals even further. In this regard, Automated Tank Gauges (ATG) on all its storage tanks will be undertaken; resulting in real-time accurate measurements/ data for all products. Online ERP system, enabling real time reporting and data management of day-to-day activities. Enhancement of storage facilities in-line with the forecasted demand in the future shall enable smooth supplies to our valuable clientele. Introduction of the Variable Speed Drive Systems (VSD) to further reduce electricity consumption are all little steps towards achieving higher efficiencies in all operational activities.
- Your Company also intends to enter into another new business segment; the testing and pre-launch of its Fleet Cards business. The up-gradation to an online ERP system shall now enable your Company to smoothly integrate its data-warehouses with the back-end servers of our technology partners. This is another great milestone which is scheduled to be achieved within the next year.

ACKNOWLEDGEMENT

Board acknowledges with thanks the continued support and patronage extended by our esteemed shareholders, Government of Pakistan and regulatory bodies that has given the Company confidence to achieve new milestones. The directors of the Company also place on record their sincere gratitude towards employees, customers and strategic partners for their dedication and commitment to achieve commendable results by the Company.

On behalf of the Board

Shuaib A. Malik
Chief Executive

Beirut, Lebanon.
August 14, 2014

Pattern of Shareholding

As on June 30, 2014

Corporate Universal Identification Number: 0035831

Form-34

Sr. No.	Number of Shareholders	Having Shares From	Having Shares To	Shares Held	Percentage
1	448	1	100	19,403	0.02
2	551	101	500	149,556	0.18
3	350	501	1,000	270,704	0.33
4	1,191	1,001	5,000	1,738,330	2.10
5	77	5,001	10,000	573,268	0.69
6	39	10,001	15,000	492,814	0.59
7	26	15,001	20,000	463,187	0.56
8	20	20,001	25,000	451,731	0.54
9	5	25,001	30,000	137,800	0.17
10	4	30,001	35,000	130,324	0.16
11	5	35,001	40,000	185,050	0.22
12	3	40,001	45,000	128,828	0.16
13	2	45,001	50,000	95,250	0.11
14	6	50,001	55,000	320,056	0.39
15	5	55,001	60,000	287,389	0.35
16	1	60,001	65,000	64,800	0.08
17	2	65,001	70,000	131,674	0.16
18	4	70,001	75,000	291,964	0.35
19	1	75,001	80,000	78,600	0.09
20	1	80,001	85,000	81,108	0.10
21	1	85,001	90,000	85,900	0.10
22	1	90,001	95,000	94,130	0.11
23	3	110,001	115,000	337,966	0.41
24	3	115,001	120,000	358,800	0.43
25	1	120,001	125,000	124,552	0.15
26	1	125,001	130,000	126,000	0.15
27	2	140,001	145,000	287,284	0.35
28	1	145,001	150,000	147,190	0.18
29	2	155,001	160,000	316,505	0.38
30	1	170,001	175,000	175,000	0.21
31	2	175,001	180,000	357,450	0.43
32	1	180,001	185,000	184,112	0.22
33	1	190,001	195,000	192,400	0.23
34	1	215,001	220,000	220,000	0.27
35	1	235,001	240,000	240,000	0.29
36	1	250,001	255,000	251,479	0.30
37	1	270,001	275,000	271,900	0.33
38	1	290,001	295,000	292,520	0.35
39	1	300,001	305,000	301,300	0.36
40	1	330,001	335,000	333,700	0.40
41	1	340,001	345,000	340,600	0.41
42	1	370,001	375,000	370,200	0.45
43	1	465,001	470,000	467,688	0.56
44	1	545,001	550,000	550,000	0.66
45	1	710,001	715,000	710,081	0.86
46	1	775,001	780,000	778,694	0.94
47	1	910,001	915,000	910,626	1.10
48	1	1,010,001	1,015,000	1,011,151	1.22
49	1	1,335,001	1,340,000	1,338,450	1.61
50	1	1,820,001	1,825,000	1,824,768	2.20
51	1	5,530,001	5,535,000	5,534,821	6.67
52	1	5,820,001	5,825,000	5,820,595	7.02
53	1	5,835,001	5,840,000	5,836,017	7.04
54	1	18,140,001	18,145,000	18,144,138	21.88
55	1	28,515,001	28,520,000	28,516,147	34.38
	2,783			82,944,000	100.00

Categories of Shareholders

As on June 30, 2014

SR. NO.	CATEGORIES	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
1	DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES & MINOR CHILDREN	9	5,626,481	6.78
2	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	5	60,141,665	72.51
3	NATIONAL INVESTMENT TRUST & INDUSTRIAL CORPORATION OF PAKISTAN	1	55,229	0.07
4	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS	12	4,312,393	5.20
5	INSURANCE COMPANIES	9	2,468,925	2.98
6	MODARABAS & MUTUAL FUNDS	29	1,499,987	1.81
7	FOREIGN COMPANIES	10	803,619	0.97
8	TRUSTS AND FUNDS	66	1,508,157	1.82
9	JOINT STOCK COMPANIES	64	988,227	1.19
10	GENERAL PUBLIC (LOCAL)	2,523	5,346,345	6.45
11	GENERAL PUBLIC (FOREIGN)	55	192,972	0.23
12	SHAREHOLDERS HOLDING 10% OR MORE SHARES	2	46,660,285	56.26

Information Required
Under Code of Corporate Governance

	NUMBER OF SHAREHOLDERS	SHARES HELD
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		
Pharaon Investment Group Limited Holding s.a.l.	1	28,516,147
Attock Refinery Limited	1	18,144,138
Attock Petroleum Limited Employees Welfare Trust	1	5,836,017
Pakistan Oilfields Limited	1	5,820,595
The Attock Oil Company Limited	1	1,824,768
	5	60,141,665
MUTUAL FUNDS		
CDC - Trustee PICIC Energy Fund	1	467,688
CDC - Trustee Al-Ameen Shariah Stock Fund	1	292,520
CDC - Trustee Meezan Islamic Fund	1	251,479
CDC - Trustee Pakistan Stock Market Fund	1	124,552
CDC - Trustee UBL Asset Allocation Fund	1	49,650
CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	41,920
CDC - Trustee PICIC Stock Fund	1	35,000
CDC - Trustee NIT-Equity Market Opportunity Fund	1	23,148
CDC - Trustee KSE Meezan Index Fund	1	22,189
CDC - Trustee First Capital Mutual Fund	1	22,100
CDC - Trustee ABL Stock Fund	1	20,400
CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund-Equity Sub Fund	1	17,700
CDC - Trustee Pak. Int. Element Islamic Asset Allocation Fund	1	16,500
CDC - Trustee PICIC Islamic Stock Fund	1	15,500
Trustee - Pakistan Pension Fund - Equity Sub Fund	1	15,195
CDC - Trustee APIF - Equity Sub Fund	1	15,000
CDC - Trustee Al Meezan Mutual Fund	1	12,240
CDC - Trustee Al-Ameen Islamic Asset Allocation Fund	1	10,400
CDC - Trustee Askari Equity Fund	1	8,950
CDC - Trustee Meezan Capital Protected Fund-II	1	6,480
CDC - Trustee HBL IPF Equity Sub Fund	1	5,640
CDC - Trustee Pak Strategic Alloc. Fund	1	5,380
CDC - Trustee JS Islamic Pension Savings Fund-Equity Account	1	5,000
Trustee - Pakistan Islamic Pension Fund - Equity Sub Fund	1	4,600
CDC - Trustee Pakistan Capital Market Fund	1	4,300
CDC - Trustee AKD Index Tracker Fund	1	3,900
CDC - Trustee Atlas Islamic Stock Fund	1	1,800
MC FSL - Trustee JS KSE-30 Index Fund	1	755
CDC - Trustee Nafa Multi Asset Fund	1	1
	29	1,499,987
DIRECTORS, THEIR SPOUSES AND MINOR CHILDREN		
Dr. Ghaith R. Pharaon	1	1
Mr. Laith G. Pharaon	1	1
Mr. Wael G. Pharaon	1	1
Mr. Shuaib A. Malik	1	5,534,821
Mr. Abdus Sattar	1	600
Mr. Babar Bashir Nawaz	1	1
Mr. M. Adil Khattak	1	35,252
Mr. Iqbal A. Khwaja	1	13,296
Mr. Rehmat Ullah Bardaie	1	42,508
	9	5,626,481

	NUMBER OF SHAREHOLDERS	SHARES HELD
EXECUTIVES	7	115,505
PUBLIC SECTOR COMPANIES AND CORPORATIONS	1	184,112
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS	41	7,672,322
SHAREHOLDERS HOLDING 5% OR MORE VOTING RIGHTS		
Pharaon Investment Group Limited Holding s.a.l.	1	28,516,147
Attock Refinery Limited	1	18,144,138
Attock Petroleum Limited Employees Welfare Trust	1	5,836,017
Pakistan Oilfields Limited	1	5,820,595
Mr. Shuaib A. Malik	1	5,534,821
	5	63,851,718

Trade in shares by Directors, Executives and their spouses and minor children during 2013-14:

No trade was made by Directors, Executives*, their spouses and minor children from July 01, 2013 to June 30, 2014 in the shares of Company.

* "Executive means Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and other employees of the Company who are drawing an annual basic salary of Rs. 500,000 or more."

Calendar of Major Events

11th September 2013	1	Entered into an agreement with Habib Bank Limited (HBL) for the installation of ATMs on company's retail network
1st October 2013	2	Won 90% of the Fuel Supply Contract and 100% Jet Fuel (JP-1) Contract with Pakistan Airforce for the fiscal year 2014-15
1st November 2013	3	Complete branding of all dispensing units on all major retail outlets throughout the country thereby adding more life onto the forecourt of our outlets
1st November 2013	4	Entered into contracts with FWO for supply of Bitumen Bulk/Packed and Cutbacks
10th November 2013	5	Entered into an agreement for supply of Bitumen with renowned construction company
1st January 2014	6	Introduced new branded tank lorries (carriage fleet) having state-of-the-art standards in the market thereby increasing our visual presence on the roads throughout Pakistan

Date	No.	Event
1st March 2014	7	Introduced new branded mobile quality assurance vehicles thereby ensuring highest product quality standard throughout our retail network and to fulfill customer demand
1st April 2014	8	Crossed a major milestone of commissioning our 450th Retail Outlet within Pakistan
10th June 2014	9	Memorandum of Understanding signed with the leading lubricants company in Japan in order to provide high-end synthetic oil based lubricants to customers in Pakistan
30th June 2014	10	Purchased land for construction of Bulk Oil Storage Terminals at Sahiwal and Habibabad
30th June 2014	11	Base Station of Satellite Trackers for carriage fleet has been established for real-time monitoring of loads/supplies

IT Governance

As businesses evolve and adapt to the changing market dynamics, they require a flexible approach to Information Technology introduction and utilization for achieving their strategic goals and objectives.

Information Systems Strategic Planning

The APL IT Committee oversees the requirements and supervises the introduction of new automated functionalities required for optimal business operations. Generic and industry-specific Best Practices are also reviewed and incorporated in to APL functions.

Business Alignment with Information Technology

APL is endeavoring to transform its strategic vision into automated systems that encapsulate the APL Business Cycle in to a web based environment to process and track every key transaction in a real time environment.

Business Process Streamlining

Business Processes are being continuously mapped, documented, re-engineered and improved upon for transformation in to automated functions. Plans are also being developed for introduction of an automated Work Flow System.

IT for Internal Controls

Automated controls are being incorporated at each step of the APL Supply Chain to check

Delivering Performance

and validate information being entered to reduce the possibility of human error. System generated audit and consistency mechanism are being planned to ensure system integrity.

Real Time Reporting for Decision Making

An Online Real Time System opens up the possibilities for Real Time Reporting and Real Time Decision Making: Business outcomes can be positively impacted when actionable data is on hand in real time.

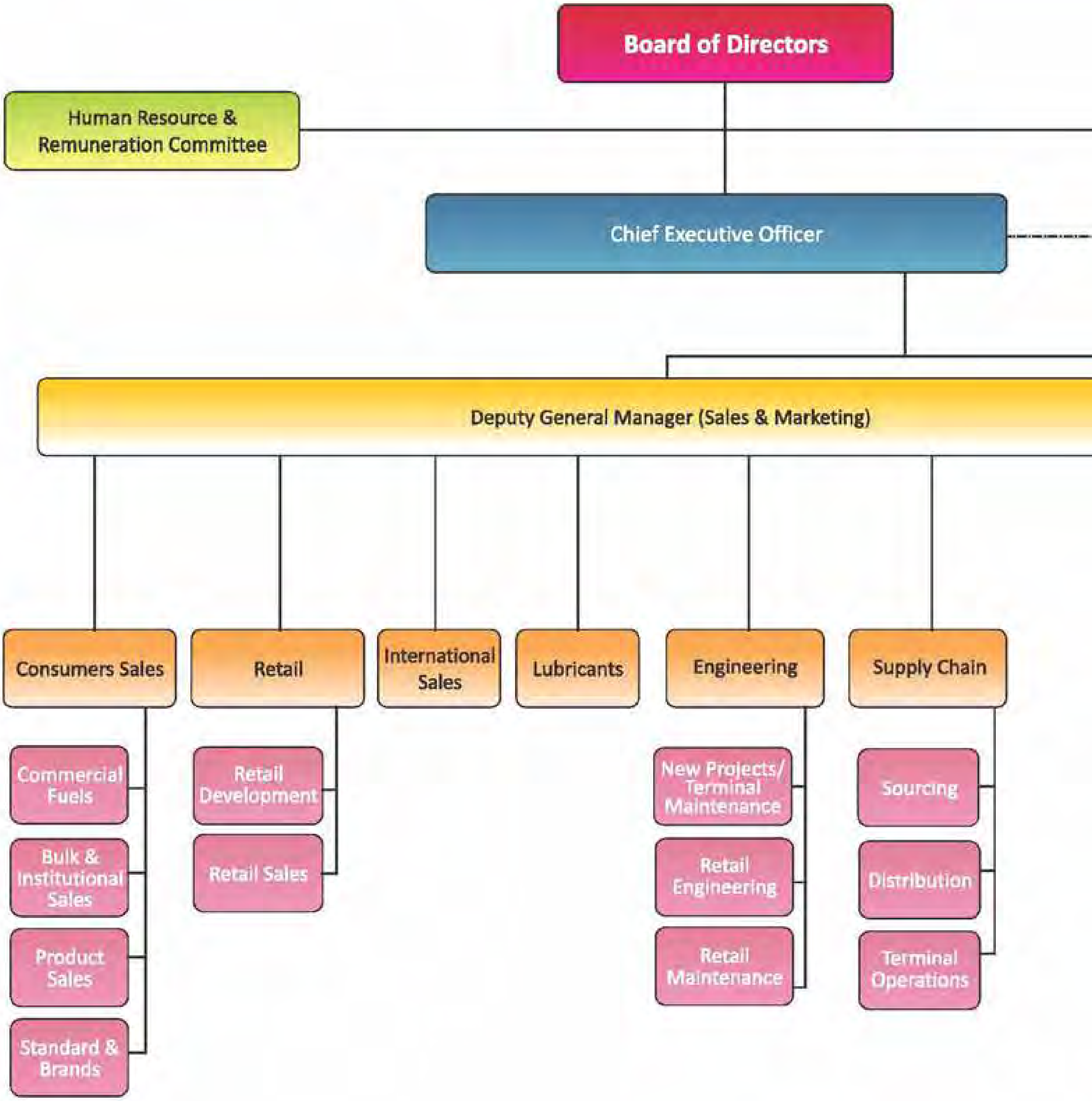
Business Intelligence for Planning and Forecasting

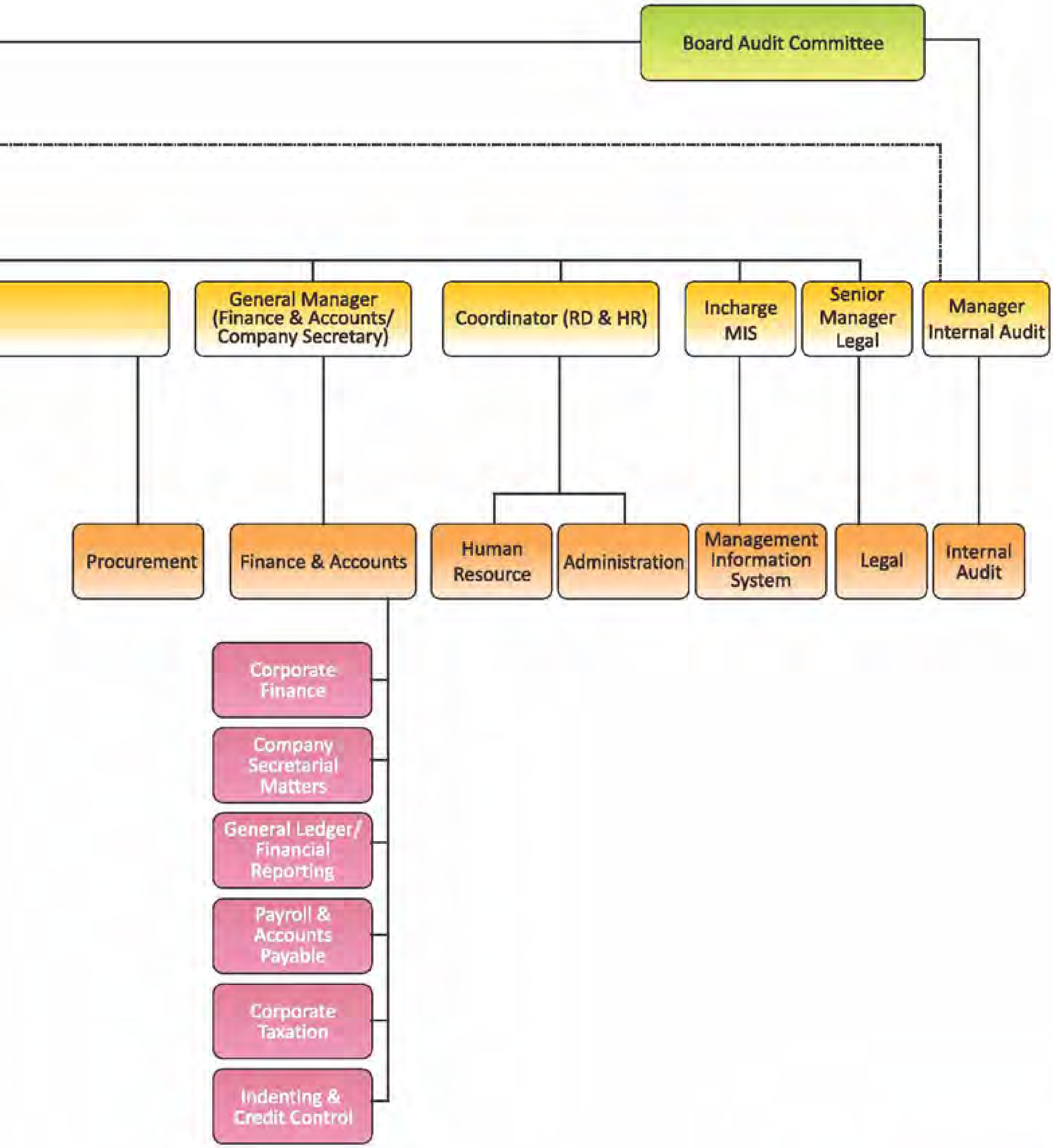
APL is continuing to explore Business Intelligence Tools and Technologies that will provide insights in to the hows and whys of the Business through dashboards and analytical drill-downs across all business areas and functions. This will open up the possibilities for targeted planning and forecasting based on existing data and what-if scenarios.

Value Addition and Return on Investment

APL has an on-going commitment to continuously improve upon its IT infrastructure, technologies, processes and procedures. This directly translates in to improved controls, enhanced reporting, optimized procedures and better overall performance. Key Performance Indicators are being developed to quantify the value added to various business functions across APL.

Organizational Chart




Board Audit Committee
General Manager (Finance & Accounts/ Company Secretary)
Coordinator (RD & HR)
Incharge MIS
Senior Manager Legal
Manager Internal Audit
Procurement
Finance & Accounts
Human Resource
Administration
Management Information System
Legal
Internal Audit
Corporate Finance
Company Secretarial Matters
General Ledger/ Financial Reporting
Payroll & Accounts Payable
Corporate Taxation
Indenting & Credit Control

pwc

A.F. FERGUSON & CO.

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Attock Petroleum Limited for the year ended June 30, 2014, to comply with the requirements of Listing Regulation No. 35xl of the Karachi Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2014.

Chartered Accountants
Islamabad
August 14, 2014

Engagement partner: Sohail M. Khan

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2870045-8; Fax: +92 (51) 2277924; < www.pwc.com/pk>

Karachi: State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan; Tel. +92 (21) 32426682-5/32426711-5; Fax: +92 (21) 32415007
Lahore: 23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O. Box 39, Lahore-54660, Pakistan; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872
Kabul: Apartment No 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320

Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2014

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in regulation No. 35 xi of the Listing Regulations of the Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director*	Mr. Abdus Sattar
Non Executive Directors	Dr. Ghaith R. Pharaon Mr. Laith G. Pharaon Mr. Wael G. Pharaon Mr. Babar Bashir Nawaz Mr. M. Adil Khattak Mr. Iqbal A. Khwaja (Alternate Director)
Executive Directors	Mr. Shuaib A. Malik Mr. Rehmat Ullah Bardaie (Alternate Director)

*The independent director meets the criteria of independence under clause i(b) of the Code 2002 since the present Board was elected in March 2012, prior to issuance of the revised Code in April 2012. The Code 2012 requires at least one independent director as per the definition of independent director, which would be applicable from next election of directors.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution or a Non-Banking Financial Institution, or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board during the year.

5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed vision and mission statements, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of Board meetings, along with agenda and working papers, were circulated at least seven days before the

meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Most of the Directors meet the exemption requirement of the directors' training program and two of the Directors have attained this certification. The remaining directors shall obtain certification under directors' training program upto 2016.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises three members of whom all are non-executive directors and the chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two members including the chairman are non-executive directors.

18. The Board has set up an effective internal audit function.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim /final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the Code have been complied with.

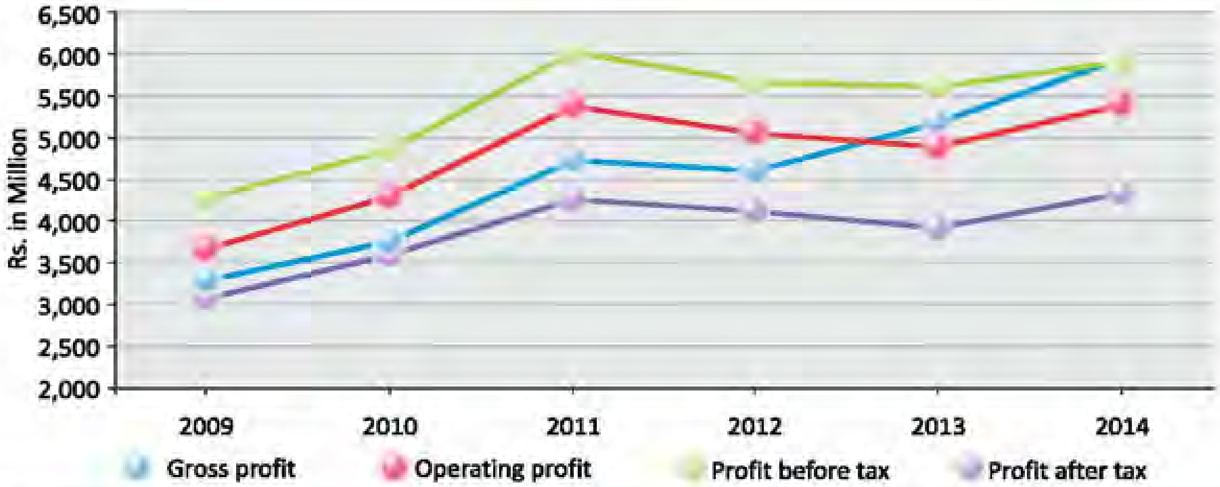
On behalf of the Board

Shuaib A. Malik
Chief Executive

Beirut, Lebanon.
August 14, 2014

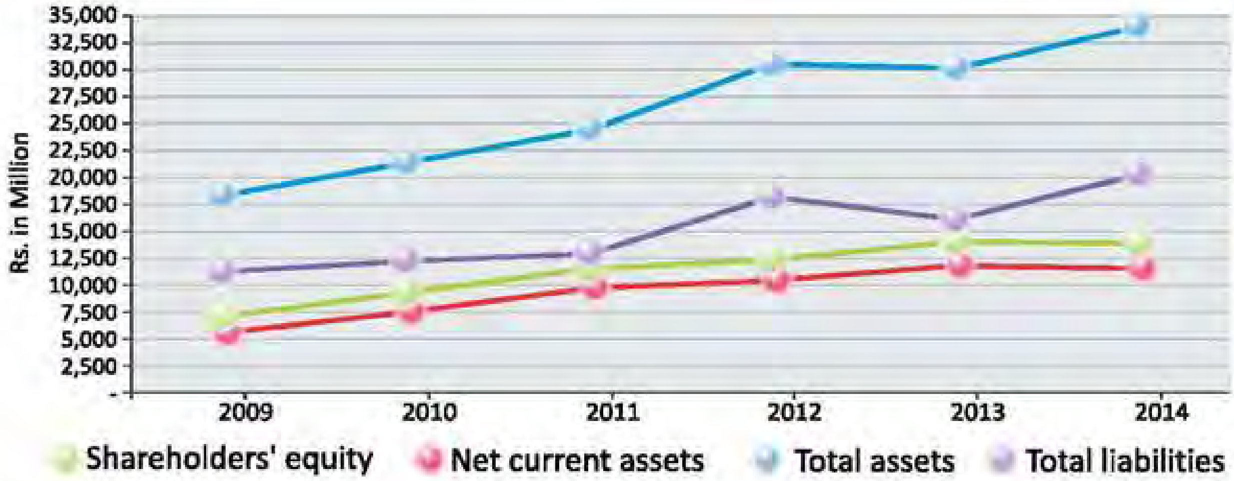
Six Years at a Glance

		2014	2013	2012	2011	2010	2009
Profit and Loss Summary							
Sales volumes	Metric Tons	2,190,293	1,837,357	1,761,682	1,593,336	1,436,891	1,259,404
Net sales	Rs thousand	205,162,911	164,710,177	152,843,437	109,394,725	82,791,918	61,863,152
Gross profit	Rs thousand	5,942,294	5,176,801	4,587,853	4,714,218	3,759,884	3,292,350
Operating profit	Rs thousand	5,381,469	4,873,355	5,050,460	5,374,298	4,282,497	3,659,248
Profit before tax	Rs thousand	5,906,565	5,593,404	5,646,740	6,017,511	4,846,309	4,280,419
Profit after tax	Rs thousand	4,326,764	3,906,534	4,120,315	4,256,511	3,594,309	3,082,419
Profit before interest, tax, dep--reciation and amortization (EBITDA)	Rs thousand	6,228,433	5,817,731	5,822,179	6,162,575	4,973,607	4,363,053



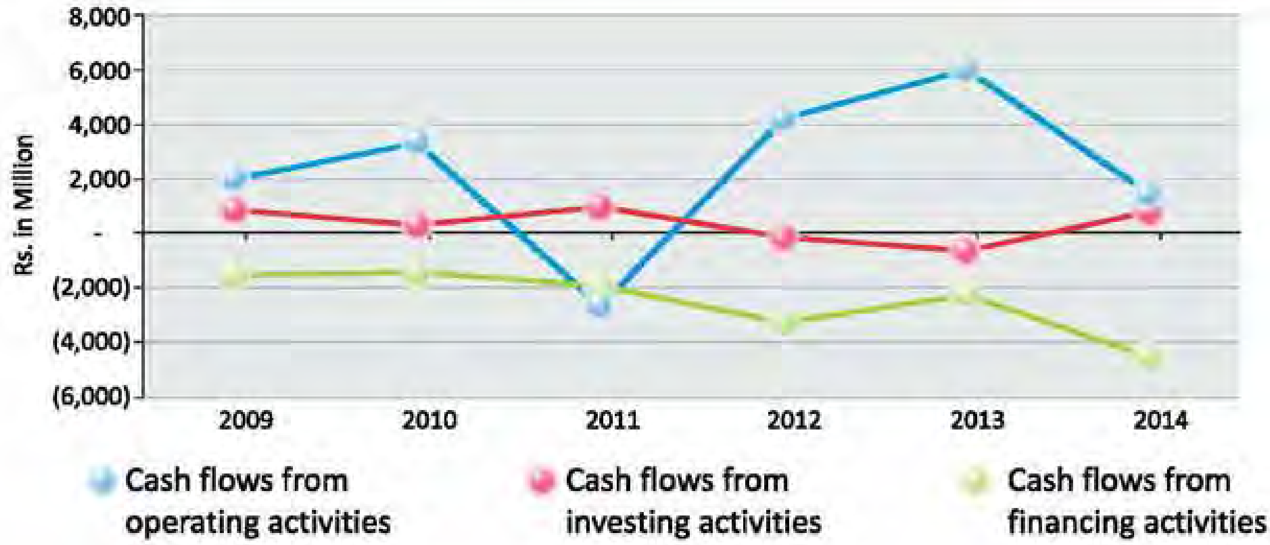
Net sales in 2014 increased by 25% from 2013 due to increase in volume sold and average prices of products and accordingly profitability increased by 11% as compared to 2013.

		2014	2013	2012	2011	2010	2009
Balance Sheet Summary							
Share capital	Rs thousand	829,440	691,200	691,200	691,200	576,000	576,000
Reserves	Rs thousand	12,970,282	13,352,257	11,692,123	10,855,008	8,660,577	6,506,268
Shareholders' equity	Rs thousand	13,799,722	14,043,457	12,383,323	11,546,208	9,236,577	7,082,268
Non-Current Liabilities	Rs thousand	581,682	462,871	412,729	320,316	288,908	251,538
Current assets	Rs thousand	31,248,819	27,356,666	28,062,795	22,247,396	19,429,233	16,408,160
Current liabilities	Rs thousand	19,704,460	15,591,191	17,735,089	12,613,827	11,917,167	10,938,626
Net current assets	Rs thousand	11,544,359	11,765,475	10,327,706	9,633,569	7,512,066	5,469,534
Property, plant and equipment	Rs thousand	1,931,085	1,862,742	1,601,576	1,374,767	1,217,217	1,130,875
Other Non-Current Assets	Rs thousand	905,960	878,111	866,770	858,188	796,202	733,397
Capital expenditure during the year	Rs thousand	392,261	485,684	402,248	308,200	215,396	293,032
Total Assets	Rs thousand	34,085,864	30,097,519	30,531,141	24,480,351	21,442,652	18,272,432
Total Liabilities	Rs thousand	20,286,142	16,054,062	18,147,818	12,934,143	12,206,075	11,190,164



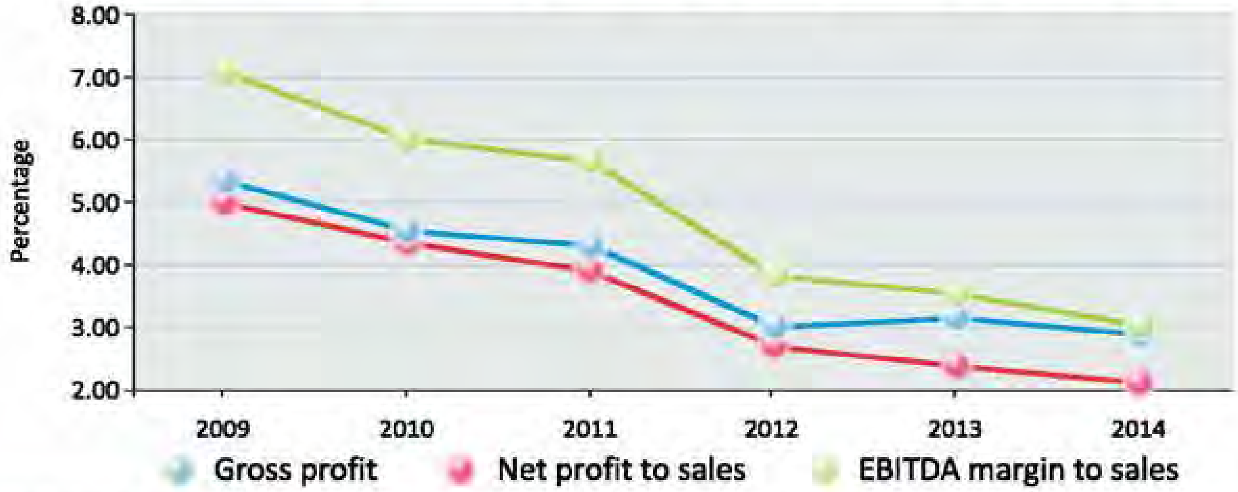
Equity and net current assets in 2014 decreased by 2% each over 2013 due to profit distribution to shareholders. Expenditure incurred on construction of retail outlets led to increase in the non-current assets by 4%.

		2014	2013	2012	2011	2010	2009
Cash Flow Summary							
Cash flows of operating activities	Rs thousand	1,456,813	6,035,751	4,213,709	(2,668,549)	3,358,779	1,999,307
Cash flows of investing activities	Rs thousand	778,567	(636,059)	(155,887)	966,107	318,114	849,611
Cash flows of financing activities	Rs thousand	(4,555,092)	(2,244,902)	(3,278,768)	(1,944,108)	(1,437,573)	(1,533,404)
Effect of exchange rate changes	Rs thousand	(153)	1,797	4,470	1,903	623	1,505
Net change in cash and cash equivalents	Rs thousand	(2,319,865)	3,156,587	783,524	(3,644,647)	2,239,943	1,317,019
Cash & cash equivalents at end of the year	Rs thousand	7,650,452	9,970,317	6,813,730	6,030,206	9,674,853	7,434,910



In 2014, the Company's net cash and cash equivalents decreased by Rs. 2,320 million mainly due to utilization of cash for payment of dividends.

		2014	2013	2012	2011	2010	2009
Profitability and Operating Ratios							
Gross profit	%	2.90	3.14	3.00	4.31	4.54	5.32
Net profit to sales	%	2.11	2.37	2.70	3.89	4.34	4.98
EBITDA margin to sales	%	3.04	3.53	3.81	5.63	6.01	7.05
Operating leverage	%	22.80	(12.17)	(15.51)	75.21	39.08	131.39
Return on equity	%	31.08	29.56	34.44	40.96	44.05	48.86
Return on capital employed	%	31.08	29.56	34.44	40.96	44.05	48.86

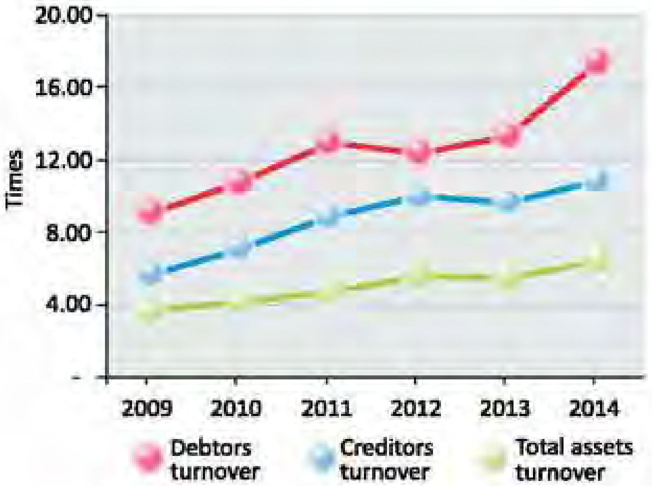


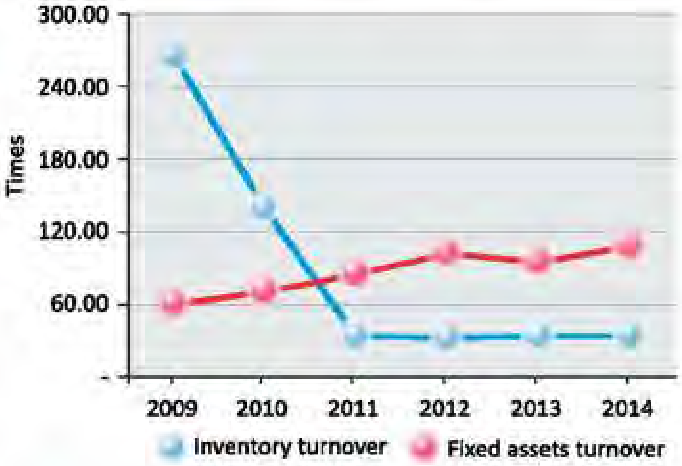
In 2014, decrease in average profit margins on petroleum products and increase in operating expenses due to stiff competition resulted in decrease in profitability ratios.

		2014	2013	2012	2011	2010	2009
Liquidity Ratios							
Current	Times	1.59	1.75	1.58	1.76	1.63	1.50
Quick / Acid test ratio	Times	1.24	1.42	1.35	1.35	1.55	1.49
Cash to current liabilities	Times	0.39	0.64	0.38	0.48	0.81	0.68
Cash flows from operations to sales	Times	0.01	0.04	0.03	(0.02)	0.04	0.03

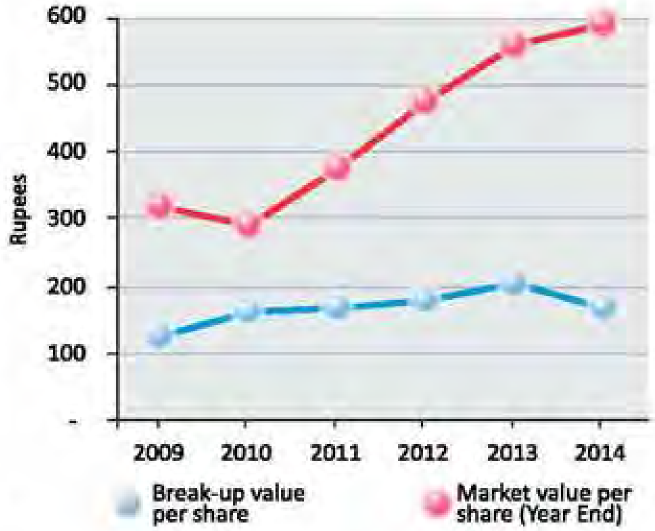
In 2014, the liquidity ratios are lower compared to last year due to decrease in cash and bank balances on account of decrease in cash generation from operations and utilization of cash for payment of dividend.

		2014	2013	2012	2011	2010	2009
Activity / Turn Over Ratios							
Inventory turnover	Times	33.36	34.23	31.50	33.55	139.29	265.87
No. of days in inventory		11	11	12	11	3	1
Debtors turnover	Times	17.42	13.36	12.40	12.95	10.73	9.06
No. of days in receivables		21	27	29	28	34	40
Creditors Turnover	Times	11.41	9.65	9.97	8.86	7.09	5.70
No of days in payables		32	38	37	41	51	64
Total assets turnover	Times	6.39	5.43	5.56	4.76	4.17	3.66
Fixed assets turnover	Times	108.16	95.09	102.71	84.41	70.52	60.25
Operating cycle	Days	(0)	0	4	(2)	(15)	(22)
Number of retail outlets		468	414	362	318	277	246





		2014	2013	2012	2011	2010	2009
Investment / Market Ratios							
Basic and diluted EPS	Rs	52.16	56.52	59.61	61.58	62.40	53.51
Basic and diluted EPS (restated)	Rs	52.16	47.10	49.68	51.32	43.33	37.16
Price earning	Times	11.31	9.93	7.96	6.08	4.63	5.94
Dividend yield	%	9.01	8.96	11.98	12.08	8.61	9.16
Dividend payout	%	91.06	79.62	83.88	67.39	48.08	46.72
Dividend cover	Times	1.10	1.26	1.19	1.48	2.08	2.14
Cash dividends	Rs thousand	3,939,840	3,110,400	3,456,000	2,868,480	1,728,000	1,440,000
Cash dividend per share	Rs	47.50	45.00	50.00	41.50	30.00	25.00
Bonus shares issued	Rs thousand	-	138,240	-	-	115,200	-
Bonus per share	%	-	20.00	-	-	20.00	-
Break-up value per share	Rs	166.37	203.18	179.16	167.05	160.36	122.96
Market value per share							
Year end	Rs	590	561	474	374	289	318
Highest (during the year)	Rs	607	585	478	401	405	432
Lowest (during the year)	Rs	414	471	316	281	275	130

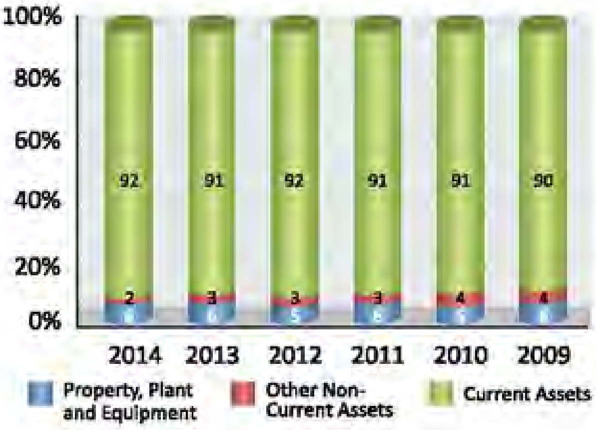


		2014	2013	2012	2011	2010	2009
Capital Structure Ratios							
Debt to equity		0:100	0:100	0:100	0:100	0:100	0:100
Financial leverage		-	-	-	-	-	-
Weighted average cost of debt		-	-	-	-	-	-
Interest cover		-	-	-	-	-	-
Market Share	%	10.1	9.3	9.1	7.9	7.0	6.6
(Source: OCAC)							

Vertical Analysis

	2014		2013	
	Rs ('000)	%	Rs ('000)	%
Balance Sheet Items				
Property, Plant and Equipment	1,931,085	5.7	1,862,742	6.2
Other Non-Current Assets	905,960	2.6	878,111	2.9
Current Assets	31,248,819	91.7	27,356,666	90.9
Total Assets	**34,085,864**	**100.0**	**30,097,519**	**100.0**
Shareholders' Equity	13,799,722	40.5	14,043,457	46.7
Non- Current Liabilities	581,682	1.7	462,871	1.5
Current Liabilities	19,704,460	57.8	15,591,191	51.8
Total Shareholders' Equity & Liabilities	**34,085,864**	**100.0**	**30,097,519**	**100.0**
Profit & Loss Items				
Net Sales	**205,162,911**	**100.0**	**164,710,177**	**100.0**
Cost of Products Sold	199,220,617	97.1	159,533,376	96.9
Gross Profit	5,942,294	2.9	5,176,801	3.1
Operating Profit	5,381,469	2.6	4,873,355	3.0
Profit before Taxation	5,906,565	2.9	5,593,404	3.4
Profit for the Year	4,326,764	2.1	3,906,534	2.4

Composition of Assets

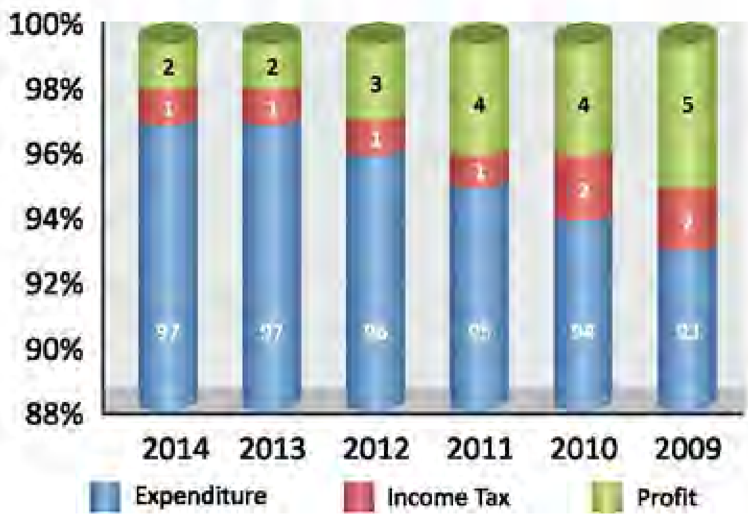


Composition of Total Liabilities & Shareholders' Equity

In the balance sheet, total assets comprise of current assets 91.7% and non-current assets 8.3% which is more or less same as that of last year. On the other side, the ratio of total liabilities to shareholders' equity is 60:40 as compared to last year of 53:47. This change is due to decrease in shareholders' equity on account of payment of dividend.

2012		2011		2010		2009	
Rs ('000)	%	Rs ('000)	%	Rs ('000)	%	Rs ('000)	%
1,601,576	5.3	1,374,767	5.6	1,217,217	5.7	1,130,875	6.2
866,770	2.8	858,188	3.5	796,202	3.7	733,397	4.0
28,062,795	91.9	22,247,396	90.9	19,429,233	90.6	16,408,160	89.8
30,531,141	**100.0**	**24,480,351**	**100.0**	**21,442,652**	**100.0**	**18,272,432**	**100.0**
12,383,323	40.6	11,546,208	47.2	9,236,577	43.1	7,082,268	38.8
412,729	1.4	320,316	1.3	288,908	1.3	251,538	1.4
17,735,089	58.0	12,613,827	51.5	11,917,167	55.6	10,938,626	59.9
30,531,141	**100.0**	**24,480,351**	**100.0**	**21,442,652**	**100.0**	**18,272,432**	**100.0**
152,843,437	**100.0**	**109,394,725**	**100.0**	**82,791,918**	**100.0**	**61,863,152**	**100.0**
148,255,584	97.0	104,680,507	95.7	79,032,034	95.5	58,570,802	94.7
4,587,853	3.0	4,714,218	4.3	3,759,884	4.5	3,292,350	5.3
5,050,460	3.3	5,374,298	4.9	4,282,497	5.2	3,659,248	5.9
5,646,740	3.7	6,017,511	5.5	4,846,309	5.9	4,280,419	6.9
4,120,315	2.7	4,256,511	3.9	3,594,309	4.3	3,082,419	5.0

Composition of Profit and loss

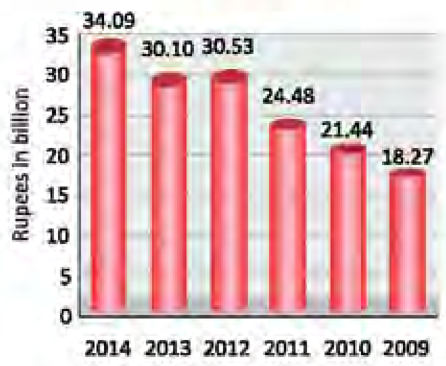


During 2014, in profit and loss, cost of products sold consumed major portion (97.1%) of net sales due to increase in purchase price of petroleum products.

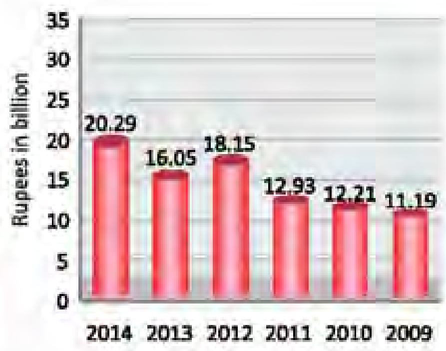
Horizontal Analysis

	2014		2013	
	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)
Balance Sheet Items				
Property, Plant and Equipment	1,931,085	3.7	1,862,742	16.3
Other Non-Current Assets	905,960	3.2	878,111	1.3
Current Assets	31,248,819	14.2	27,356,666	(2.5)
Total Assets	**34,085,864**	**13.3**	**30,097,519**	**(1.4)**
Shareholders' Equity	13,799,722	(1.7)	14,043,457	13.4
Non- Current Liabilities	581,682	25.7	462,871	12.1
Current Liabilities	19,704,460	26.4	15,591,191	(12.1)
Total Shareholders' Equity & Liabilities	**34,085,864**	**13.3**	**30,097,519**	**(1.4)**
Profit & Loss Items				
Net Sales	**205,162,911**	**24.6**	**164,710,177**	**7.8**
Cost of Products Sold	199,220,617	24.9	159,533,376	7.6
Gross Profit	5,942,294	14.8	5,176,801	12.8
Operating Profit	5,381,469	10.4	4,873,355	(3.5)
Profit Before Taxation	5,906,565	5.6	5,593,404	(0.9)
Profit for the Year	4,326,764	10.8	3,906,534	(5.2)

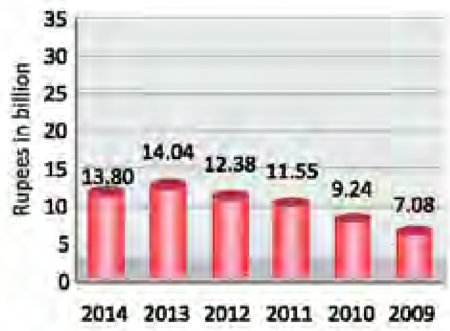
Total Assets



Total Liabilities



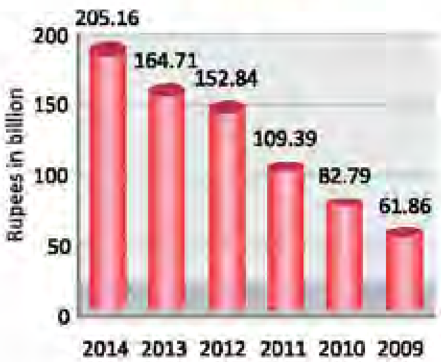
Total Shareholders' Equity



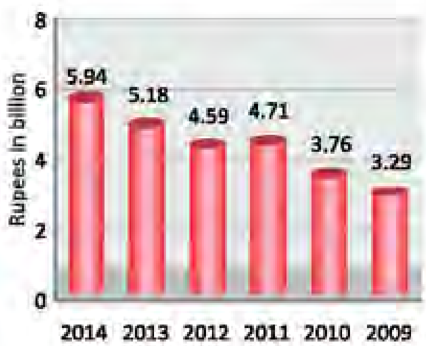
In 2014, Property, plant and equipment increased by 4% representing expenditure on construction of retail outlets. Current assets increased by 14% due to increase in receivables from Power Producers and other customers. This also resulted in corresponding increase in amounts payable under current liabilities. Shareholders' equity decreased by 2% due to higher distribution of profits to shareholders.

2012		2011		2010		2009	
Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)
1,601,576	16.5	1,374,767	12.9	1,217,217	7.6	1,130,875	22.6
866,770	1.00	858,188	7.8	796,202	8.6	733,397	3.4
28,062,795	26.1	22,247,396	14.5	19,429,233	18.4	16,408,160	18.2
30,531,141	**24.7**	**24,480,351**	**14.2**	**21,442,652**	**17.3**	**18,272,432**	**17.8**
12,383,323	7.3	11,546,208	25.0	9,236,577	30.4	7,082,268	27.9
412,729	28.9	320,316	10.9	288,908	14.9	251,538	86.1
17,735,089	40.6	12,613,827	5.8	11,917,167	8.9	10,938,626	11.1
30,531,141	**24.7**	**24,480,351**	**14.2**	**21,442,652**	**17.3**	**18,272,432**	**17.8**
152,843,437	**39.7**	**109,394,725**	**32.1**	**82,791,918**	**33.8**	**61,863,152**	**16.2**
148,255,584	41.6	104,680,507	32.5	79,032,034	34.9	58,570,802	16.0
4,587,853	(2.7)	4,714,218	25.4	3,759,884	14.2	3,292,350	19.8
5,050,460	(6.0)	5,374,298	25.5	4,282,497	17.0	3,659,248	11.2
5,646,740	(6.2)	6,017,511	24.2	4,846,309	13.2	4,280,419	21.3
4,120,315	(3.2)	4,256,511	18.4	3,594,309	16.6	3,082,419	16.7

Net Sales



Gross Profit

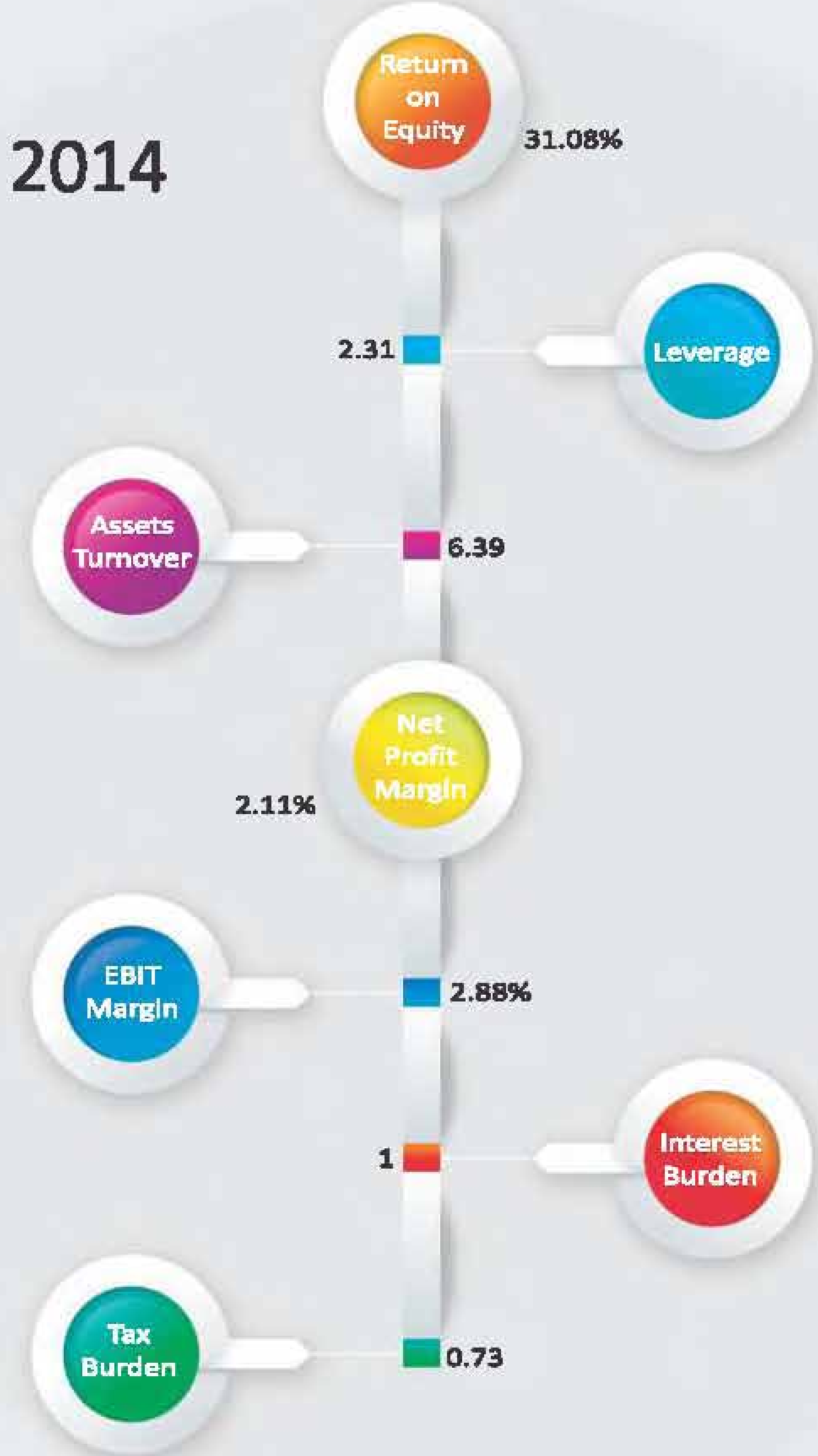


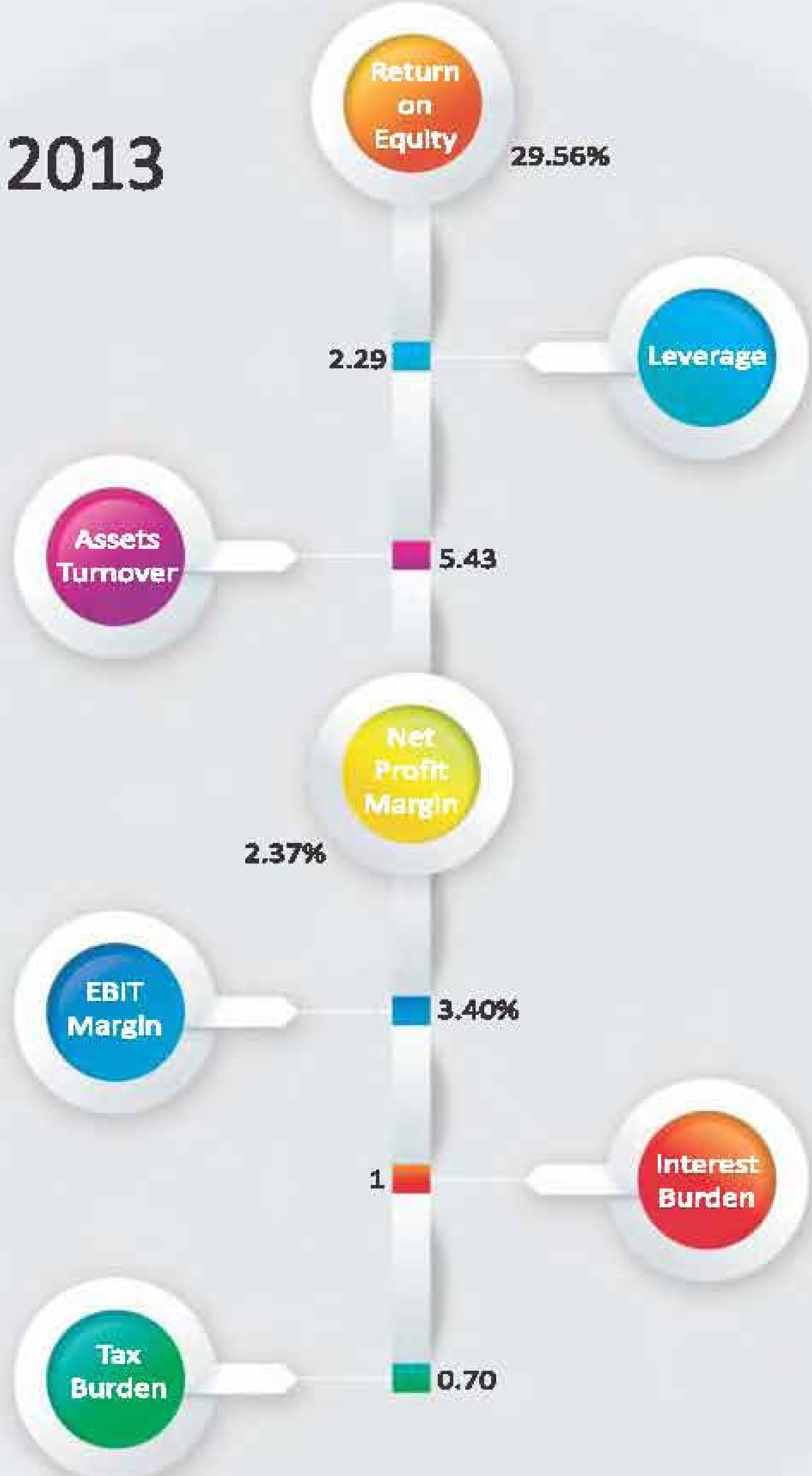
Net Profit

Net sales in 2014 increased by 25% from 2013 due to increase in volume sold and average prices of products and accordingly profitability increased by 11% as compared to 2013.

DuPont Analysis

In the year 2014, Return on Equity (ROE) increased in comparison to 2013 by improving net margin and use of total assets more effectively.

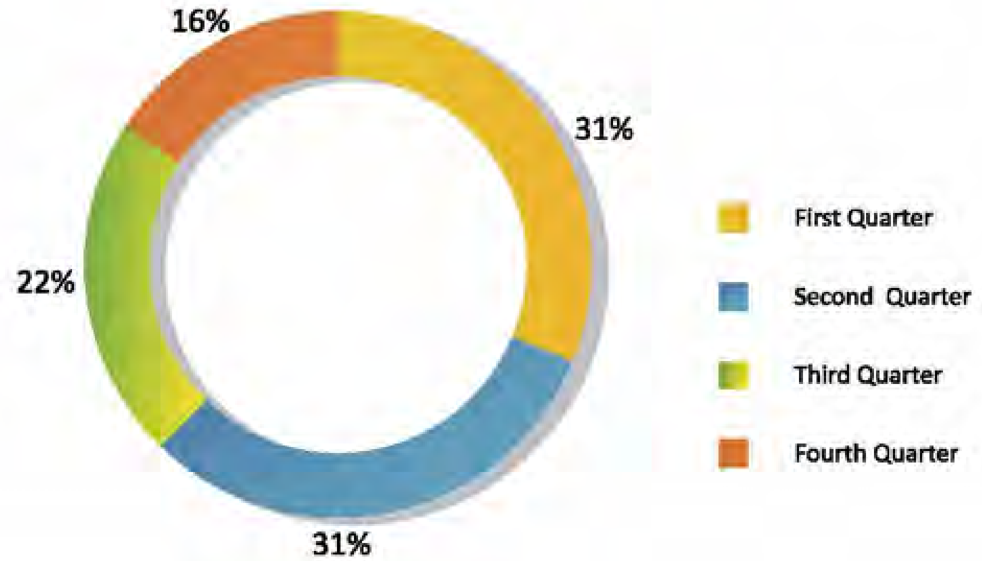



2013
Return on Equity
29.56%
2.29
Leverage
Assets Turnover
5.43
Net Profit Margin
2.37%
EBIT Margin
3.40%
1
Interest Burden
Tax Burden
0.70

Analysis of variation
in results of interim reports with the final accounts

	Total Rs ('000)	Fourth Quarter Rs ('000)	Third Quarter Rs ('000)	Second Quarter Rs ('000)	First Quarter Rs ('000)
Profit & Loss Items					
Net Sales	205,162,911	58,497,850	48,053,663	51,298,192	47,313,206
Gross Profit	5,942,294	1,005,220	1,157,363	1,831,565	1,948,146
Profit Before Taxation	5,906,565	860,240	1,365,911	1,734,480	1,945,934
Net Profit	4,326,764	677,400	980,474	1,327,956	1,340,934
Earnings Per Share (Rupees)	52.16	8.16	11.82	16.01	16.17

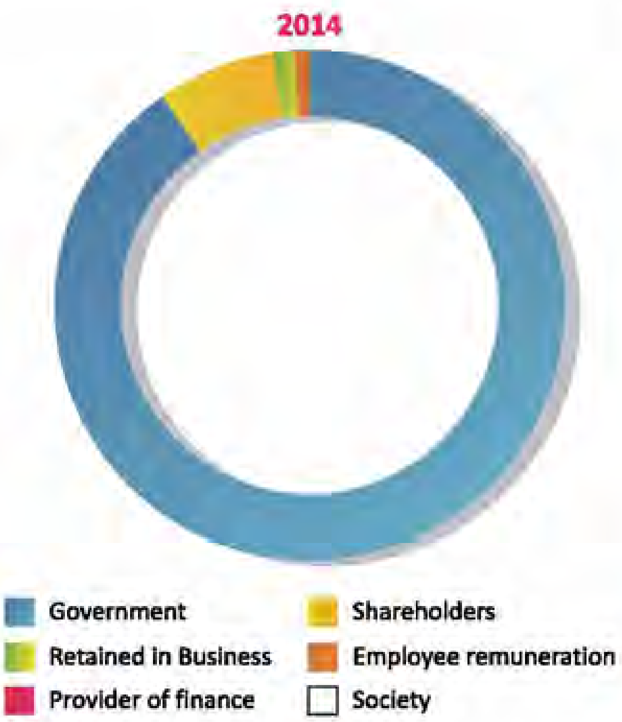
Net Profit

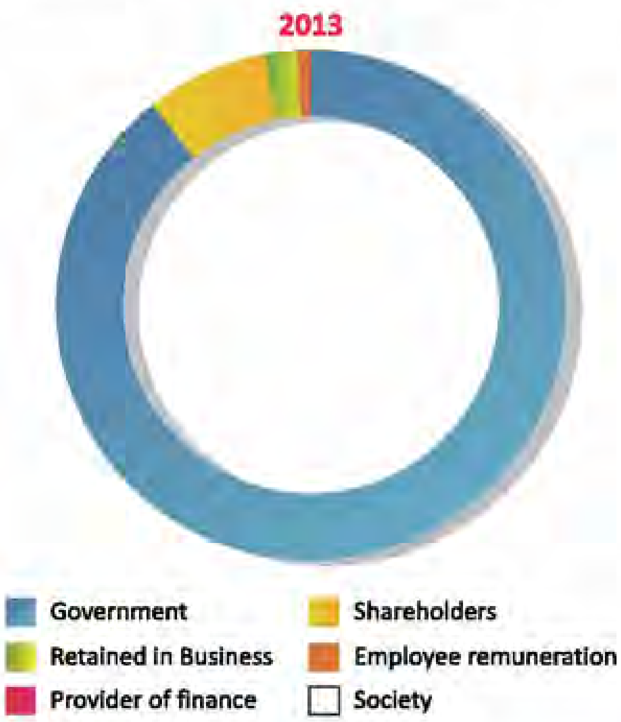


Contribution to total net profit from first quarter (31%) and second quarter (31%) of the year remained highest due to better product mix, funds management and inventory management.

Statement of Value Added

	2014 Rs in thousand	%	2013 Rs in thousand	%
Gross revenue and other income	243,052,281		195,143,039	
Cost of sales and operating expenses	(190,418,047)		(153,124,713)	
Total value added	52,634,234		42,018,326	
DISTRIBUTION				
Employee remuneration:	475,142	0.90	334,978	0.80
Government as:				
Company taxation	1,579,801	3.00	1,686,870	4.01
Sales tax and levies	45,496,136	86.44	35,445,299	84.36
WPPF & WWF	434,523	0.83	410,519	0.98
Shareholders as:				
Dividends	3,939,840	7.49	3,110,400	7.40
Bonus share	-	-	138,240	0.33
Society as:				
Donation	-	-	-	-
Providers of finance as:				
Financial Charges	-	-	9,799	0.02
Retained in business:				
Depreciation	321,868	0.61	224,327	0.53
Net earnings	386,924	0.74	657,894	1.57
	52,634,234	100.00	42,018,326	100.00





Financial Statements

pwc 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, 2014 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 except for the change as stated in note 4.2(i) with which we concur;

   (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, 2014 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
August 14, 2014

Engagement partner: Sohail M. Khan

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (51) 2273457-60/2870045-8; Fax: +92 (51) 2277924; < www.pwc.com/pk>

Karachi: State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan; Tel: +92 (21) 32426682-5/32426711-5; Fax: +92 (21) 32415007
Lahore: 23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O. Box 39, Lahore-54660, Pakistan; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872
Kabul: Apartment No 3, 3rd Floor, Doost Tower, Haji Yaqub Square, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320

Balance Sheet

as at June 30, 2014

	Note	2014	2013
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital	6	1,500,000	1,500,000
Issued, subscribed and paid up capital	6	829,440	691,200
Reserves			
Special reserves	7	96,774	85,584
Revenue reserve			
Unappropriated profit		12,873,508	13,266,673
		13,799,722	14,043,457
NON CURRENT LIABILITIES			
Long term deposits	8	574,881	265,871
Provision for deferred income tax	9	6,801	197,000
		581,682	462,871
CURRENT LIABILITIES			
Trade and other payables	10	19,516,149	15,413,808
Provision for current income tax		188,311	177,383
		19,704,460	15,591,191
CONTINGENCIES AND COMMITMENTS	12		
		34,085,864	30,097,519

	Note	2014	2013
		Rupees ('000)	
NON CURRENT ASSETS			
Property, plant and equipment	13	1,931,085	1,862,742
Long term investments in			
associated companies	14	887,042	878,111
Long term prepayments	15	18,918	-
CURRENT ASSETS			
Stores and spares		32,931	27,565
Stock in trade	16	6,787,904	5,156,298
Trade debts	17	14,247,856	9,309,671
Advances, deposits, prepayments			
and other receivables	18	747,398	949,032
Short term investments	19	1,782,278	1,943,783
Cash and bank balances	20	7,650,452	9,970,317
		31,248,819	27,356,666
		34,085,864	30,097,519

The annexed notes 1 to 38 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, 2014

	Note	2014	2013
		Rupees ('000)	
Sales	21	240,567,960	191,181,800
Sales tax		(35,405,049)	(26,471,623)
NET SALES		205,162,911	164,710,177
Cost of products sold	22	(199,220,617)	(159,533,376)
GROSS PROFIT		5,942,294	5,176,801
Other income	23	1,375,782	1,164,542
Operating expenses	24	(1,936,607)	(1,467,988)
OPERATING PROFIT		5,381,469	4,873,355
Finance income	25	1,068,205	2,750,456
Finance costs	25	(133,630)	(1,666,129)
Net finance income	25	934,575	1,084,327
Share of profit of associated companies	14	25,044	46,241
Other charges	26	(434,523)	(410,519)
PROFIT BEFORE TAXATION		5,906,565	5,593,404
Provision for income tax	27	(1,579,801)	(1,686,870)
PROFIT FOR THE YEAR		4,326,764	3,906,534
Earnings per share - Basic and diluted (Rupees)	28	52.16	47.10

The annexed notes 1 to 38 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, 2014

	2014	2013
	Rupees ('000)	
PROFIT FOR THE YEAR	4,326,764	3,906,534
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR:		
Remeasurement loss on staff retirement benefit plan	(12,184)	-
Current tax relating to remeasurement loss on		
staff retirement benefit plan	4,143	-
	(8,041)	-
Share of other comprehensive (loss) of associated		
companies - net of tax	(538)	-
Other comprehensive income / (loss) for the period	(8,579)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,318,185	3,906,534

The annexed notes 1 to 38 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Cash Flow Statement

for the year ended June 30, 2014

	2014	2013
	Rupees ('000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	201,669,188	171,767,168
Payments for purchase of products and operating expenses	(198,437,364)	(163,930,670)
Other charges paid	(329,092)	(273,060)
Long term deposits received	309,010	20,142
Income tax paid	(1,754,929)	(1,547,829)
Cash flow from operating activities	1,456,813	6,035,751
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(392,261)	(485,684)
Proceeds from sale of property, plant and equipment	11,852	610
Short term investments	394,945	(965,033)
Income received on bank deposits	748,456	789,881
Dividend received from associated companies	15,575	24,167
Cash flow from investing activities	778,567	(636,059)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(4,555,092)	(2,244,902)
Cash used in financing activities	(4,555,092)	(2,244,902)
Effect of exchange rate changes	(153)	1,797
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,319,865)	3,156,587
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,970,317	6,813,730
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7,650,452	9,970,317

The annexed notes 1 to 38 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, 2014

	Share capital	Special reserves	Unapropriated profit	Total
	Rupees ('000)			
BALANCE AS AT JUNE 30, 2012	691,200	54,864	11,637,259	12,383,323
Total comprehensive income for the year:				
Profit for the year	-	-	3,906,534	3,906,534
Other comprehensive income / (loss)	-	-	-	-
	-	-	3,906,534	3,906,534
Transferred to special reserves by associated companies	-	30,720	(30,720)	-
Transactions with owners:				
Final cash dividend @ 325% relating to year ended June 30, 2012	-	-	(2,246,400)	(2,246,400)
Total transactions with owners	-	-	(2,246,400)	(2,246,400)
BALANCE AS AT JUNE 30, 2013	691,200	85,584	13,266,673	14,043,457
Total comprehensive income for the year:				
Profit for the year	-	-	4,326,764	4,326,764
Other comprehensive income / (loss)	-	-	(8,579)	(8,579)
	-	-	4,318,185	4,318,185
Transferred to special reserves by associated companies	-	11,190	(11,190)	-
Transactions with owners:				
Issue of bonus shares @ 20% relating to the year ended June 30, 2013	138,240	-	(138,240)	-
Final cash dividend @ 450% relating to year ended June 30, 2013	-	-	(3,110,400)	(3,110,400)
Interim cash dividend @ 175% relating to year ended June 30, 2014	-	-	(1,451,520)	(1,451,520)
Total transactions with owners	138,240	-	(4,700,160)	(4,561,920)
BALANCE AS AT JUNE 30, 2014	829,440	96,774	12,873,508	13,799,722

The annexed notes 1 to 38 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Notes 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2014

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% (2013: 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 2	Share-based Payments (Amendments)	July 1, 2014
IFRS 3	Business Combinations (Amendments)	July 1, 2014
IFRS 8	Operating Segments (Amendments)	July 1, 2014
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IAS 16	Property, Plant and Equipment (Amendments)	July 1, 2014 & January 1, 2016
IAS 19	Employee benefits (Amendments)	July 1, 2014
IAS 24	Related party disclosures (Amendments)	July 1, 2014
IAS 32	Financial instruments: Presentation (Amendments)	January 1, 2014
IAS 36	Impairment of assets (Amendments)	January 1, 2014
IAS 38	Intangible Assets (Amendments)	July 1, 2014 & January 1, 2016
IAS 39	Financial instruments: Recognition and measurement (Amendments)	January 1, 2014
IAS 40	Investment Property (Amendments)	July 1, 2014
IAS 41	Agriculture (Amendments)	January 1, 2016
IFRIC 21	Levies	January 1, 2014

The management anticipates that adoption of above standards, amendments and interpretations in future periods will have no material impact on the Company's financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been notified upto June 30, 2014 by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time adoption of International Financial Reporting standards
IFRS 9	Financial instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement

The following interpretations issued by the IASB have been waived off by SECP:

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

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, 2014. The details of the valuation are given in note 30.

Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses on employees' retirement benefit plans are recognised immediately in other comprehensive income. Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. In addition, past service cost and curtailments are recognized in the profit and loss account, in the period in which a change takes place. The comparative figures have not been restated for change in accounting policy due to immaterial impact. Remeasurement loss at June 30, 2013 of Rs 297 thousand has been accounted for as other comprehensive loss and unrecognised past service cost at June 30, 2013 of Rs 5,796 thousand has been accounted for in profit and loss account for the year ended June 30, 2014.

ii) Approved contributory provident fund for all employees for which contributions of Rs 8,020 thousand (2013: Rs 6,831 thousand) are charged to income for the year.

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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 decisions. 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

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any accumulated 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 13.1. Depreciation on additions is charged

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from the month in which the asset is available for use and on disposals up to 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 freehold 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.

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 in treasury bills”

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 off 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.

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 included in profit and loss account, its share of post-acquisition other comprehensive income or loss is included in statement of comprehensive income and its share of post-acquisition movements

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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 14;

ii) Provision for taxation - note 27;

iii) Estimated useful life of property, plant and equipment - note 13.1; and

iv) Estimated value of staff retirement benefits obligations - note 30

	2014	2013
	Rupees ('000)	
6. SHARE CAPITAL		
AUTHORISED CAPITAL		
150,000,000 ordinary shares of Rs 10 each		
(2013: 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		
(2013: 5,000,000 ordinary shares of Rs 10 each)	50,000	50,000
Shares issued as fully paid bonus shares		
77,944,000 (2013: 64,120,000) ordinary shares of Rs 10 each	779,440	641,200
82,944,000 (2013: 69,120,000)		
ordinary shares of Rs 10 each	829,440	691,200

The associated company Attock Refinery Limited held 18,144,138 (2013: 15,120,115) ordinary shares at the year end.

7. SPECIAL RESERVES

Special reserves include Rs 94,135 thousand (2013: Rs 83,118 thousand) for expansion and modernisation and Rs 2,639 thousand (2013: Rs 2,466 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 upgradation 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.

	2014	2013
	Rupees ('000)	
9. PROVISION FOR DEFERRED INCOME TAX		
Deferred tax liability arising due to accelerated tax depreciation	205,049	225,000
Deferred tax asset arising in respect of certain provisions	(198,248)	(28,000)
	6,801	197,000

		2014	2013
		Rupees ('000)	
10.	**TRADE AND OTHER PAYABLES**		
	Creditors	57,128	8,385
	Due to related parties (unsecured) - note 10.1	14,651,556	11,950,192
	Accrued liabilities	2,832,856	1,680,454
	Advance from customers	1,434,237	1,355,755
	Retention money	55,863	59,283
	Workers' welfare fund	460,433	342,491
	Unclaimed dividend	24,076	17,248
		19,516,149	15,413,808
10.1	**Due to related parties:**		
	National Refinery Limited	8,234,634	6,683,904
	Attock Refinery Limited	6,362,887	5,256,796
	Pakistan Oilfields Limited	13,672	9,492
	The Attock Oil Company Limited	26,742	-
	Attock Sahara Foundation	105	-
	APL Gratuity fund	13,516	-
		14,651,556	11,950,192

11. LETTER OF CREDIT FACILITY

During the year, the Company has entered into an arrangement with banks for obtaining Letter of Credit facility to import petroleum products and spare parts and materials upto a maximum of Rs 5,700 million. The facility is secured against first pari passu charge of Rs 7,600 million on all present and future current and fixed assets of the Company (excluding land and building). The unavailed facility at June 30, 2014 was Rs 3,492 million. The facility will expire on December 31, 2014.

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			2014	2013
			Rupees ('000)	
12.	**CONTINGENCIES AND COMMITMENTS**			
12.1	**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.	332,772	699,972
	(ii)	Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs.	1,414,017	2,100,602
	(iii)	Guarantees issued by bank on behalf of the Company	83,554	77,054
12.2	**COMMITMENTS**			
	(i)	Capital expenditure commitments	216,103	309,252
	(ii)	Commitments for import of petroleum products against letter of credit facility	2,208,451	-
	(iii)	Commitments for rentals of assets under operating lease agreements as at June 30, 2014 amounting to Rs 1,570,823 thousand (2013: Rs 1,556,478 thousand) payable as follows:		
		Not later than one year	156,871	126,429
		Later than one year and not later than five years	358,637	346,378
		Later than five years	1,055,315	1,083,671
13.	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating assets - note 13.1		1,672,658	1,569,820
	Capital work in progress - note 13.2		258,427	292,922
			1,931,085	1,862,742

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13.1 Operating assets

	Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Pipelines, pumps, tanks and meters	Equipment - signage	Electrical and fire fighting equipment	Furniture, fixture and equipment	Computer and auxiliary equipment	Motor vehicles	Total
	Rupees ('000)										
As at July 1, 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
Year ended June 30, 2013											
Opening net book value	192,444	-	113,129	130,934	581,468	225,258	53,226	9,704	10,567	25,498	1,342,228
Additions	-	-	-	70,069	167,915	165,077	35,303	2,322	2,539	8,885	452,110
Disposals											
Cost	-	-	-	-	-	(826)	-	-	-	(2,154)	(2,980)
Accumulated depreciation	-	-	-	-	-	635	-	-	-	2,154	2,789
	-	-	-	-	-	(191)	-	-	-	-	(191)
Depreciation charge	-	-	(5,656)	(10,334)	(91,087)	(89,474)	(10,006)	(1,832)	(4,135)	(11,803)	(224,327)
Closing net book value	192,444	-	107,473	190,669	658,296	300,670	78,523	10,194	8,971	22,580	1,569,820
As at July 1, 2013											
Cost	192,444	-	136,887	233,532	1,043,790	670,368	123,581	20,958	31,573	99,775	2,552,908
Accumulated depreciation	-	-	(29,414)	(42,863)	(385,494)	(369,698)	(45,058)	(10,764)	(22,602)	(77,195)	(983,088)
Net book value	192,444	-	107,473	190,669	658,296	300,670	78,523	10,194	8,971	22,580	1,569,820
Year ended June 30, 2014											
Opening net book value	192,444	-	107,473	190,669	658,296	300,670	78,523	10,194	8,971	22,580	1,569,820
Reclassification	(173,381)	173,381	(15,487)	15,487	-	-	-	-	-	-	-
Additions	68,212	-	-	30,959	124,401	141,124	19,541	11,116	7,245	24,158	426,756
Disposals											
Cost	-	-	-	-	(1,870)	(1,740)	-	(737)	(1,482)	(12,157)	(17,986)
Accumulated depreciation	-	-	-	-	1,328	1,688	-	604	1,481	10,835	15,936
	-	-	-	-	(542)	(52)	-	(133)	(1)	(1,322)	(2,050)
Depreciation charge	-	(55,488)*	(6,876)	(12,441)	(102,888)	(113,125)	(12,588)	(2,821)	(5,028)	(10,613)	(321,868)
Closing net book value	87,275	117,893	85,110	224,674	679,267	328,617	85,476	18,356	11,187	34,803	1,672,658
As at June 30, 2014											
Cost	87,275	173,381	121,400	279,978	1,166,321	809,752	143,122	31,337	37,336	111,776	2,961,678
Accumulated depreciation	-	(55,488)	(36,290)	(55,304)	(487,054)	(481,135)	(57,646)	(12,981)	(26,149)	(76,973)	(1,289,020)
Net book value	87,275	117,893	85,110	224,674	679,267	328,617	85,476	18,356	11,187	34,803	1,672,658
Annual rate of Depreciation (%)	-	1.82 - 3.03	5	5	10	20	10	10	20	20	

* Depreciation charge of lease hold land includes Rs 50 million related to prior years.

13.2 Capital work in progress

	Civil works	Pipelines, pumps, tanks and equipment	Advances to contractors	Total
	Rupees ('000)			
As at July 1, 2012	18,573	185,640	55,135	259,348
Additions during the year	67,025	325,643	90,159	482,827
Transfers during the year	(70,071)	(370,398)	(8,784)	(449,253)
Balance as at June 30, 2013	15,527	140,885	136,510	292,922
As at July 1, 2013	15,527	140,885	136,510	292,922
Additions during the year	21,041	358,723	4,784	384,548
Transfers during the year	(29,064)	(389,979)	-	(419,043)
Balance as at June 30, 2014	7,504	109,629	141,294	258,427

	2014	2013
	Rupees ('000)	
13.3 Cost of Property, plant and equipment held by dealers of retail outlets of the Company are as follows:		
Pipelines, pumps, tanks and meters	545,324	384,899
Equipment - signage	822,658	661,778
Buildings	218,902	187,893
Electric and fire fighting equipment	60,337	43,162

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.

The above assets are not in possession of the Company as these have been provided to dealers of retail outlets to facilitate them to promote and sell company's products.

13.4 Property, plant and equipment disposals:

Items of property, plant and equipment disposed during the year having net book value above Rs 50,000 are as follows:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals	Particulars of purchaser
	Rupees ('000)					
Pipelines, pumps,	964	371	593	1,440	Insurance Claim	EFU General Insurance Ltd
tanks and meters	328	104	224	303	Insurance Claim	EFU General Insurance Ltd
	328	104	224	303	Insurance Claim	EFU General Insurance Ltd
	125	57	68	490	Insurance Claim	EFU General Insurance Ltd
	125	57	68	490	Insurance Claim	EFU General Insurance Ltd
Motor vehicles	1,657	335	1,322	1,610	Insurance Claim	EFU General Insurance Ltd

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	2014	2013
	Rupees ('000)	
14. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES		
Balance at beginning of the year	878,111	856,037
Share of profit of associated companies	39,383	66,155
Impairment loss related to investment in National Refinery Limited	(14,339)	(19,914)
	25,044	46,241
Share of other comprehensive loss of associated companies	(538)	-
Dividend from associated companies	(15,575)	(24,167)
Balance at end of the year	887,042	878,111

14.1 Share of profit of associated companies is based on the unaudited financial statements for the nine months ended March 31, 2014 (2013: unaudited financial statements for the nine months ended March 31, 2013) since the audited financial statements for the year ended June 30, 2014 are not presently available.

	2014	2013
	Rupees ('000)	
14.2 The Company's interest in associated companies is as follows:		
National Refinery Limited - Quoted		
799,666 (2013:799,666) fully paid ordinary shares of Rs 10 each including 133,278 (2013: 133,278) bonus shares of Rs 10 each; Cost Rs 321,865 thousand (2013: Rs 321,865 thousand); Quoted market value as at June 30, 2014: Rs 172,224 thousand (2013: Rs 192,384 thousand) - note 14.5	513,996	514,495
Attock Refinery Limited - Quoted		
1,432,000 (2013: 1,432,000) fully paid ordinary shares of Rs 10 each including 222,000 (2013: 222,000) bonus shares of Rs 10 each; Cost Rs 310,502 thousand (2013: Rs 310,502 thousand); Quoted market value as at June 30, 2014: Rs 303,999 thousand (2013: Rs 247,092 thousand) - note 14.6	503,622	481,515
Attock Information Technology Services (Private) Limited - Unquoted		
450,000 (2013: 450,000) fully paid ordinary shares of Rs 10 each; Cost Rs 4,500 thousand (2013: Rs 4,500 thousand); Value based on net assets as at March 31, 2014 Rs 12,019 thousand (2013: Rs 10,357 thousand)	12,019	10,357
Carrying value on equity method	1,029,637	1,006,367
Less: Impairment loss - National Refinery Limited	(142,595)	(128,256)
	887,042	878,111

All associated companies are incorporated in Pakistan.

14.3 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, 2014					
National Refinery Limited	512,745	253,403	2,056,114	11,875	1.00
Attock Refinery Limited	1,269,437	706,278	2,861,491	25,846	1.68
Attock Information Technology					
Services (Private) Limited	13,087	1,067	6,566	1,662	10.00
	1,795,269	960,748	4,924,171	39,383	
March 31, 2013					
National Refinery Limited	479,896	220,268	1,775,612	23,912	1.00
Attock Refinery Limited	1,457,079	931,847	2,776,937	40,890	1.68
Attock Information Technology					
Services (Private) Limited	11,104	747	4,962	1,353	10.00
	1,948,079	1,152,862	4,557,511	66,155	

14.4 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.

14.5 The value of investment in National Refinery Limited as at June 30, 2014 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 3.2% (2013: 3.5%), terminal growth rate of 4% (2013: 4%) and capital asset pricing model based discount rate of 18.62% (2013: 18.27%).

14.6 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 1.5% (2013: 1.28%), terminal growth rate of 4% (2013: 4%) and capital asset pricing model based discount rate of 19.70% (2013: 18.27%).

	2014	2013
	Rupees ('000)	
15. LONG TERM PREPAYMENTS		
Prepaid rent	40,268	10,733
Less: Shown under current assets - note 18	(21,350)	(10,733)
	18,918	-

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	2014	2013
	Rupees ('000)	
16. STOCK IN TRADE		
Petroleum products - note 16.1	6,786,087	5,154,029
Packing material	1,817	2,269
	6,787,904	5,156,298

16.1 It includes the Company's share of pipeline stock amounting to Rs 4,560,654 thousand (2013: Rs 3,801,764 thousand) and Rs 783,754 thousand (2013: Rs 263,087 thousand) held by Pak-Arab Pipeline Company Limited and Pak Arab Refinery Limited respectively.

	2014	2013
	Rupees ('000)	
17. TRADE DEBTS		
Considered good		
Secured	2,479,910	1,895,843
Unsecured		
Due from related parties - note 17.1	5,735,407	4,141,235
Others	6,032,539	3,272,593
	11,767,946	7,413,828
	14,247,856	9,309,671
Considered doubtful - unsecured	73,665	31,000
Provision for doubtful debts	(73,665)	(31,000)
	-	-
	14,247,856	9,309,671
17.1 Due from related parties		
Attock Gen Limited	5,703,054	4,099,518
Pakistan Oilfields Limited	21,618	21,358
Attock Cement Pakistan Limited	10,434	17,525
Attock Refinery Limited	301	1,798
National Refinery Limited	-	1,036
	5,735,407	4,141,235

	2014	2013
	Rupees ('000)	
18. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances - considered good		
Suppliers	305,545	619,335
Employees against expenses		
Executives	692	208
Other employees	1,592	1,388
	2,284	1,596
	307,829	620,931
Trade deposits and short-term prepayments		
Trade deposits	18,576	18,550
Short-term prepayments	63,352	40,962
	81,928	59,512
Current account balances with statutory authorities in respect of:		
Sales tax	27,389	39,400
Federal excise duty and petroleum levy	986	12,533
	28,375	51,933
Accrued income on bank deposits	23,060	95,662
Other receivables		
Price differential claim receivable from the Government	28,528	28,528
Receivable from oil marketing companies under freight pool	272,685	67,678
Due from related parties - unsecured		
Attock Leisure Management Associates	12	105
APL Gratuity fund	-	3,050
Attock Information Technology Services (Private) Limited	-	281
The Attock Oil Company Limited	-	387
Attock Cement Pakistan Limited	90	57
Workers' profit participation fund - note 18.1	33,419	20,908
	334,734	120,994
Less: Provision for doubtful receivables	(28,528)	-
	747,398	949,032

18.1 Workers' profit participation fund

	2014	2013
Balance at beginning of the year	20,908	46,940
Amount allocated for the year - note 26	(316,581)	(299,092)
Amount paid to Fund's trustees	329,092	273,060
Balance at end of the year	33,419	20,908

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		2014	2013
		Rupees ('000)	
19.	**SHORT TERM INVESTMENTS**		
	Held to maturity investment in treasury bills -		
	at amortized cost - Note 19.1		
	Upto three months	721,305	940,713
	Later than three months but not later than six months	570,844	-
	Later than six months but not later than one year	490,129	244,912
		1,782,278	1,185,625
	Investment in mutual funds at fair value		
	through profit or loss - Note 19.2	-	758,158
		1,782,278	1,943,783
19.1	Short term investments in treasury bills		
	earned interest at effective rate of		
	9.69% per annum (2013: Rs 10.40% per annum).		
19.2	**Units of open ended mutual funds**		
	NAFA Government Securities Liquid Fund		
	Nil (2013: 16,815,367) units	-	168,791
	Askari Sovereign Cash Fund		
	Nil (2013: 1,590,713) units	-	159,957
	UBL Liquidity plus Fund		
	Nil (2013: 1,190,661) units	-	119,157
	Meezan Sovereign Fund		
	Nil (2013: 3,130,966) units	-	159,804
	MCB Cash Management Optimizer Fund		
	Nil (2013: 1,489,149) units	-	150,449
		-	758,158
20.	**CASH AND BANK BALANCES**		
	Cash in hand	3,625	3,370
	Bank balances		
	On short term deposits	5,100,000	7,902,000
	On interest/mark-up bearing saving accounts		
	(includes US $ 103 thousand; 2013: US $ 103 thousand)	1,228,385	1,117,881
	On current accounts		
	(includes US $ 169 thousand; 2013: US $ 180 thousand)	1,318,442	947,066
		7,646,827	9,966,947
		7,650,452	9,970,317

20.1 Short term deposits of Nil (2013: Rs 80,402 thousand) were under lien with banks against letters of guarantees and letters of credits.

20.2 Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 9.27% per annum (2013: 9.85% per annum).

		2014	2013
		Rupees ('000)	
21.	**SALES**		
	Local sales	241,087,482	189,674,330
	Export sales	122,284	1,867,194
	Gross sales	241,209,766	191,541,524
	Rebates/discount	(641,806)	(359,724)
		240,567,960	191,181,800
22.	**COST OF PRODUCTS SOLD**		
	Opening stock	5,156,298	4,165,895
	Purchase of petroleum products and packing material	190,776,426	151,550,103
	Petroleum levy	10,075,797	8,973,676
		200,852,223	160,523,779
	Closing stock	(6,787,904)	(5,156,298)
		199,220,617	159,533,376
23.	**OTHER INCOME**		
	Commission and handling income	1,273,489	1,106,794
	Tender and joining fee	15,088	10,965
	Gain on sale of property, plant and equipment	9,802	419
	Hospitality income	11,514	13,681
	Others	65,889	32,683
		1,375,782	1,164,542

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		2014	2013
		Rupees ('000)	
24.	**OPERATING EXPENSES**		
	Salaries and benefits	475,142	334,978
	Rent, taxes and other fees - note 24.1	634,182	581,188
	Travelling and staff transport	38,572	38,363
	Repairs and maintenance	106,374	76,407
	Advertising and publicity	7,369	9,515
	Printing and stationery	14,215	12,129
	Electricity, gas and water	32,321	17,639
	Insurance	31,923	32,351
	Communication	9,260	8,467
	Legal and professional charges	11,128	13,334
	Subscription and fees	2,440	2,002
	Auditor's remuneration - note 24.2	2,681	5,057
	Exchange loss	61,380	48,379
	Depreciation - note 13.1	321,868	224,327
	Provision for doubtful debts and other receivables	86,121	-
	Trade debts written-off during the year	22,652	-
	Others	78,979	63,852
		1,936,607	1,467,988

24.1 Rent, taxes and other fees include Rs 90,005 thousand (2013: Rs 89,422 thousand) paid under operating lease agreements.

		2014	2013
		Rupees ('000)	
24.2	**Auditor's remuneration**		
	Annual audit	1,307	1,188
	Review of half yearly financial statements, audit of staff funds and special certifications	436	511
	Tax services	700	2,980
	Out of pocket expenses	238	378
		2,681	5,057

		2014	2013
		Rupees ('000)	
25.	**FINANCE INCOME AND COSTS**		
	Finance income		
	Income on bank deposits	675,854	865,359
	Income from short term investments measured at amortised cost	171,509	75,089
	Income from open ended mutual funds measured at fair value through profit or loss	61,931	30,493
	Mark-up on delayed payments	158,911	1,779,515
		1,068,205	2,750,456
	Finance cost		
	Bank charges	28,672	31,345
	Mark-up on delayed payments	104,958	1,634,784
		133,630	1,666,129
	Net finance income	934,575	1,084,327
26.	**OTHER CHARGES**		
	Workers' profit participation fund	316,581	299,092
	Workers' welfare fund	117,942	111,427
		434,523	410,519
27.	**PROVISION FOR INCOME TAX**		
	Current income tax charge		
	- For the year	1,770,000	1,660,000
	- For prior years	-	(3,130)
		1,770,000	1,656,870
	Deferred income tax charge/(credit)		
	- For the year	(70,101)	30,000
	- For prior years	(120,098)	-
		(190,199)	30,000
		1,579,801	1,686,870

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		2014 %	2013 %
27.1	**Reconciliation of tax charge for the year**		
	Applicable tax rate	34.00	35.00
	Tax effect of income taxed under final tax regime	(5.30)	(4.94)
	Tax effect of income exempt from tax	-	(0.19)
	Tax effect of share of profit of associated companies		
	taxed on the basis of dividend income	(0.14)	(0.25)
	Others	(1.82)	0.54
	Average effective tax rate charged to income	26.74	30.16

		2014	2013
28.	**EARNINGS PER SHARE**		
	Profit for the year (Rupees in thousand)	4,326,764	3,906,534
	Weighted average number of ordinary shares		
	in issue during the year (in thousand)	82,944	82,944*
	Basic and diluted earnings per share (Rupees)	52.16	47.10*

* Earnings per share previously reported at Rs 56.52 in the financial statements for the year ended June 30, 2013 has been restated to Rs 47.10 for 13,824,000 bonus shares issued during the year.

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

29.1 Financial assets and liabilities

	Loans and Receivables	Held to maturity investments	Fair value through profit or loss	Total
		Rupees ('000)		
June 30, 2014				
Financial Assets				
Maturity up to one year				
Trade debts	14,247,856	-	-	14,247,856
Advances, deposits and				
other receivables	347,842	-	-	347,842
Short term investments	-	1,782,278	-	1,782,278
Cash and bank balances	2,550,452	5,100,000	-	7,650,452
	17,146,150	6,882,278	-	24,028,428

	Other financial liabilities	Total
	Rupees ('000)	
Financial Liabilities		
Maturity up to one year		
Trade and other payables	18,081,912	18,081,912
Maturity after one year		
Long term deposits	574,881	574,881
	18,656,793	18,656,793

	Loans and Receivables	Held to maturity investments	Fair value through profit or loss	Total
	Rupees ('000)			
June 30, 2013				
Financial Assets				
Maturity up to one year				
Trade debts	9,309,671	-	-	9,309,671
Advances, deposits and other receivables	206,678	-	-	206,678
Short term investments	-	1,185,625	758,158	1,943,783
Cash and bank balances	2,068,317	7,902,000	-	9,970,317
	11,584,666	9,087,625	758,158	21,430,449

	Other financial liabilities	Total
	Rupees ('000)	
Financial Liabilities		
Maturity up to one year		
Trade and other payables	14,058,053	14,058,053
Maturity after one year		
Long term deposits	265,871	265,871
	14,323,924	14,323,924

29.2 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.

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	Rating	2014	2013
		Rupees ('000)	
Trade debts			
Counterparties with external credit rating	A1+	1,912,685	2,834
	A1	3,436,157	1,888,392
	A2	4,346	-
Counterparties without external credit rating			
Secured against bank guarantee & letter of credit		2,479,905	1,895,843
Due from related parties		5,735,106	4,138,401
Others		679,657	1,384,201
		14,247,856	9,309,671
Advances, deposits and other receivables			
Counterparties with external credit rating	A1+	22,102	94,778
	A1	958	884
Counterparties without external credit rating		324,782	111,016
		347,842	206,678
Short term investments			
Counterparties with external credit rating	AA+	-	119,157
	AAA	-	328,748
	AA	-	310,253
Counterparties without external credit rating			
Investment in treasury bills		1,782,278	1,185,625
		1,782,278	1,943,783
Bank balances			
	A1+	7,517,260	9,847,423
	A1	129,552	119,508
	A2	15	16
		7,646,827	9,966,947

29.3 FINANCIAL RISK MANAGEMENT

29.3.1 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, 2014, trade debts of Rs 8,180,989 thousand (2013: Rs 4,889,656 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2014	2013
	Rupees ('000)	
Due from related parties		
Up to 6 months	2,914,645	1,616,987
6 to 12 months	-	76
12 months and above	-	-
	2,914,645	1,617,063
Others		
Up to 6 months	5,266,344	3,154,578
6 to 12 months	-	11,237
12 months and above	-	106,778
	5,266,344	3,272,593
	8,180,989	4,889,656

(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, 2014		
Long term deposits	-	574,881
Trade and other payables	18,081,912	-
At June 30, 2013		
Long term deposits	-	265,871
Trade and other payables	14,058,053	-

(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 26,306 thousand (2013: Rs 29,557 thousand) and financial liabilities include Rs 541,716 thousand (2013: Rs 565,958 thousand) which were subject to currency risk.

The following significant exchange rates were applied during the year:

	2014	2013
Rupees per USD		
Average rate	100.47	96.69
Reporting date rate	96.92	97.68

At June 30, 2014, if the currency had weekend or strengthened by 10% against USD with all other variables at constant, profit after tax would have been Rs 34,017 thousand (2013: Rs 53,640 thousand) lower/higher.

(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 and liabilities include balances of Rs 12,614,368 thousand (2013: Rs 14,012,362 thousand) and Rs 3,292,476 thousand (2013: Rs 2,994,069 thousand) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

At June 30, 2014, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 61,524 thousand (2013: Rs 70,318 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.

The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

Notes 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

29.3.2 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.

29.4 Fair value of financial assets and liabilities

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

30. STAFF RETIREMENT BENEFITS

The latest actuarial valuation of the defined benefit plan was conducted as at June 30, 2014 using the projected unit credit method. Details of the defined benefit plan are:

		2014	2013
		Rupees ('000)	
30.1	The amounts recognised in the balance sheet:		
	Present value of defined benefit obligations	35,878	18,615
	Fair value of plan assets	(22,362)	(15,572)
	Deficit	13,516	3,043
	Unrecognised actuarial gain/(loss)	-	(297)
	Unrecognised past service cost	-	(5,796)
	Liability/(asset) recognised in the balance sheet	13,516	(3,050)
30.2	The amounts recognised in the balance sheet are as follows:		
	Liability / (asset) as at July 01,	(3,050)	(2,690)
	Expense recognised in profit and loss account	9,372	3,579
	Contributions made during the year	(4,990)	(3,939)
	Remeasurement loss recognised in statement of comprehensive income	12,184	-
	Liability / (asset) as at June 30,	13,516	(3,050)
30.3	The amounts recognised in profit and loss account are as follows:		
	Current service cost	3,514	2,983
	Interest cost	2,068	1,792
	Expected return on plan assets	(2,006)	(1,673)
	Recognition of loss (gain)	-	(47)
	Past service cost	5,796	524
		9,372	3,579

Notes 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

		2014	2013
		Rupees ('000)	
30.4	Remeasurements recognised in other comprehensive income (OCI) are as follows:		
	Remeasurement loss/(gain) on obligations:		
	Loss from changes in demographic assumptions	-	-
	Loss from changes in financial assumptions	7,281	-
	Experience loss	4,861	-
	Gain due to remeasurement of investment return	(255)	-
	Remeasurement loss of prior period	297	-
		12,184	-
30.5	Changes in the present value of defined benefit obligation are as follows:		
	Present value of defined obligation as at July 01,	18,615	13,552
	Current service cost recognised in profit and loss account	3,514	2,983
	Interest cost	2,068	2,132
	Remeasurement loss	12,143	-
	Benefits paid	(462)	(52)
	Present value of defined obligation as at June 30,	35,878	18,615
30.6	Changes in fair value of plan assets are as follows:		
	Fair value of plan assets as at July 01,	15,572	10,748
	Expected return on plan assets	2,007	1,673
	Contributions during the year	4,990	3,939
	Benefits paid	(462)	(52)
	Remeasurement gain/ (loss) on investments	255	(736)
	Fair value of plan assets as at June 30,	22,362	15,572

Actual return on plan assets for the year is Rs 2,262 thousand.

The Company expects to contribute Rs 8,009 thousand to its defined benefit gratuity plan during the year 2014-15.

		2014	2013
		Total Investment Rupees ('000)	
30.7	The major categories of plan assets are as follows:		
	Government bonds	26,370	18,855
	Bank balance	639	429
	Due to The Attock Oil Company Limited	(4,647)	(3,712)
		22,362	15,572

Expected return on plan assets is based on market expectations and dependent upon the assets portfolio of the funds, at the beginning of the year, for returns over the entire life of the related obligation.

		2014 %	2013 %
30.8	Significant actuarial assumptions at the balance sheet date are as follows:		
	Discount rate	13.00	11.25
	Expected rate of return on plan assets	13.00	11.25
	Expected rate of increase in salaries	13.00	9.13

30.9 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarises how the defined benefit obligation at the end of reporting period would have increased/ (decreased) as a result of change in respective assumptions by one percent.

	Defined benefit obligation Effect of 1% increase	 decrease
	Rupees ('000)	
Discount rate	(3,640)	4,290
Expected rate of increase in salaries	4,249	(3,670)

30.10 The weighted average number of years of defined benefit obligation is 12.7 years as at June 30, 2014.

30.11 The Company contributes to gratuity fund on the advice of fund's actuary. The contribution is equal to current service cost with the adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.

		2014	2013
		Rupees ('000)	
30.12	Salaries, wages and benefits as appearing in note 24 include amounts in respect of the following:		
	Provident fund	8,020	6,831
	Gratuity fund	9,372	3,579
		17,392	10,410

Notes 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

Notes 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

30.13 Projected benefit payments from gratuity fund are as follows:

	Rupees ('000)
For the year 2015	1,639
For the year 2016	2,133
For the year 2017	2,765
For the year 2018	3,375
For the year 2019	4,085
For the year 2020-24	43,717

31. APL EMPLOYEES PROVIDENT FUND

	2014 Rupees ('000)	2013 Rupees ('000)
a) Size of the fund	43,149	24,169
Cost of investments made	42,940	24,113
Fair value of investments made	42,940	24,113

	%	%
Percentage of investments made	99	99

	2014 Amount Rupees ('000)	2014 %	2013 Amount Rupees ('000)	2013 %
b) Breakup of investment - at cost				
Treasury Bills	31,441	73	21,686	90
Investment in Pakistan Investment Bonds	9,704	23	-	-
Investment plus deposit certificates	-	-	1,135	5
Investment in saving account with bank	1,795	4	1,292	5
	42,940	100	24,113	100

c) Investments out of provident trust have been made in accordance with the provisions of section 227 of Companies Ordinance 1984 and the rules formulated for the purpose.

Notes 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

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:

	2014	2013
	Rupees ('000)	
Associated companies		
Attock Refinery Limited		
Purchase of petroleum products	49,352,023	42,076,254
Purchase of services	102,129	88,795
Late payment charges	104,958	1,634,784
Sale of petroleum products	10,258	11,295
Commission and handling income	447,757	336,589
National Refinery Limited		
Purchase of petroleum products	100,851,741	84,595,741
Purchase of services	54,039	46,740
Sale of petroleum products	20,215	16,305
Handling income	825,733	770,204
Attock Gen Limited		
Sale of petroleum products	18,869,715	18,618,970
Mark-up earned on late payments	156,526	1,777,138
Pakistan Oilfields Limited		
Purchase of petroleum products	273,377	244,110
Purchase of services	7,394	6,476
Purchase of property, plant & equipment	1,500	-
Sale of petroleum products	798,613	718,723
Sale of services	324	282
CNG Commission income	1,690	1,889
The Attock Oil Company Limited		
Purchase of services	105,291	57,552
Sale of services	6,341	4,520
Attock Cement Pakistan Limited		
Purchase of services	2,022	2,083
Sale of petroleum products	261,833	283,180
Sale of services	1,250	1,055
Attock Information Technology Services (Private) Limited		
Purchase of services	7,656	-
Sale of services	3,787	5,137
Attock Sahara Foundation		
Purchase of goods	808	-

Notes 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

	2014	2013
	Rupees ('000)	
Attock Leisure Management Associates		
Purchase of services	1,724	-
Attock Hospital (Private) Limited		
Purchase of medical services	2,575	2,228
Other related parties		
Contribution to staff retirement benefits plans		
APL Employees provident fund	8,020	6,831
APL Gratuity fund	4,990	3,579
Contribution to Workers' profit participation fund	316,581	299,092

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives	
	2014	2013	2014	2013	2014	2013
	Rupees ('000)					
Managerial remuneration	11,659	9,637	3,536	2,769	59,665	36,798
Bonus	14,778	13,863	4,156	4,091	27,451	20,310
Company's contribution to provident, pension and gratuity funds	-	946	379	283	6,552	4,403
Housing and utilities	4,297	3,983	1,312	1,130	23,215	17,128
Other perquisites and benefits	1,522	1,350	1,929	1,769	15,277	11,181
Leave passage	1,037	716	302	223	334	291
	*33,293	30,495	11,614	10,265	132,494	90,111
No. of person(s)	1	1	1	1	48	37

* In addition to above an amount of Rs 27,413 thousand relating to retirement funds obligation has been contributed to the funds as advised by the Actuary. This contribution relates to funding the past service deficit. No additional benefit has been granted to the pensioner.

33.1 The above includes amount 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.

33.2 In addition, four non-executive directors of the Company were paid meeting fee aggregating Rs 4,882 thousand (2013: Rs 2,192 thousand).

34. SEGMENT REPORTING

34.1 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:

	2014	2013
	Rupees ('000)	
Product		
High Speed Diesel	105,681,132	82,650,011
Furnace Fuel Oil	57,305,952	64,582,376
Premier Motor Gasoline	38,063,102	26,234,611
Bitumen	13,318,227	11,398,949
Others	26,199,547	6,315,853
	240,567,960	191,181,800

34.2 There is no single external customer of the Company whose revenue amounts to 10% or more of the Company's total revenue during the year ended June 30, 2014.

35. NUMBER OF EMPLOYEES

Total number of employees at the end of year was 275 (2013: 251). Average number of employees was 263 (2013: 237).

36. CAPACITY AND PRODUCTION

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

37. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on August 14, 2014 has proposed a final cash dividend for the year ended June 30, 2014 @ Rs. 30/- per share, amounting to Rs 2,488,320 thousand for approval of the members in the Annual General Meeting to be held on September 16, 2014.

38. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company on August 14, 2014.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Notes
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38

Notice of Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting (being the 30th General Meeting) of the Company will be held at Attock House, Morgah, Rawalpindi, on September 16, 2014 at 12:00 p.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, 2014.

2. To approve a final cash dividend of 300% i.e. Rs. 30/- 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. 47.50 per share i.e. 475% for the year ended June 30, 2014.

3. To appoint auditors for the year ending June 30, 2015 and to fix their remuneration.

BY ORDER OF THE BOARD

Rehmat Ullah Bardaie
Company Secretary

Registered Office:
Attock House
Morgah, Rawalpindi.

August 26, 2014

NOTES:

PARTICIPATION IN THE ANNUAL GENERAL 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.

DEDUCTION OF INCOME TAX FROM DIVIDEND AT REVISED RATES:

Pursuant to the provisions of Finance Act, 2014 effective July 01, 2014 reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under Section 150 of Income Tax Ordinance 2001, have been revised as follows:

1	Rate of tax deduction for filers of Income Tax Return	10%
2	Rate of tax deduction for non-filers of Income Tax Return	15%

For the Year 2014, filers of the tax return are the taxpayers whose name appears in the list already issued by Federal Board of Revenue (FBR) for the year ended June 30, 2013.

EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

Members 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 valid declaration for non-deduction of zakat.

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 September 09, 2014 to September 16, 2014 (both days inclusive). Transfers received in order at the office of the Company's share registrar, THK Associates (Private) Limited, 2nd Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on September 08, 2014 will be treated in time for the purpose of payment of final cash dividend, if approved by the shareholders.

COMPUTERIZED NATIONAL IDENTITY CARD NUMBER (CNIC) / NATIONAL TAXPAYER NUMBER (NTN):

Members are requested to provide attested photocopy of their CNIC or NTN (in case of corporate entities) directly to our share registrar in order to meet the mandatory requirement of the SECP, SRO 831(I)/2012 dated July 05, 2012 which requires that the dividend warrant should bear CNIC number of the member.

CHANGE OF ADDRESS:

Members are requested to promptly notify any change of address to the Company's share registrar.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2014 have been made available on the Company's website www.apl.com.pk, in addition to annual and quarterly financial statements for the prior years.

DIVIDEND MANDATE OPTION:

In accordance with the SECP's Circular No.18 of 2012 dated June 5, 2012, the shareholders have been given an opportunity to authorise the Company to make payment of cash dividend through direct credit to shareholder's bank account. To opt for the dividend mandate option as stated, the Dividend Mandate Form available at Company's website i.e. www.apl.com.pk needs to be duly filled and submitted to our share registrar at the earliest.

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

STATEMENT UNDER SRO 27(I) / 2012 DATED JANUARY 16, 2012:

Status of the investment in Associated Companies

Information as required under the Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, the status of the investments in Associated Companies against approval held by the Company in the AGM held on September 27, 2007 is as under:

1. Total investment approved:

The Company has approved equity investment in the following Associated Companies to the extent of maximum 2.5% of the paid up capital of each investee company with overall amount not exceeding Rs. 2,500 million:

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

2. Amount of Investment made to date:

Except for ARL, no investment has been made in any other Associated Concern. Investment of Rs. 310.502 million has been made against this approval to date which represents 1.679% of paid up capital of Attock Refinery Limited.

3. Reasons for not having made complete investment to date:

Partial investment has been made in ARL and no investment has been made in other Associated Companies due to change in the Government policies, less than satisfactory growth and improvement in GDP and other macroeconomic indicators respectively. The investment will be made in future depending on the improved macroeconomic factors and feasible investment environment.

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

Changes in financial position are as follow:

i. Earnings per share (restated):

Name of the Company	Year ended June 30, 2007	Year ended June 30, 2013	Nine Months ended March 31, 2014*
		Rs. Per Share	
NRL	52.56	35.57	4.73
ARL	8.78	45.91	21.64
POL	25.11	45.78	42.71
ACPL	9.18	18.65	12.29

ii. Break-up value per share:

Name of the Company	March 31, 2007	June 30, 2013	March 31, 2014*
		Rs. Per Share	
NRL	164.21	336.00	324.31
ARL	90.62	212.04	230.42
POL	92.30	139.29	136.99
ACPL	44.52	79.80	69.13

* 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 Gauges
ATM	Automated Teller Machine
AWT	Army Welfare Trust
BPPL(MKTG)	Byco Petroleum Pakistan Limited (Marketing)
BTCPL	Bakri Trading Company Pakistan Limited
CAA	Civil Aviation Authority
CAGR	Compounded Annual Growth Rate
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
CSR	Corporate Social Responsibility
DHA	Defence Housing Authority
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
FBR	Federal Board of Revenue
FO	Furnace Oil
FWO	Frontier Works Organization
GDP	Gross Domestic Product
GoP	Government of Pakistan
HBL	Habib Bank Limited
HOBC	High Octane Blended Component
HRS	Hydrant Refueling System
HRMS	Human Resource Management System
HSD	High Speed Diesel
HSE	Health, Safety and Environment
HSFO	High Sulfur Furnace Oil
IFAC	International Federation of Accountants
ISO	International Organization for Standardization
IT	Information Technology
JV	Joint Venture

KPK	Khyber Pakhtunkhwa
KW	Kilo Watt
LED	Light Emitting Diode
LSFO	Low Sulfur Furnace Oil
M.TON	Metric Ton
MBT	Machike Bulk Oil Terminal
MIS	Management Information System
MOGAS	Motor Gasoline
MoU	Memorandum of Understanding
MP & NR	Ministry of Petroleum & Natural Resources
MSDS	Material Safety Data Sheet
NOC	No Objection Certificate
NRL	National Refinery Limited
OCAC	Oil Companies Advisory Council
OGRA	Oil and Gas Regulatory Authority
OMC	Oil Marketing Company
OOTCL	Overseas Oil Trading Company Limited
PARCO	Pak-Arab Refinery Company
PMG	Premier Motor Gasoline
POL	Pakistan Oilfields Limited
PSOCL	Pakistan State Oil Company Limited
Pvt.	Private
RBT	Rawalpindi Bulk Oil Terminal
RD & HR	Retail Development and Human Resource
Rs	Rupees
RVI	Retail Visual Identity
SECP	Securities and Exchange Commission of Pakistan
SPL	Shell Pakistan Limited
TPPL	Total-Parco Pakistan Limited
USA	United States of America
US$/USD	United States Dollar
VSD	Variable Speed Drive
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund

Notes

Form of Proxy

19th 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 19th Annual General Meeting of the Company to be held on September 16, 2014 at 12:00 p.m. at Attock House, 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 ____________ 2014 Signature of Proxy ______________________

Witnesses:

1. Signature: ______________________
   Name: ______________________
   Address: ______________________
   ____
   CNIC/ Passport No. ______________________

2. Signature: ______________________
   Name: ______________________
   Address: ______________________
   ____
   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.

AFFIX
CORRECT
POSTAGE

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

Attock

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Attock House, Morgah, Rawalpindi, Pakistan.
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