ARL

Annual Audited Financial Statements

for the year ended June 30, 2013

Auditors' Report to the Members

A.F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

KARACHI-LAHORE-ISLAMABAD

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We have audited the annexed balance sheet of Attock Refinery Limited as at June 30, 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984 ;

(b) in our opinion

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied ;

  (ii) the expenditure incurred during the year was for the purpose of the Company's business ; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company ;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013 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.

___SD___

Chartered Accountants
Islamabad : August 14, 2013
Engagement partner : S. Haider Abbas

Balance Sheet
as at June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised	6	1,500,000	1,500,000
Issued, subscribed and paid-up	6	852,930	852,930
Reserves and surplus	7	17,232,959	14,042,294
		18,085,889	14,895,224
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	8,745,217	8,745,217
		26,831,106	23,640,441
CURRENT LIABILITIES AND PROVISIONS			
Short term finance	9	–	–
Trade and other payables	10	31,443,587	65,431,991
Provision for taxation		6,360,109	4,642,474
		37,803,696	70,074,465
CONTINGENCIES AND COMMITMENTS	11		
		64,634,802	93,714,906

	Note	2013 Rs '000	2012 Rs '000
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	9,499,335	9,303,712
Capital work-in-progress	13	457,685	469,516
Stores and spares held for capital expenditure		77,529	67,067
		10,034,549	9,840,295
LONG TERM INVESTMENTS	14	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	15	16,632	14,760
DEFERRED TAXATION	16	53,053	90,261
CURRENT ASSETS			
Stores, spares and loose tools	17	688,132	673,854
Stock-in-trade	18	11,744,810	10,650,686
Trade debts	19	17,499,313	49,115,758
Loans, advances, deposits, prepayments and other receivables	20	328,430	220,710
Cash and bank balances	21	11,004,968	9,843,667
		41,265,653	70,504,675
		64,634,802	93,714,906

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___

Chief Executive

___SD___

Director

Profit and Loss Account
for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Sales	22	163,300,532	154,381,558
Cost of sales	23	(160,271,234)	(152,362,204)
GROSS PROFIT		3,029,298	2,019,354
Administration expenses	24	360,655	340,013
Distribution cost	25	41,162	37,615
Finance cost	26	548,555	994,739
Other charges	27	405,959	264,533
		(1,356,331)	(1,636,900)
		1,672,967	382,454
Other income	30	3,082,103	2,388,774
Profit before taxation from refinery operations		4,755,070	2,771,228
Provision for taxation	31	(2,137,508)	(1,625,183)
Profit after taxation from refinery operations		2,617,562	1,146,045
Income from non-refinery operations less applicable charges and taxation	32	1,298,094	1,588,641
PROFIT FOR THE YEAR		3,915,656	2,734,686
Earnings per share - Basic and diluted (Rs)			
Refinery operations		30.69	13.44
Non-refinery operations		15.22	18.63
	37	45.91	32.07

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Statement of Comprehensive Income

for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Profit for the year		3,915,656	2,734,686
Other comprehensive income		–	–
Total comprehensive income for the year		3,915,656	2,734,686

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___

Chief Executive

___SD___

Director

Cash Flow Statement
for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from – customers	235,214,572	163,379,522
– others	361,482	359,664
	235,576,054	163,739,186
Cash paid for operating costs	(200,512,619)	(130,411,316)
Cash paid to Government for duties, taxes and other levies	(34,471,364)	(27,999,614)
Income tax paid	(517,915)	(536,257)
Net cash flows from operating activities	74,156	4,791,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(306,941)	(282,771)
Sale of property, plant and equipment	1,104	1,265
Long term loans and deposits	(1,872)	(107)
Income on bank deposits received	1,125,668	866,699
Dividends received	1,539,575	1,891,462
Net cash flows from investing activities	2,357,534	2,476,548
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost	(548,555)	(994,739)
Dividends paid	(723,561)	(297,506)
Net cash flows from financing activities	(1,272,116)	(1,292,245)
EFFECT OF EXCHANGE RATE CHANGES	1,727	3,089
INCREASE IN CASH AND CASH EQUIVALENTS	1,161,301	5,979,391
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,843,667	3,864,276
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11,004,968	9,843,667

The annexed notes 1 to 39 are an integral part of these financial statements.

__SD__
Chief Executive

__SD__
Director

Statement of Changes in Equity
for the year ended June 30, 2013

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
				Rs '000				
Balance at June 30, 2011	852,930	5,948	5,163,690	3,762,775	55	2,673,666	8,745,217	21,204,281
Final cash dividend @ 20% related to the year ended June 30, 2011	–	–	–	–	–	(170,586)	–	(170,586)
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	2,734,686	–	2,734,686
Other comprehensive income for the year	–	–	–	–	–	–	–	–
	–	–	–	–	–	2,734,686	–	2,734,686
Interim cash dividend @ 15% related to the year ended June 30, 2012	–	–	–	–	–	(127,940)	–	(127,940)
Transfer to special reserve for expansion / modernisation – note 7.1	–	–	1,000,245	–	–	(1,000,245)	–	–
Balance at June 30, 2012	852,930	5,948	6,163,935	3,762,775	55	4,109,581	8,745,217	23,640,441
Final cash dividend @ 60% related to the year ended June 30, 2012	–	–	–	–	–	(511,758)	–	(511,758)
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	3,915,656	–	3,915,656
Other comprehensive income for the year	–	–	–	–	–	–	–	–
	–	–	–	–	–	3,915,656	–	3,915,656
Interim cash dividend @ 25% related to the year ended June 30, 2013	–	–	–	–	–	(213,233)	–	(213,233)
Transfer to special reserve for expansion / modernisation – note 7.1	–	–	2,471,762	–	–	(2,471,762)	–	–
Balance at June 30, 2013	852,930	5,948	8,635,697	3,762,775	55	4,828,484	8,745,217	26,831,106

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

1. LEGAL STATUS AND OPERATIONS

Attock Refinery Limited (the Company) was incorporated in Pakistan on November 8, 1978 as a private limited company and was converted into a public company on June 26, 1979. The registered office of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. It is principally engaged in the refining of crude oil.

The Company is subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

2. STATEMENT OF COMPLIANCE

These are separate financial statements of the Company. 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. Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company :

		Effective date (annual reporting periods beginning on or after)
IFRS 7	Financial instruments : Disclosures (Amendments)	January 1, 2013
IAS 1	Presentation of financial statements (Amendments)	January 1, 2013
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2013
IAS 19	Employee benefits (Amendments)	January 1, 2013
IAS 27	Separate Financial Statements (Revised)	January 1, 2013
IAS 28	Investments in Associates and Joint Venture (Revised)	January 1, 2013
IAS 32	Financial instruments : Presentation (Amendments)	January 1, 2013 & 2014
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2013
IAS 36	Impairment of assets (Amendments)	January 1, 2014
IAS 39	Financial instruments : Recognition and measurement (Amendments)	January 1, 2014

The management anticipates that except for the effects on the financial statements of amendment in IAS 19 “Employee Benefits”, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures. The application of amendments in IAS 19 would result in recognition of cumulative unrecognized actuarial gains / losses in other comprehensive income in the period of initial application and to replace with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (assets). The Company is yet to assess the full impact of the amendments.

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

		Effective date (annual periods beginning on or after)
IFRS 1	First-time adoption of International Financial Reporting Standards	July 1, 2009
IFRS 9	Financial instruments	January 1, 2015
IFRS 10	Consolidated financial statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of interests in other entities	January 1, 2013
IFRS 13	Fair value measurement	January 1, 2013
IFRIC 21	Levies	January 1, 2014

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 4.7 and certain other modifications as required by approved accounting standards referred to in the accounting policies given below.

4.2 Dividend appropriation

Dividend is recognised as a liability in the financial statements in the period in which it is declared.

4.3 Employees' retirement benefits

The main features of the retirement benefit schemes operated by the Company for its employees are as follows :

(i) Defined benefit plans

The Company operates a pension plan for its management staff and gratuity plan for its management and non-management staff. Gratuity is deductible from pension. Pension and gratuity plan is invested through approved trust funds. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows.

Unrecognised net gains and losses are amortised over the expected remaining service of current members.

(ii) Defined contribution plans

The Company operates an approved contributory provident fund for all employees. Equal monthly contribution is made both by the Company and the employee to the fund at the rate of 10% of basic salary.

4.4 Employees' compensated absences

The Company also provides for compensated absences for all employees in accordance with the rules of the Company.

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

4.5 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 in the case of items credited or charged to equity in which case it is included in equity.

4.6 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 embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

4.7 Property, plant and equipment

a) Cost
Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Freehold land is stated at revalued amount. Capital work-in-progress and stores held for capital expenditure are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) Depreciation
Depreciation on operating assets is calculated using the straight-line method to allocate their cost over their estimated useful life at the rates specified in note 12.

c) Repairs and maintenance
Maintenance and normal repairs, including minor alterations, are charged to income as and when incurred. Renewals and improvements are capitalised and the assets so replaced, if any, are retired.

d) Gains and losses on deletion
Gains and losses on deletion of assets are included in income currently.

4.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation / amortisation are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets 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 the profit and loss account.

4.9 Investments in associated and subsidiary companies

These investments are initially valued at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the profit and loss account. The profits and losses of subsidiary and associated companies are carried in the financial statements of the subsidiary and associated company and are not dealt with for the purpose of these financial statements of the Company except to the extent of dividend declared by the subsidiary and associated companies.

4.10 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are stated at invoice value plus other charges paid thereon.

4.11 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Crude oil in transit is valued at cost comprising invoice value. Cost in relation to crude oil is determined on the basis of annual average cost of purchases during the year on the principles of import parity and in relation to semi-finished and finished products, it represents the cost of crude oil and refining charges consisting of direct expenses and appropriate production overheads. Direct expenses are arrived at on the basis of average cost for the year per barrel of throughput. Production overheads, including depreciation, are allocated to throughput proportionately on the basis of nameplate capacity.

Net realisable value in relation to finished product represents selling prices in the ordinary course of business less costs necessarily to be incurred for its sale, as applicable, and in relation to crude oil represents replacement cost at the balance sheet date.

4.12 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows :

i) Revenue from sales is recognised on delivery of products ex-refinery to the customers with the exception that Naphtha export sales are recognised on the basis of products shipped to customers.

The Company is operating under the import parity pricing formula, as modified from time to time, whereby it is charged the cost of crude on 'import parity' basis and is allowed product prices equivalent to the 'import parity' price, calculated under prescribed parameters.

ii) Income from crude decanting, crude desalter operations, rental income, handling and service income are recognized on accrual basis.

iii) Dividend income is recognised when the right to receive dividend is established.

iv) Income on bank deposits is recognised using the effective yield method.

4.13 Borrowing cost

Borrowing cost related to the financing of major projects during the construction phase is capitalised. All other borrowing costs are expensed as incurred.

4.14 Foreign currency transactions and balances

Transactions in foreign currencies are converted into rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

4.15 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 when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities are initially measured at cost, which is the fair value of the

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

consideration given and received respectively. These are subsequently measured at fair value, amortised cost or cost, as the case may be.

4.16 Financial assets

The Company classifies its financial assets in the following categories : held-to-maturity investments, loans and receivables, available for sale investments and investments at fair value through profit or loss. 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 recognized on the trade-date — the date on which the Company commits to purchase or sell the asset.

4.16.1 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.

4.16.2 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.

4.16.3 Available-for-sale investments

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 equity and taken to income on disposal of investment or when the investment is determined to be impaired.

4.16.4 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 recognised directly in the profit and loss account. The fair value of such investments is determined on the basis of prevailing market prices.

4.17 Trade and other payables

Liabilities for trade and other amounts payable including amounts payable to related parties are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.18 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.

4.19 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.

4.20 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.

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 investment in an associated company - note 14
- **ii)** Revaluation surplus on freehold land - note 12.1
- **iii)** Estimated useful life of property, plant and equipment - note 12
- **iv)** Provision for taxation - note 31
- **v)** Provision for employees' defined benefit plans - note 28

	2013 Rs '000	2012 Rs '000
6. SHARE CAPITAL		
Authorised		
150,000,000 ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up		
8,000,000 ordinary shares of Rs 10 each issued for cash	80,000	80,000
Shares issued as fully paid bonus shares 77,293,000 ordinary shares of Rs 10 each	772,930	772,930
85,293,000 ordinary shares of Rs 10 each	852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2012 : 48,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2012 : 1,432,000) ordinary shares at the year end.

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
7. RESERVES AND SURPLUS		
Capital reserve		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
	5,948	5,948
Special reserve for expansion / modernisation – note 7.1		
Additional revenue under processing fee formula related to 1990-91 and 1991-92	32,929	32,929
Surplus profits under the import parity pricing formula	8,602,768	6,131,006
	8,635,697	6,163,935
Revenue reserve		
Investment reserve – note 7.2	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	4,828,484	4,109,581
	8,591,314	7,872,411
	17,232,959	14,042,294

7.1 Represents amounts retained as per stipulations of the Government under the pricing formula and is available only for offsetting any future loss or making investment in expansion or up-gradation of the refinery. The Company has incurred capital expenditure of Rs 4,332 million on up-gradation and expansion projects from July 1, 1997 to June 30, 2013 (July 1, 1997 to June 30, 2012 : Rs 4,067 million). As referred to in note 11, the Company has incurred further expenditure of Rs 1,843.35 million on up-gradation projects subsequent to the balance sheet date.

On March 27, 2013, the Ministry of Petroleum & Natural Resources issued Policy Framework for Up-gradation and Expansion of Refineries. Among other directives, the Policy Framework requires refineries to deposit on half yearly basis (with final adjustment on annual basis), the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated in the Special Reserve Account in an ESCROW Account to be operated jointly with Finance Division and shall be available for utilisation exclusively for up-gradation of refineries. Such amounts shall be transferred to the ESCROW Account on completion of certain formalities. Further, the refineries have been directed that till completion of the projects, offsetting of losses, if any for the year ended June 30, 2013 or subsequent years will not be allowed against the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated or to be accumulated in the Special Reserve Account as per current pricing formula.

7.2 The Company has set aside gain on sale of investment as investment reserve to meet any future losses / impairment on investments.

8. SURPLUS ON REVALUATION OF FREEHOLD LAND

This represents surplus over book value resulting from revaluation of freehold land as referred to in note 12.1. Except and to the extent actually realized on disposal of the assets which are revalued, the surplus on revaluation of fixed assets shall not be applied to set off or reduce any deficit or loss, whether past, current or future, or in any manner applied, adjusted or treated so as to add to the income, profit or surplus of the Company, or utilized directly or indirectly by way of dividend or bonus, provided that the surplus on revaluation of fixed assets may be applied by the Company in setting off or in diminution of any deficit arising from the revaluation of any other fixed asset of the Company.

9. SHORT TERM FINANCE

The Company has negotiated running finance facilities with banks and accepted facility offer letters to the extent of Rs 1 billion (June 30, 2012 : Rs 1 billion), which were unutilised at the year end. As and when required, these facilities shall be secured by registered charge over the Company's current assets.

	2013 Rs '000	2012 Rs '000
10. TRADE AND OTHER PAYABLES		
Creditors - note 10.1	20,406,344	54,337,626
Due to The Attock Oil Company Limited - Holding Company	51,081	83,787
Due to associated companies		
Pakistan Oilfields Limited	1,528,852	1,443,742
Attock Information Technology Services (Private) Limited	6,640	–
National Refinery Limited	8,802	–
Sui Southern Gas Company Limited	75,288	7,071
Accrued liabilities and provisions - note 10.1	2,508,791	2,311,233
Due to the Government under pricing formula	3,370,931	3,447,547
Advance payments from customers	18,024	27,303
Sales tax payable	1,847,723	1,841,755
Workers' Welfare Fund	604,507	464,492
Workers' Profit Participation Fund - note 10.2	–	245,967
General staff provident fund	–	1,478
Staff provident fund	–	1,706
ARL gratuity fund	115,797	245,640
Crude oil freight adjustable through inland freight equalisation margin	–	72,973
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Payable to statutory authorities in respect of petroleum development levy and excise duty	892,466	853,733
Security deposits	1,937	40,964
Unclaimed dividends	6,028	4,598
	31,443,587	65,431,991

10.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Petroleum and Natural Resources (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing account. The amounts withheld alongwith accumulated profits amounted to Rs 2,245.176 million (2012 : Rs 2,049.179 million).

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
10.2	**Workers' Profit Participation Fund**		
	Balance at the beginning of the year	245,967	199,714
	Add : Interest on funds utilised in the Company's business	3,775	4,718
		249,742	204,432
	Less : Amount paid to the Fund	648,775	203,050
		(399,033)	1,382
	Add : Amount allocated for the year - notes 27 and 32	333,075	244,585
	Balance at end of the year - note 20	(65,958)	245,967

11. CONTINGENCIES AND COMMITMENTS

Contingencies :

		2013 Rs '000	2012 Rs '000
i)	Due to huge circular debt in the oil industry, certain payments due from / to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
ii)	SECP has raised a demand on the Company to surrender gain on purchase and sale of shares of Attock Petroleum Limited by the Company during the period May, 2008 to August, 2008. Based on legal advice, the Company has contested this demand in Appeal against the SECP order. The Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements.	52,204	52,204
iii)	Guarantees issued by banks on behalf of the Company	394	394
iv)	Claims for land compensation contested by the Company	1,300	1,300
v)	Price adjustment related to crude oil purchases as referred to in note 23.1, the amount of which can not be presently quantified		

		2013 Rs '000	2012 Rs '000
	Commitments outstanding :		
i)	ARL Up-gradation Projects	18,459,249	–
	This includes US $ 142.62 million approximately for ARL Up-gradation Projects. Out of this amount payments of Rs 1,843.35 million (including US $ 14 million) have been made subsequent to the balance sheet date.		
ii)	Capital expenditure (other than i) above	187,899	63,500
iii)	Letters of credit for purchase of store items	29,428	269,657

12. OPERATING ASSETS

	Freehold land (note 12.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
			(Rs '000)				
As at July 1, 2011							
Cost or valuation	8,799,438	123,885	4,287,833	46,049	67,208	78,361	13,402,774
Accumulated depreciation	–	(54,802)	(3,858,147)	(41,325)	(48,440)	(65,800)	(4,068,514)
Net book value	8,799,438	69,083	429,686	4,724	18,768	12,561	9,334,260
Year ended June 30, 2012							
Opening net book value	8,799,438	69,083	429,686	4,724	18,768	12,561	9,334,260
Additions	–	14,979	36,810	10,626	8,411	12,068	82,894
Disposals							
Cost	–	–	(670)	–	(471)	(3,714)	(4,855)
Depreciation	–	–	–	–	304	3,704	4,008
	–	–	(670)	–	(167)	(10)	(847)
Depreciation charge	–	(7,898)	(90,369)	(4,010)	(4,418)	(5,900)	(112,595)
Closing net book value	8,799,438	76,164	375,457	11,340	22,594	18,719	9,303,712
As at June 30, 2012							
Cost or valuation	8,799,438	138,864	4,323,973	56,675	75,148	86,715	13,480,813
Accumulated depreciation	–	(62,700)	(3,948,516)	(45,335)	(52,554)	(67,996)	(4,177,101)
Net book value	8,799,438	76,164	375,457	11,340	22,594	18,719	9,303,712
Year ended June 30, 2013							
Opening net book value	8,799,438	76,164	375,457	11,340	22,594	18,719	9,303,712
Additions	–	37,666	241,450	7,654	7,016	14,524	308,310
Disposals							
Cost	–	–	(219)	(5,061)	(827)	(3,269)	(9,376)
Depreciation	–	–	219	5,034	499	3,269	9,021
	–	–	–	(27)	(328)	–	(355)
Depreciation charge	–	(7,773)	(88,482)	(4,672)	(4,545)	(6,860)	(112,332)
Closing net book value	8,799,438	106,057	528,425	14,295	24,737	26,383	9,499,335
As at June 30, 2013							
Cost or valuation	8,799,438	176,530	4,565,204	59,268	81,337	97,970	13,779,747
Accumulated depreciation	–	(70,473)	(4,036,779)	(44,973)	(56,600)	(71,587)	(4,280,412)
Net book value	8,799,438	106,057	528,425	14,295	24,737	26,383	9,499,335
Annual rate of Depreciation (%)	–	5	10	20	10	20	

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

12.1 Freehold land was revalued in June 2011 and the revaluation surplus of Rs 8,745,217 thousand is carried as surplus on revaluation of fixed assets in the balance sheet.

12.2 Fixed assets disposed off during the year are as follows :

	Original cost	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
		Rs '000			
Assets disposed off to executives :					
Vehicles	331	–	93	Company policy	Syed Asad Abbas
	910	–	91	Company policy	Mr. Asif Saeed
	1,001	–	101	Company policy	Mr. Mansoor Shafique
	1,027	–	103	Company policy	Mr. Ejaz H. Randhawa

	2013 Rs '000	2012 Rs '000
12.3 The depreciation charge for the year has been allocated as follows :		
Cost of sales	99,608	100,747
Administration expenses	12,257	11,447
Distribution cost	467	401
	112,332	112,595

13. CAPITAL WORK–IN–PROGRESS

	2013 Rs '000	2012 Rs '000
Opening balance as at July 1	469,516	279,099
Additions during the year	241,138	256,486
	710,654	535,585
Transfer to operating assets	(252,969)	(38,649)
Pipeline project cost written off	–	(27,420)
Closing balance as at June 30	457,685	469,516
The details are as under :		
Civil works	3,672	21,625
Plant and machinery	453,013	446,891
Pipeline project	1,000	1,000
	457,685	469,516

	2013 % age holding	2013 Rs '000	2012 % age holding	2012 Rs '000
14. LONG TERM INVESTMENTS – AT COST				
Associated companies				
Quoted				
National Refinery Limited (NRL) – note 14.1 19,991,640 (2012 : 19,991,640) fully paid ordinary shares including 3,331,940 (2012 : 3,331,940) bonus shares of Rs 10 each Market value as at June 30, 2013 : Rs 4,810 million (June 30, 2012 : Rs 4,626 million)	25	8,046,635	25	8,046,635
Attock Petroleum Limited (APL) 15,120,115 (2012 : 15,120,115) fully paid ordinary shares including 4,620,035 (2012 : 4,620,035) bonus shares of Rs 10 each Market value as at June 30, 2013 : Rs 8,484 million (June 30, 2012 : Rs 7,173 million)	21.88	4,463,485	21.88	4,463,485
Unquoted				
Attock Gen Limited (AGL) 7,482,957 (2012 : 7,482,957) fully paid ordinary shares of Rs 100 each	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited 450,000 (2012 : 450,000) fully paid ordinary shares of Rs 10 each	10	4,500	10	4,500
		13,262,915		13,262,915
Subsidiary company				
Unquoted				
Attock Hospital (Private) Limited 200,000 (2012 : 200,000) fully paid ordinary shares of Rs 10 each	100	2,000	100	2,000
		13,264,915		13,264,915

All associated and subsidiary companies are incorporated in Pakistan.

14.1 Based on a valuation analysis carried out by an external investment advisor engaged by the Company, the recoverable amount of investment in NRL 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 average gross profit margin of 3.5% (2012 : 5.15%), terminal growth rate of 4% (2012 : 3.5%) and capital asset pricing model based discount rate of 18.27% (2012 : 20.13%).

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees – considered good – note 15.1	40,994	34,892
	Amounts due within next twelve months shown under current assets – note 20	(25,760)	(21,170)
		15,234	13,722
	Security deposits	1,398	1,038
		16,632	14,760

15.1 Loans to employees are for miscellaneous purposes which are recoverable in 24, 36 and 60 equal monthly installments depending on case to case basis and are secured by a charge on the asset purchased and / or amount due to the employee against provident fund or a third party guarantee. These are interest free loans. These include an amount of Rs 9.066 million (2012 : Rs 6.029 million) receivable from Executives of the Company and does not include any amount receivable from Directors or Chief Executive. The maximum amount due from executives of the Company at the end of any month during the year was Rs 9.066 million (2012 : Rs 7.131 million).

		2013 Rs '000	2012 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives :**		
	Opening balance as at July 1	6,029	2,951
	Add : Disbursements during the year	12,644	11,318
		18,673	14,269
	Less : Repayments during the year	9,607	8,240
	Closing balance as at June 30	9,066	6,029
16.	**DEFERRED TAXATION**		
	Debit balances arising on		
	Difference between accounting and tax depreciation	5,015	56,484
	Provisions for obsolete stores, provision for privilege leave and doubtful debts	48,038	33,777
		53,053	90,261
17.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit Rs 123.62 million ; 2012 : Rs 108.47 million)	445,724	417,177
	Spares	348,357	324,018
	Loose tools	837	345
		794,918	741,540
	Less : Provision for slow moving items – note 17.1	106,786	67,686
		688,132	673,854

		2013 Rs '000	2012 Rs '000
17.1	**Provision for slow moving items**		
	Opening balance	67,686	61,372
	Provision for the year	39,100	8,100
		106,786	69,472
	Written off during the year	–	(1,786)
		106,786	67,686

18. STOCK–IN–TRADE

	2013 Rs '000	2012 Rs '000
Crude oil - in stock	4,239,670	4,224,061
Semi–finished products	958,198	951,036
Finished products	6,546,942	5,475,589
	11,744,810	10,650,686

18.1 Stock-in-trade include stocks carried at net realisable value of Rs 10,266 million (2012 : Rs 9,431 million). Adjustments amounting to Rs 856 million (2012 : Rs 1,624 million) have been made to closing inventory to write down stocks to their net realisable value.

19. TRADE DEBTS

All debtors are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 6,971 million (2012 : Rs 13,328 million) and Pakistan Oilfields Limited Rs 32 million (2012 : Rs 8 million).

Age analysis of trade debts from associated companies, past due but not impaired.

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,736	8,829,238
6 to 12 months	–	1,941,030
Above 12 months	–	3,084
	2,550,736	10,773,352

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
20. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
LOANS AND ADVANCES – CONSIDERED GOOD		
Current portion of long term loans to employees - note 15	25,760	21,170
Advances to suppliers	89,311	75,883
Advances to employees	3,118	2,615
	118,189	99,668
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	39,568	37,308
	39,854	37,594
OTHER RECEIVABLES		
Due from subsidiary company		
Attock Hospital (Private) Limited	442	405
Due from associated companies		
Attock Information Technology Services (Private) Limited	–	88
Attock Petroleum Limited	1,966	3,582
Attock Leisure and Management Associates (Private) Limited	4,203	18
Attock Gen Limited	215	100
National Cleaner Production Centre Foundation	543	1,041
Attock Cement Pakistan Limited	8	–
Due from Staff Pension Fund	18,869	33,295
Income accrued on bank deposits	38,716	24,927
Crude oil freight adjustable through inland freight equalisation margin	15,802	–
Workers' Profit Participation Fund - note 10.2	65,958	–
Other receivables	23,665	19,992
	170,387	83,448
	328,430	220,710
21. CASH AND BANK BALANCES		
Cash in hand	931	547
Pay orders in hand - note 21.1	8,045,762	–
With banks :		
Current accounts	5,515	4,103
Deposit accounts - note 21.2	–	1,968,414
Savings accounts (including US $ 473,584 ; 2012 : US $ 375,418)	2,952,760	7,870,603
	11,004,968	9,843,667

21.1 These include amount of Rs 2,190.198 million related to amounts withheld alongwith interest earned thereon net of withholding tax, as referred to in note 10.1. Subsequent to the balance sheet date all the pay orders were duly credited in the Company's bank accounts.

21.2 Balance at June 30, 2012 represents deposits placed in a 90 days interest bearing account consequent to directives of the Ministry of Petroleum & Natural Resources on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 10.1.

21.3 Bank deposits of Rs 0.394 million (2012 : Rs 0.394 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

21.4 Balances with banks include Rs 1.937 million (2012 : Rs 40.964 million) in respect of security deposits received.

21.5 Balances with banks earned weighted average interest / mark-up @ 9.73% (2012 : @ 11.74%) per annum.

		2013 Rs '000	2012 Rs '000
22.	**SALES**		
	Gross sales (excluding Naphtha export sales)	177,930,351	163,419,392
	Naphtha export sales	24,230,801	22,809,059
	Sale proceeds of Naphtha exports related to third parties	(4,156,023)	(2,283,599)
		20,074,778	20,525,460
		198,005,129	183,944,852
	Duties, taxes and levies – note 22.1	(34,516,066)	(29,563,294)
	HSD price differential payable to Government - note 22.2	(188,531)	–
		163,300,532	154,381,558
22.1	**Duties, taxes and levies**		
	Sales tax	24,569,435	22,428,823
	Petroleum development levy	9,946,050	7,133,800
	Custom duties and other levies	581	671
		34,516,066	29,563,294

22.2 This represents amount payable to the Government of Pakistan on account of differential between import parity price of HSD and import price of PSO.

Notes to and Forming Part of the Financial Statements
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		2013 Rs '000	2012 Rs '000
23.	**COST OF SALES**		
	Opening stock of semi-finished products	951,036	899,348
	Crude oil consumed - note 23.1	157,340,088	147,485,041
	Transportation and handling charges	1,654,633	1,805,118
	Salaries, wages and other benefits - note 23.2	629,923	572,802
	Printing and stationery	2,617	2,897
	Chemicals consumed	294,450	274,657
	Fuel and power	857,838	961,325
	Rent, rates and taxes	14,925	13,285
	Telephone	1,846	1,705
	Professional charges for technical services	5,878	3,889
	Insurance	118,942	103,690
	Repairs and maintenance (including stores and spares consumed Rs 85.488 million ; 2012 : Rs 84.164 million)	285,433	250,653
	Staff transport and traveling	14,288	12,586
	Cost of receptacles	29,214	24,471
	Research and development	66	1,036
	Depreciation	99,608	100,747
		162,300,785	152,513,250
	Closing stock of semi-finished products	(958,198)	(951,036)
		161,342,587	151,562,214
	Opening stock of finished products	5,475,589	6,275,579
	Closing stock of finished products	(6,546,942)	(5,475,589)
		(1,071,353)	799,990
		160,271,234	152,362,204
23.1	**Crude oil consumed**		
	Stock at the beginning of the year	4,224,061	3,697,649
	Purchases	157,355,697	148,011,453
		161,579,758	151,709,102
	Stock at the end of the year	(4,239,670)	(4,224,061)
		157,340,088	147,485,041

Certain crude purchases have been recorded based on provisional prices notified by the Government and may require adjustment in subsequent periods.

23.2 Salaries, wages and other benefits under cost of sales, administration expenses and distribution cost include the Company's contribution to the Pension and Gratuity Fund Rs 73,496 thousand (2012 : Rs 77,403 thousand) and to the Provident Fund Rs 21,370 thousand (2012 : Rs 18,102 thousand).

	2013 Rs '000	2012 Rs '000
24. ADMINISTRATION EXPENSES		
Salaries, wages and other benefits - note 23.2	209,903	208,976
Board meeting fee	3,985	3,753
Staff transport, traveling and entertainment	19,433	17,058
Telephone	2,092	2,038
Electricity, gas and water	15,254	12,397
Printing and stationery	4,621	4,487
Auditor's remuneration - note 24.1	2,454	2,031
Legal and professional charges	13,102	4,862
Repairs and maintenance	51,531	50,816
Subscription	10,267	8,450
Publicity	5,355	3,104
Scholarship scheme	1,851	1,973
Rent, rates and taxes	3,575	3,837
Insurance	1,477	1,181
Donations*	572	358
Training expenses	2,926	3,245
Depreciation	12,257	11,447
	360,655	340,013

* No director or his spouse had any interest in the donee institutions.

	2013 Rs '000	2012 Rs '000
24.1 Auditor's remuneration		
Annual audit	1,210	1,100
Review of half yearly accounts, audit of consolidated accounts, staff funds and special certifications	713	787
Tax services	350	-
Out of pocket expenses	181	144
	2,454	2,031

	2013 Rs '000	2012 Rs '000
25. DISTRIBUTION COST		
Salaries, wages and other benefits - note 23.2	29,456	27,698
Staff transport, traveling and entertainment	553	522
Telephone	212	201
Electricity, gas and water	5,085	4,132
Printing and stationery	110	141
Repairs and maintenance including packing and other stores consumed	4,414	3,731
Rent, rates and taxes	835	789
Legal and professional charges	30	–
Depreciation	467	401
	41,162	37,615

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
26. FINANCE COST		
Exchange loss	544,492	989,905
Interest on Workers' Profit Participation Fund – note 10.2	3,775	4,718
Bank and other charges	288	116
	548,555	994,739
27. OTHER CHARGES		
Pipeline project cost written off	–	27,420
Provision for slow moving stores	39,100	8,100
Workers' Profit Participation Fund	256,096	150,012
Workers' Welfare Fund	110,763	79,001
	405,959	264,533

28. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2013 using the projected unit credit method. Details of the defined benefit plans are :

	Funded defined benefit pension plan		Funded defined benefit gratuity plan	
	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
a) The amounts recognised in the profit and loss account :				
Current service cost	14,268	12,668	10,885	11,010
Interest cost	69,198	57,332	41,401	40,630
Expected return on plan assets	(64,067)	(56,983)	(14,922)	(1,210)
Past service cost	(3,374)	(3,375)	4,900	6,293
Recognition of loss / (gain)	10,186	3,881	5,021	7,157
Net expense	26,211	13,523	47,285	63,880
b) The amounts recognised in the balance sheet :				
Fair value of plan assets	574,936	491,531	195,642	47,587
Present value of defined benefit obligations	(583,806)	(535,968)	(375,538)	(333,235)
Surplus (deficit)	(8,870)	(44,437)	(179,896)	(285,648)
Unrecognised past service cost	(6,489)	(9,863)	-	2,348
Unrecognised net loss	34,228	87,595	64,099	37,660
Net asset / (liability)	18,869	33,295	(115,797)	(245,640)
c) Movement in the present value of defined benefit obligation :				
Present value of defined benefit obligation as at July 1	535,968	421,810	333,235	299,272
Current service cost	14,268	12,668	10,885	11,010
Interest cost	69,198	57,332	41,401	40,630
Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
Past service cost	–	–	2,552	–
Actuarial loss / (gain)	(7,319)	69,588	30,350	1,057
Present value of defined benefit obligation as at June 30	583,806	535,968	375,538	333,235

During the year June 30, 2012, the pension plan was closed to new entrants effective January 1, 2012 and the gratuity plan has been enhanced for new management staff employees. Non-management staff gratuity, which was previously unfunded, has been merged into gratuity fund.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
d)	**Changes in the fair value of plan assets :**				
	Fair value of plan assets as at July 1	491,531	470,136	47,587	6,080
	Expected return	64,067	56,983	14,922	1,210
	Contributions by employer	11,784	11,522	177,129	21,491
	Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
	Inter-fund transfer	–	(33,945)	–	33,945
	Actuarial gain / (loss)	35,863	12,265	(1,111)	3,595
	Fair value of plan assets as at June 30	574,936	491,531	195,642	47,587
	Actual return on plan assets	99,929	69,248	13,811	4,805

The Company expects to contribute Rs 75 million to its defined benefit pension and gratuity plans during 2013 - 2014.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
e)	**The major categories of plan assets :**				
	Investment in equities	129,221	134,540	–	–
	Investment in mixed funds	25,479	66,257	–	–
	Cash / Bank	420,236	290,734	195,722	47,667
	Benefits due	–	–	(80)	(80)
		574,936	491,531	195,642	47,587
f)	**Significant actuarial assumptions at the balance sheet date :**				
	Discount rate	11.00%	13.25%	11.00%	13.25%
	Expected return on plan assets	11.00%	13.25%	11.00%	13.25%
	Future salary increases	9.00%	11.00%	9.00%	11.00%
	Future pension increases	5.75%	7.75%	–	–

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000	2011 Rs '000	2010 Rs '000	2009 Rs ' 000
g)	**Comparison for five years :**					
	Funded Defined Benefit Pension Plan					
	Present value of defined benefit obligation	(583,806)	(535,968)	(421,810)	(476,121)	(387,196)
	Fair value of plan assets	574,936	491,531	470,136	391,481	340,186
	Surplus / (deficit)	(8,870)	(44,437)	48,326	(84,640)	(47,010)
	Experience adjustments on plan liabilities – loss / (gain)	(7,319)	69,588	(7,509)	41,532	22,993
	Experience adjustments on plan assets – gain / (loss)	35,863	12,265	50,610	6,961	(97,171)
	Funded Defined Benefit Gratuity Plan (Established on July 1, 2010)					
	Present value of defined benefit obligation	(375,538)	(333,235)	(93,979)	–	–
	Fair value of plan assets	195,642	47,587	6,080	–	–
	Deficit	(179,896)	(285,648)	(87,899)	–	–
	Experience adjustments on plan liabilities – loss	30,350	1,057	679	–	–
	Experience adjustments on plan assets – gain / (loss)	(1,111)	3,595	215	–	–

		2013 Rs '000	2012 Rs '000
29.	**DEFINED CONTRIBUTION PLAN**		
	Details of the provident funds are as follows :		
	Staff Provident Fund		
	Net assets	304,612	266,788
	Cost of investments made	251,344	237,763
	Fair value of investments made	302,932	266,383
	%age of investments made	99%	99%

	2013		2012	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	22,851	9%	34,331	14%
Mutual Funds	11,499	5%	61,458	26%
Bank deposits	216,994	86%	141,974	60%
	251,344	100%	237,763	100%

	2013 Rs '000	2012 Rs '000
General Staff Provident Fund		
Net assets	507,176	445,712
Cost of investments made	470,196	453,146
Fair value of investments made	503,998	449,690
%age of investments made	99%	99%

	2013		2012	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	23,222	5%	43,613	10%
Mutual Funds	36,520	8%	92,447	20%
Bank deposits	410,454	87%	317,086	70%
	470,196	100%	453,146	100%

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

	2013	2012
	Rs '000	Rs '000
30. OTHER INCOME		
Income from financial assets		
Income on bank deposits	1,139,457	882,557
Interest on delayed payments	1,634,784	1,195,248
Exchange gain	82,417	124,774
	2,856,658	2,202,579
Income from non - financial assets		
Income from crude decanting	15,218	21,940
Income from crude desalter operations - note 30.1	4,387	4,700
Insurance agency commission	2,067	2,178
Rental income	73,287	51,415
Sale of scrap	17,509	9,235
Profit on disposal of fixed assets	749	418
Calibration charges	3,818	3,225
Handling and service charges	88,341	85,201
Penalties from carriage contractors	2,645	4,802
Miscellaneous	17,424	3,081
	225,445	186,195
	3,082,103	2,388,774
30.1 Income from crude desalter operations		
Income	60,483	56,901
Less : Operating costs		
Salaries, wages and other benefits	1,709	1,590
Chemicals consumed	9,546	8,883
Fuel and power	34,860	32,440
Repairs and maintenance	9,981	9,288
	56,096	52,201
	4,387	4,700

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
31. PROVISION FOR TAXATION		
Current	2,100,300	1,560,200
Deferred	37,208	64,983
	2,137,508	1,625,183
31.1 Relationship between tax expense and accounting profit		
Accounting profit	4,755,070	2,771,228
Tax at normal rate	1,664,275	969,930
Income chargeable to tax at special rate	473,233	655,253
	2,137,508	1,625,183
32. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION		
Dividend income from associated companies		
National Refinery Limited	299,875	499,791
Attock Petroleum Limited	491,404	718,205
Attock Gen Limited	748,296	673,466
	1,539,575	1,891,462
Less : Related charges		
Workers' Profit Participation Fund	76,979	94,573
Workers' Welfare Fund	29,252	35,938
Taxation	135,250	172,310
	241,481	302,821
	1,298,094	1,588,641

33. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company are as follows :

	2013 Rs '000	2012 Rs '000
High Speed Diesel	66,874,673	61,364,375
Jet Petroleum	21,946,866	21,743,321
Motor Gasoline	44,019,851	39,035,461
Furnace Fuel Oil	20,663,435	18,851,206
Naphtha	20,074,777	20,525,460
Others	24,236,996	22,425,029
	197,816,598	183,944,852
Less : Duties, taxes and levies	34,516,066	29,563,294
	163,300,532	154,381,558

Revenue from four major customers of the Company constitute 87% (2012 : 87%) of total revenue during the year.

34. RELATED PARTY TRANSACTIONS

The Attock Oil Company Limited holds 61.01% (2012 : 56.32%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Attock Oil Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 35 to the financial statements.

	2013 Rs '000	2012 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Purchase of crude oil	14,004,809	14,334,680
Purchase of gas	43,524	31,006
Purchase of services	5,959	37,734
Sale of petroleum products	638,980	657,250
Sale of services	13,825	11,411
Attock Petroleum Limited		
Sale of petroleum products	42,079,466	41,518,205
Sale of services	80,971	72,066
Purchase of petroleum products	2,397	2,650
Purchase of services	341,366	335,680
Interest income on delayed payments	1,634,784	1,195,249
National Refinery Limited		
Purchase of services	127,762	116,090
Sale of services	8	2,422
Attock Cement Pakistan Limited		
Purchase of services	50	261
Sale of services	-	10
Attock Gen Limited		
Sale of petroleum products	1,318	1,041
Land lease income	16,261	15,888
Storage tanks lease income	13,190	12,603
Income from other services and facilities provided to AGL	8,161	11,833
National Cleaner Production Centre		
Purchase of services	6,630	5,635
Sale of services	7,231	6,737
Sale of petroleum products	184	165
Attock Information Technology Services (Private) Limited		
Purchase of services	23,033	20,917
Sale of services	3,168	2,952
Attock Leisure & Management Associates (Private) Limited		
Sale of services	5,381	–
Sui Southern Gas Company Limited		
Purchase of crude oil	104,215	–

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	409,256	690,189
Purchase of services	8,700	8,171
Sale of services	316	257
Subsidiary company		
Attock Hospital (Private) Limited		
Purchase of services	45,342	40,603
Sale of services	4,007	3,314
Sale of petroleum products	386	382
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	11,784	11,522
Staff gratuity fund	177,129	21,491
Staff provident fund	21,370	18,102
Contribution to Workers' Profit Participation Fund	333,075	244,585

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for remuneration, including benefits and perquisites, were as follows :

	Chief Executive		Directors		Executives	
	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
Managerial remuneration / honorarium	5,853	5,259	319	319	58,184	42,411
Bonus	2,515	2,307	–	–	20,973	14,549
Company's contribution to provident, pension and gratuity funds	344	1,439	–	–	15,441	11,653
Housing and utilities	4,243	3,916	–	–	66,356	44,885
Leave fare assistance	685	627	–	–	7,449	5,638
	13,640	13,548	319	319	168,403	119,136
Less : Charged to Attock Gen Limited	4,092	4,064	–	–	–	–
	9,548	9,484	319	319	168,403	119,136
No of person(s)	1	1	1	1	60	40

35.1 In addition, the Chief Executive and 14 (2012 : 15) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 24 (2012 : 13) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 35 (2012 : 23) executives.

35.2 In addition, meeting fee based on actual attendance was paid to 4 (2012 : 4) non-executive directors Rs 2.426 million (2012 : Rs 2.103 million), Chief Executive Officer Rs 0.623 million (2012 : Rs 0.580 million) and 2 (2012 : 2) alternate directors Rs 0.927 million (2012 : Rs 1.070 million) of the Company.

36. FINANCIAL INSTRUMENTS

36.1 Financial assets and liabilities

	2013 Rs '000	2012 Rs '000
Financial assets :		
Maturity upto one year		
Trade debts	17,499,312	49,115,758
Loans, advances, deposits and other receivables	199,552	107,519
Cash and bank balances		
Foreign currency - US $	47,135	35,496
Local currency	10,957,833	9,808,171
Maturity after one year		
Long term loans and deposits	16,632	14,760
	28,720,464	59,081,704
Financial liabilities :		
Maturity upto one year		
Trade and other payables	31,425,563	65,404,688
	31,425,563	65,404,688

36.2 Credit quality of financial assets

The credit quality of 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 ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2013 Balance Rs '000	2012 Balance Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	4,495,767	33,546,683
Counterparties without external credit rating			
Due from associated companies		7,003,026	13,336,144
Others *		6,000,519	2,232,931
		17,499,312	49,115,758
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		216,184	122,279
Bank Balances			
Counterparties with external credit rating			
	A 1+	2,957,410	9,271,483
	A 1	865	571,637
		2,958,275	9,843,120

* These balances represent receivable from oil marketing companies and defence agencies.

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

36.3 Financial risk management

36.3.1 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 placements with banks. The sales are essentially to oil marketing companies and reputable foreign customers. The Company's placements are with banks having satisfactory credit rating. Due to the high credit worthiness of counter parties the credit risk is considered minimal.

At June 30, 2013, trade debts of Rs 2,551,918 thousand (2012 : Rs 42,354,140 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows :

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,736	21,778,791
6 to 12 months	–	8,863,969
Above 12 months	1,182	11,711,380
	2,551,918	42,354,140

b) Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

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 47 million (2012 : Rs 35 million) and financial liabilities include Rs 13,318 million (2012 : Rs 11,865 million) which were subject to currency risk.

At June 30, 2013, if the currency had weakened / strengthened by 10% against US dollar with all other variables held constant, profit after tax for the year would have been Rs 863 million (2012 : Rs 769 million) 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.

Financial assets and liabilities include balances of Rs 2,953 million (2012 : Rs 9,839 million) and Rs 2,245 million (2012 : Rs 2,049 million) respectively, which are subject to interest rate risk.

Had interest rates been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 165 million (2012 : Rs 99 million) higher / lower.

iii) **Price risk**

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

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

36.3.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year and the company is not subject to externally imposed capital requirement.

	2013 Rs '000	2012 Rs '000
37. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation from refinery operations	2,617,562	1,146,045
Income from non-refinery operations less applicable charges and taxation	1,298,094	1,588,641
	3,915,656	2,734,686
Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
Earnings per share - Basic and diluted (Rs)		
Refinery operations	30.69	13.44
Non-refinery operations	15.22	18.63
	45.91	32.07

38. GENERAL

38.1 Capacity and production

Against the designed annual refining capacity of 14.963 million (2012 : 14.700 million) US barrels the actual throughput during the year was 14.989 million (2012 : 14.665 million) US barrels.

	2013	2012
38.2 Number of employees		
Total number of employees at end of the year	669	682
Average number of employees for the year	675	683

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

38.3 Non-adjusting events after the balance sheet date

i) Subsequent to the balance sheet date the Company has entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of PKR 22 billion for ARL Up-gradation Projects. The facility carries a markup of 3 months KIBOR plus 1.70% which will be payable on quarterly basis. The facility is secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of PKR 15 billion. Further the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over immovable property. The tenor of this facility is 12 years including the grace period of 2 years.

ii) The Board of Directors in its meeting held on August 14, 2013 has proposed a final cash dividend for the year ended June 30, 2013 @ Rs 2.50 per share (2012 : Rs 6.00 per share), amounting to Rs 213,233 thousand (2012 : Rs 511,758 thousand) for approval of the members in the Annual General Meeting to be held on September 27, 2013.

39. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 14, 2013.

__SD__	__SD__
Chief Executive	Director

ARL

Consolidated Annual Audited Financial Statements

for the year ended June 30, 2013

Auditors' Report to the Members

A.F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

KARACHI-LAHORE-ISLAMABAD

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Attock Refinery Limited (ARL) and its subsidiary company, Attock Hospital (Private) Limited as at June 30, 2013 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of ARL and its subsidiary company. These financial statements are the responsibility of ARL's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of ARL and its subsidiary company as at June 30, 2013 and the results of their operations for the year then ended.

___SD___

Chartered Accountants
Islamabad : August 14, 2013
Engagement partner : S. Haider Abbas

Consolidated Balance Sheet
as at June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised	6	1,500,000	1,500,000
Issued, subscribed and paid-up	6	852,930	852,930
Reserves and surplus	7	22,636,199	18,921,763
		23,489,129	19,774,693
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	8,745,217	8,745,217
		32,234,346	28,519,910
CURRENT LIABILITIES AND PROVISIONS			
Short term finance	9	–	3,288
Trade and other payables	10	31,457,231	65,443,834
Provision for taxation		6,360,109	4,642,474
		37,817,340	70,089,596
CONTINGENCIES AND COMMITMENTS	11		
		70,051,686	98,609,506

	Note	2013 Rs '000	2012 Rs '000
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	9,504,110	9,308,006
Capital work-in-progress	13	457,685	469,516
Stores and spares held for capital expenditure		77,529	67,067
		10,039,324	9,844,589
LONG TERM INVESTMENTS	14	18,656,872	18,134,870
LONG TERM LOANS AND DEPOSITS	15	16,632	14,760
DEFERRED TAXATION	16	52,720	90,628
CURRENT ASSETS			
Stores, spares and loose tools	17	688,132	673,854
Stock-in-trade	18	11,745,282	10,651,284
Trade debts	19	17,499,373	49,116,266
Loans, advances, deposits, prepayments and other receivables	20	342,780	232,969
Cash and bank balances	21	11,010,571	9,850,286
		41,286,138	70,524,659
		70,051,686	98,609,506

The annexed notes 1 to 41 are an integral part of these financial statements.

__SD__

Chief Executive

__SD__

Director

Consolidated Profit and Loss Account

for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Sales	22	163,300,532	154,381,558
Cost of sales	23	(160,271,234)	(152,362,204)
GROSS PROFIT		3,029,298	2,019,354
Administration expenses	24	360,655	340,013
Distribution cost	25	41,162	37,615
Finance cost	26	548,555	994,739
Other charges	27	405,959	264,533
		(1,356,331)	(1,636,900)
		1,672,967	382,454
Other income	30	3,082,103	2,388,774
Profit before taxation from refinery operations		4,755,070	2,771,228
Provision for taxation	31	(2,137,508)	(1,625,183)
Profit after taxation from refinery operations		2,617,562	1,146,045
Profit after taxation from non-refinery operations			
Profit of Attock Hospital (Private) Limited	32	1,769	1,190
Share in profit of associated companies	33	2,427,340	2,174,468
Impairment loss on investment in associated companies	14	(607,244)	(944,075)
		1,821,865	1,231,583
PROFIT FOR THE YEAR		4,439,427	2,377,628
Earnings per share - Basic and diluted (Rs)			
Refinery operations		30.69	13.44
Non-refinery operations		21.36	14.44
	39	52.05	27.88

The annexed notes 1 to 41 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Consolidated Statement of Comprehensive Income
for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Profit for the year		4,439,427	2,377,628
Other comprehensive income		–	–
Total comprehensive income for the year		4,439,427	2,377,628

The annexed notes 1 to 41 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Consolidated Cash Flow Statement

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from – customers	235,294,973	163,449,156
– others	361,482	359,664
	235,656,455	163,808,820
Cash paid for operating costs	(200,587,267)	(130,472,428)
Cash paid to Government for duties, taxes and other levies	(34,471,364)	(27,999,614)
Income tax paid	(520,088)	(538,931)
Net cash flows from operating activities	77,736	4,797,847
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(308,849)	(284,908)
Sale of property, plant and equipment	1,751	1,265
Long term loans and deposits	(1,872)	(107)
Income on bank deposits received	1,125,888	866,832
Dividends received	1,539,575	1,891,462
Net cash flows from investing activities	2,356,493	2,474,544
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost	(548,822)	(994,957)
Short term running finance received / (repaid)	(3,288)	2,180
Dividends paid	(723,561)	(297,506)
Net cash flows from financing activities	(1,275,671)	(1,290,283)
EFFECT OF EXCHANGE RATE CHANGES	1,727	3,089
INCREASE IN CASH AND CASH EQUIVALENTS	1,160,285	5,985,197
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,850,286	3,865,089
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11,010,571	9,850,286

The annexed notes 1 to 41 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Consolidated Statement of Changes in Equity

for the year ended June 30, 2013

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Maintenance reserve	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
	Rs '000								
Balance at June 30, 2011	852,930	89,468	5,666,771	138,235	1,002,400	2,584,130	7,361,657	8,745,217	26,440,808
Final Cash Dividend @ 20% related to the year ended June 30, 2011	-	-	-	-	-	-	(170,586)	-	(170,586)
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	2,377,628	-	2,377,628
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	2,377,628	-	2,377,628
Interim Cash Dividend @ 15% related to the year ended June 30, 2012	-	-	-	-	-	-	(127,940)	-	(127,940)
Impairment loss on investment in associated company transferred from unappropriated profit to investment reserve	-	-	-	-	(944,075)	-	944,075	-	-
Transfer to special reserve for expansion / modernisation - note 7.1	-	-	1,000,245	-	-	-	(1,000,245)	-	-
Loss after tax from fuel refinery operations transferred to special reserve by associated companies - note 7.1	-	-	(27,891)	-	-	-	27,891	-	-
Transfer to maintenance reserve by an associated company	-	-	-	12,134	-	-	(12,134)	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	975,000	(975,000)	-	-
Balance at June 30, 2012	852,930	89,468	6,639,125	150,369	58,325	3,559,130	8,425,346	8,745,217	28,519,910
Final Cash Dividend @ 60% related to the year ended June 30, 2012	-	-	-	-	-	-	(511,758)	-	(511,758)
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	4,439,427	-	4,439,427
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	4,439,427	-	4,439,427
Interim Cash Dividend @ 25% related to the year ended June 30, 2013	-	-	-	-	-	-	(213,233)	-	(213,233)
Impairment loss on investment in associated company transferred from unappropriated profit to investment reserve	-	-	-	-	(58,325)	-	58,325	-	-
Transfer to special reserve for expansion / modernisation - note 7.1	-	-	2,471,762	-	-	-	(2,471,762)	-	-
Loss after tax from fuel refinery operations transferred to special reserve by associated companies - note 7.1	-	-	(257)	-	-	-	257	-	-
Transfer to maintenance reserve by an associated company	-	-	-	11,872	-	-	(11,872)	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	393,250	(393,250)	-	-
Balance at June 30, 2013	852,930	89,468	9,110,630	162,241	-	3,952,380	9,321,480	8,745,217	32,234,346

The annexed notes 1 to 41 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

1. LEGAL STATUS AND OPERATIONS

Attock Refinery Limited (the Company) was incorporated in Pakistan on November 8, 1978 as a private limited company and was converted into a public company on June 26, 1979. The registered office of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. It is principally engaged in the refining of crude oil.

The Company is subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

Attock Hospital (Private) Limited (AHL) was incorporated in Pakistan on August 24, 1998 as a private limited company and commenced its operations from September 1, 1998. AHL is engaged in providing medical services. AHL is a wholly owned subsidiary of Attock Refinery Limited. For the purpose of these financial statements, ARL and its above referred wholly owned subsidiary AHL is referred to as 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. Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company :

		Effective date (annual reporting periods beginning on or after)
IFRS 7	Financial instruments : Disclosures (Amendments)	January 1, 2013
IAS 1	Presentation of financial statements (Amendments)	January 1, 2013
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2013
IAS 19	Employee benefits (Amendments)	January 1, 2013
IAS 27	Separate Financial Statements (Revised)	January 1, 2013
IAS 28	Investments in Associates and Joint Venture (Revised)	January 1, 2013
IAS 32	Financial instruments : Presentation (Amendments)	January 1, 2013 & 2014
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2013
IAS 36	Impairment of assets (Amendments)	January 1, 2014
IAS 39	Financial instruments : Recognition and measurement (Amendments)	January 1, 2014

The management anticipates that except for the effects on the financial statements of amendment in IAS 19 “Employee Benefits”, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures. The application of amendments in IAS 19 would result in recognition of cumulative unrecognized actuarial gains / losses in other comprehensive income in the period of initial application and to replace with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (assets). The Company is yet to assess the full impact of the amendments.

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

		Effective date (annual periods beginning on or after)
IFRS 1	First-time adoption of International Financial Reporting Standards	July 1, 2009
IFRS 9	Financial instruments	January 1, 2015
IFRS 10	Consolidated financial statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of interests in other entities	January 1, 2013
IFRS 13	Fair value measurement	January 1, 2013
IFRIC 21	Levies	January 1, 2014

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 4.8 and certain other modifications as required by approved accounting standards referred to in the accounting policies given below.

4.2 Basis of consolidation

The consolidated financial statements include the financial statements of Attock Refinery Limited and its wholly owned subsidiary, Attock Hospital (Private) Limited.

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights or otherwise has power to elect and appoint more than one half of its directors. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-company balances and transactions have been eliminated for consolidated purposes.

4.3 Dividend appropriation

Dividend is recognised as a liability in the financial statements in the period in which it is declared.

4.4 Employees' retirement benefits

The main features of the retirement benefit schemes operated by the Company for its employees are as follows :

(i) Defined benefit plans

The Company operates a pension plan for its management staff and gratuity plan for its management and non-management staff. Gratuity is deductible from pension. Pension and gratuity plan is invested through approved trust funds. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using

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projected unit credit method. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows.

Unrecognised net gains and losses are amortised over the expected remaining service of current members.

(ii) Defined contribution plans

The Company operates an approved contributory provident fund for all employees. Equal monthly contribution is made both by the Company and the employee to the fund at the rate of 10% of basic salary.

4.5 Employees' compensated absences

The Company also provides for compensated absences for all employees in accordance with the rules of the Company.

4.6 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 in the case of items credited or charged to equity in which case it is included in equity.

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 embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

4.8 Property, plant and equipment

a) Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Freehold land is stated at revalued amount. Capital work-in-progress and stores held for capital expenditure are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) Depreciation

Depreciation on operating assets is calculated using the straight-line method to allocate their cost over their estimated useful life at the rates specified in note 12.

c) Repairs and maintenance

Maintenance and normal repairs, including minor alterations, are charged to income as and when incurred. Renewals and improvements are capitalised and the assets so replaced, if any, are retired.

d) Gains and losses on deletion

Gains and losses on deletion of assets are included in income currently.

4.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation / amortisation are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets 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 the profit and loss account.

4.10 Investments in associated companies

Investments in associated companies are accounted for using the equity method. Under this method 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 investments.

4.11 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are stated at invoice value plus other charges paid thereon.

4.12 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Crude oil in transit is valued at cost comprising invoice value. Cost in relation to crude oil is determined on the basis of annual average cost of purchases during the year on the principles of import parity and in relation to semi-finished and finished products, it represents the cost of crude oil and refining charges consisting of direct expenses and appropriate production overheads. Direct expenses are arrived at on the basis of average cost for the year per barrel of throughput. Production overheads, including depreciation, are allocated to throughput proportionately on the basis of nameplate capacity.

Net realisable value in relation to finished product represents selling prices in the ordinary course of business less costs necessarily to be incurred for its sale, as applicable, and in relation to crude oil represents replacement cost at the balance sheet date.

4.13 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows :

i) Revenue from sales is recognised on delivery of products ex-refinery to the customers with the exception that Naphtha export sales are recognised on the basis of products shipped to customers.

The Company is operating under the import parity pricing formula, as modified from time to time, whereby it is charged the cost of crude on 'import parity' basis and is allowed product prices equivalent to the 'import parity' price, calculated under prescribed parameters.

ii) Income from crude decanting, crude desalter operations, rental income, handling and service income are recognized on accrual basis.

iii) Dividend income is recognised when the right to receive dividend is established.

iv) Income on bank deposits is recognised using the effective yield method.

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v) Income on investment 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 company is recognised in the profit and loss account, and its share of post-acquisition movements in reserve is recognised in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment.

4.14 Borrowing cost

Borrowing cost related to the financing of major projects during the construction phase is capitalised. All other borrowing costs are expensed as incurred.

4.15 Foreign currency transactions and balances

Transactions in foreign currencies are converted into rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

4.16 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 when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These are subsequently measured at fair value, amortised cost or cost, as the case may be.

4.17 Financial assets

The Company classifies its financial assets in the following categories : held-to-maturity investments, loans and receivables, available for sale investments and investments at fair value through profit or loss. 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 recognized on the trade-date – the date on which the Company commits to purchase or sell the asset.

4.17.1 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.

4.17.2 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.

4.17.3 Available-for-sale investments

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 equity and taken to income on disposal of investment or when the investment is determined to be impaired.

4.17.4 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 recognised directly in the profit and loss account. The fair value of such investments is determined on the basis of prevailing market prices.

4.18 Trade and other payables

Liabilities for trade and other amounts payable including amounts payable to related parties are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.19 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.

4.20 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.

4.21 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.

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 investment in an associated company - note 14
- **ii)** Revaluation surplus on freehold land - note 12.1
- **iii)** Estimated useful life of property, plant and equipment - note 12
- **iv)** Provision for taxation - note 31
- **v)** Provision for employees' defined benefit plans - note 28

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for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
6. SHARE CAPITAL		
Authorised		
150,000,000 ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up		
8,000,000 ordinary shares of Rs 10 each issued for cash	80,000	80,000
Shares issued as fully paid bonus shares 77,293,000 ordinary shares of Rs 10 each	772,930	772,930
85,293,000 ordinary shares of Rs 10 each	852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2012 : 48,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 respectively (2012 : 1,432,000) ordinary shares at the year end.

	2013 Rs '000	2012 Rs '000
7. RESERVES AND SURPLUS		
Capital reserve		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
Donation received for purchase of hospital equipment	4,000	4,000
Bonus shares issued by associated companies	79,520	79,520
	89,468	89,468
Special reserve for expansion / modernisation – note 7.1		
Additional revenue under processing fee formula related to 1990-91 and 1991-92	32,929	32,929
Surplus profits under the import parity pricing formula	8,602,768	6,131,006
Surplus profits of associates under the import parity pricing formula	474,933	475,190
	9,110,630	6,639,125
Maintenance reserve - note 7.2	162,241	150,369
Revenue reserve		
Investment reserve – note 7.3	–	58,325
General reserve	3,952,380	3,559,130
Unappropriated profit	9,321,480	8,425,346
	13,273,860	12,042,801
	22,636,199	18,921,763

7.1 Represents amounts retained as per stipulations of the Government under the pricing formula and is available only for offsetting any future loss or making investment in expansion or up-gradation of the refinery. The Company has incurred capital expenditure of Rs 4,332 million on up-gradation and expansion projects from July 1, 1997 to June 30, 2013 (July 1, 1997 to June 30, 2012 : Rs 4,067 million). As referred to in note 11, the Company has incurred further expenditure of Rs 1,843.35 million on up-gradation projects subsequent to the balance sheet date.

On March 27, 2013, the Ministry of Petroleum & Natural Resources issued Policy Framework for Up-gradation and Expansion of Refineries. Among other directives, the Policy Framework requires refineries to deposit on half yearly basis (with final adjustment on annual basis), the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated in the Special Reserve Account in an ESCROW Account to be operated jointly with Finance Division and shall be available for utilisation exclusively for up-gradation of refineries. Such amounts shall be transferred to the ESCROW Account on completion of certain formalities. Further, the refineries have been directed that till completion of the projects, offsetting of losses, if any for the year ended June 30, 2013 or subsequent years will not be allowed against the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated or to be accumulated in the Special Reserve Account as per current pricing formula.

7.2 Represents amount retained by Attock Gen Limited to pay for major maintenance expenses in terms of the Power Purchase Agreement.

7.3 The Company has set aside gain on sale of investment as investment reserve to meet any future losses / impairment on investments.

8. SURPLUS ON REVALUATION OF FREEHOLD LAND

This represents surplus over book value resulting from revaluation of freehold land as referred to in note 12.1. Except and to the extent actually realized on disposal of the assets which are revalued, the surplus on revaluation of fixed assets shall not be applied to set off or reduce any deficit or loss, whether past, current or future, or in any manner applied, adjusted or treated so as to add to the income, profit or surplus of the Company, or utilized directly or indirectly by way of dividend or bonus, provided that the surplus on revaluation of fixed assets may be applied by the Company in setting off or in diminution of any deficit arising from the revaluation of any other fixed asset of the Company.

9. SHORT TERM FINANCE

Attock Refinery Limited has negotiated running finance facilities with banks and accepted facility offer letters to the extent of Rs 1 billion (June 30, 2012 : Rs 1 billion), which were unutilised at the year end. As and when required, these facilities shall be secured by registered charge over the Company's current assets.

Attock Hospital (Private) Limited has obtained a running finance facility of Rs 3.6 million from Allied Bank Limited. The facility was repaid in full on December 24, 2012. This facility carried markup at three months KIBOR. The facility was secured by first charge of Rs 4.8 million with 25% margin on all present and future current and fixed assets excluding land and building of the company.

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
10.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 10.1	20,408,881	54,346,331
	Due to The Attock Oil Company Limited - Holding Company	51,081	83,780
	Due to associated companies		
	Pakistan Oilfields Limited	1,528,040	1,443,125
	Attock Information Technology Services (Private) Limited	6,640	–
	National Refinery Limited	8,802	–
	Sui Southern Gas Company Limited	75,288	–
	Accrued liabilities and provisions – note 10.1	2,520,343	2,321,822
	Due to the Government under pricing formula	3,370,931	3,447,547
	Advance payments from customers	18,024	27,303
	Sales tax payable	1,847,723	1,841,755
	Workers' Welfare Fund	604,654	464,516
	Workers' Profit Participation Fund – note 10.2	–	245,967
	General staff provident fund	–	1,478
	Staff provident fund	–	1,706
	ARL gratuity fund	115,797	245,640
	Crude oil freight adjustable through inland freight equalization margin	–	72,973
	Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
	Payable to statutory authorities in respect of petroleum development levy and excise duty	892,466	853,733
	Security deposits	2,157	41,184
	Unclaimed dividends	6,028	4,598
		31,457,231	65,443,834

10.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Petroleum and Natural Resources (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing account. The amounts withheld along with accumulated profits amounted to Rs 2,245.176 million (2012 : Rs 2,049.179 million).

		2013 Rs '000	2012 Rs '000
10.2	**Workers' Profit Participation Fund**		
	Balance at the beginning of the year	245,967	199,714
	Add : Interest on funds utilised in the Company's business	3,775	4,718
		249,742	204,432
	Less : Amount paid to the Fund	648,775	203,050
		(399,033)	1,382
	Add : Amount allocated for the year - notes 27 and 33	333,075	244,585
	Balance at end of the year - note 20	(65,958)	245,967

		2013 Rs '000	2012 Rs '000
11.	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies :		
i)	Due to huge circular debt in the oil industry, certain payments due from / to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
ii)	SECP has raised a demand on the Company to surrender gain on purchase and sale of shares of Attock Petroleum Limited by the Company during the period May, 2008 to August, 2008. Based on legal advice, the Company has contested this demand in Appeal against the SECP order. The Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements.	52,204	52,204
iii)	Guarantees issued by banks on behalf of the Company	394	394
iv)	Claims for land compensation contested by the Company	1,300	1,300
v)	Price adjustment related to crude oil purchases as referred to in note 23.1, the amount of which can not be presently quantified		
vi)	Company's share in guarantees and indemnity bonds issued by associated companies	571,881	540,499
vii)	Company's share in tax contingency of an associated company related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department	153,154	186,056
	Commitments outstanding :		
i)	ARL Up-gradation Projects	18,459,249	–
	This includes US $ 142.62 million approximately for ARL Up-gradation Projects. Out of this amount payments of Rs 1,843.35 million (including US $ 14 million) have been made subsequent to the balance sheet date.		
ii)	Capital expenditure (other than i) above	187,899	63,500
iii)	Letters of credit for purchase of store items	29,428	269,657

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for the year ended June 30, 2013

12. OPERATING ASSETS

	Freehold land (note 12.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
			(Rs '000)				
As at July 1, 2011							
Cost or valuation	8,799,438	123,885	4,297,735	47,090	69,420	78,361	13,415,929
Accumulated depreciation	–	(54,802)	(3,866,069)	(42,127)	(49,799)	(65,800)	(4,078,597)
Net book value	8,799,438	69,083	431,666	4,963	19,621	12,561	9,337,332
Year ended June 30, 2012							
Opening net book value	8,799,438	69,083	431,666	4,963	19,621	12,561	9,337,332
Additions	–	14,979	38,525	10,918	8,581	12,068	85,071
Disposals							
Cost	–	–	(670)	–	(561)	(3,714)	(4,945)
Depreciation	–	–	–	–	331	3,704	4,035
	–	–	(670)	–	(230)	(10)	(910)
Depreciation charge	–	(7,898)	(90,940)	(4,159)	(4,590)	(5,900)	(113,487)
Closing net book value	8,799,438	76,164	378,581	11,722	23,382	18,719	9,308,006
As at June 30, 2012							
Cost or valuation	8,799,438	138,864	4,335,590	58,008	77,440	86,715	13,496,055
Accumulated depreciation	–	(62,700)	(3,957,009)	(46,286)	(54,058)	(67,996)	(4,188,049)
Net book value	8,799,438	76,164	378,581	11,722	23,382	18,719	9,308,006
Year ended June 30, 2013							
Opening net book value	8,799,438	76,164	378,581	11,722	23,382	18,719	9,308,006
Additions	–	37,666	243,201	7,691	7,134	14,524	310,216
Disposals							
Cost	–	–	(869)	(5,061)	(827)	(3,269)	(10,026)
Depreciation	–	–	349	5,034	499	3,269	9,151
	–	–	(520)	(27)	(328)	-	(875)
Depreciation charge	–	(7,773)	(89,090)	(4,829)	(4,685)	(6,860)	(113,237)
Closing net book value	8,799,438	106,057	532,172	14,557	25,503	26,383	9,504,110
As at June 30, 2013							
Cost or valuation	8,799,438	176,530	4,577,922	60,638	83,747	97,970	13,796,245
Accumulated depreciation	–	(70,473)	(4,045,750)	(46,081)	(58,244)	(71,587)	(4,292,135)
Net book value	8,799,438	106,057	532,172	14,557	25,503	26,383	9,504,110
Annual rate of Depreciation (%)	–	5	10	20	10	20	

12.1 Freehold land was revalued in June 2011 and the revaluation surplus of Rs 8,745,217 thousand is carried as surplus on revaluation of fixed assets in the balance sheet.

12.2 Fixed assets disposed off during the year are as follows :

	Original cost	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
		Rs '000			
Assets disposed off to executives :					
Vehicles	331	–	93	Company policy	Syed Asad Abbas
	910	–	91	Company policy	Mr. Asif Saeed
	1,001	–	101	Company policy	Mr. Mansoor Shafique
	1,027	–	103	Company policy	Mr. Ejaz H. Randhawa
Assets disposed off to third party :					
C-Arm Omega Image Intensifier	650	520	648	Negotiation	Pindi Surgical Centre

	2013 Rs '000	2012 Rs '000
12.3 The depreciation charge for the year has been allocated as follows :		
Cost of sales	99,608	100,747
Administration expenses	12,257	11,447
Distribution cost	467	401
Depreciation of subsidiary company	905	892
	113,237	113,487

13. CAPITAL WORK–IN–PROGRESS

	2013 Rs '000	2012 Rs '000
Opening balance as at July 1	469,516	279,099
Additions during the year	241,138	256,486
	710,654	535,585
Transfer to operating assets	(252,969)	(38,649)
Pipeline project cost written off	–	(27,420)
Closing balance as at June 30	457,685	469,516
The details are as under :		
Civil works	3,672	21,625
Plant and machinery	453,013	446,891
Pipeline project	1,000	1,000
	457,685	469,516

14. LONG TERM INVESTMENTS

	2013 Rs '000	2012 Rs '000
Balance at beginning of the year	18,134,870	18,493,118
Share of profit after tax of associated companies	2,668,821	2,477,289
Dividend received from associated companies	(1,539,575)	(1,891,462)
Impairment loss on investment	(607,244)	(944,075)
Balance at end of the year	18,656,872	18,134,870

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for the year ended June 30, 2013

		2013		2012	
		% age holding	Rs '000	% age holding	Rs '000
14.1	**Long term investments**				
	Associated companies				
	Quoted				
	National Refinery Limited (NRL) – note 14.2 19,991,640 (2012 : 19,991,640) fully paid ordinary shares including 3,331,940 (2012 : 3,331,940) bonus shares of Rs 10 each	25	9,660,473	25	9,856,478
	Market value as at June 30, 2013 : Rs 4,810 million (June 30, 2012 : Rs 4,626 million)				
	Attock Petroleum Limited (APL) – note 14.3 15,120,115 (2012 : 15,120,115) fully paid ordinary shares including 4,620,035 (2012 : 4,620,035) bonus shares of Rs 10 each	21.88	6,446,720	21.88	6,093,831
	Market value as at June 30, 2013 : Rs 8,484 million (June 30, 2012 : Rs 7,173 million)				
	Unquoted				
	Attock Gen Limited (AGL) – note 14.4 7,482,957 (2012 : 7,482,957) fully paid ordinary shares of Rs 100 each	30	2,538,824	30	2,175,399
	Attock Information Technology Services (Private) Limited – note 14.5 & 14.6 450,000 (2012 : 450,000) fully paid ordinary shares of Rs 10 each	10	10,855	10	9,162
			18,656,872		18,134,870

All associated companies are incorporated in Pakistan.

		2013 Rs '000	2012 Rs '000
14.2	**Investment in NRL**		
	As at July 1	9,856,478	10,645,748
	Dividend received	(299,875)	(499,791)
	Share in profit of NRL	711,114	654,596
	Impairment loss adjustment to fair value	(607,244)	(944,075)
	As at June 30	9,660,473	9,856,478

The carrying value of investment in National Refinery Limited at June 30, 2013 is net of impairment loss of Rs 607,244 thousand (2012 : Rs 944,075 thousand). The carrying value is based on 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 average gross profit margin of 3.5% (2012 : 5.15%), terminal growth rate of 4% (2012 : 3.5%) and capital asset pricing model based discount rate of 18.27% (2012 : 20.13%).

		2013 Rs '000	2012 Rs '000
14.3	**Investment in APL**		
	As at July 1	6,093,831	5,919,395
	Dividend received	(491,404)	(718,205)
	Share in profit of APL	844,293	892,641
	As at June 30	6,446,720	6,093,831
14.4	**Investment in AGL**		
	As at July 1	2,175,399	1,919,794
	Dividend received	(748,296)	(673,466)
	Share in profit of AGL	1,111,721	929,071
	As at June 30	2,538,824	2,175,399
14.5	**Investment in AITSL**		
	As at July 1	9,162	8,181
	Share in profit of AITSL	1,693	981
	As at June 30	10,855	9,162

14.6 Although the Company has less than 20 percent shareholding in Attock Information Technology Services (Private) Limited, this company has been treated as associates since the Company has representation on its Board of Directors.

		2013 Rs '000	2012 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees – considered good – note 15.1	40,994	34,892
	Amounts due within next twelve months shown under current assets – note 20	(25,760)	(21,170)
		15,234	13,722
	Security deposits	1,398	1,038
		16,632	14,760

15.1 Loans to employees are for miscellaneous purposes which are recoverable in 24, 36 and 60 equal monthly installments depending on case to case basis and are secured by a charge on the asset purchased and / or amount due to the employee against provident fund or a third party guarantee. These are interest free loans. These include an amount of Rs 9.066 million (2012 : Rs 6.029 million) receivable from Executives of the Company and does not include any amount receivable from Directors or Chief Executive. The maximum amount due from executives of the Company at the end of any month during the year was Rs 9.066 million (2012 : Rs 7.131 million).

		2013 Rs '000	2012 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives :**		
	Opening balance as at July 1	6,029	2,951
	Add : Disbursements during the year	12,644	11,318
		18,673	14,269
	Less : Repayments during the year	9,607	8,240
	Closing balance as at June 30	9,066	6,029

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
16.	**DEFERRED TAXATION**		
	Debit balances arising on		
	Difference between accounting and tax depreciation	4,682	56,851
	Provisions for obsolete stores, provision for prelivage leave and doubtful debts	48,038	33,777
		52,720	90,628
17.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit Rs 123.62 million ; 2012 : Rs 108.47 million)	445,724	417,177
	Spares	348,357	324,018
	Loose tools	837	345
		794,918	741,540
	Less : Provision for slow moving items – note 17.1	106,786	67,686
		688,132	673,854
17.1	**Provision for slow moving items**		
	Opening balance	67,686	61,372
	Provision for the year	39,100	8,100
		106,786	69,472
	Written off during the year	–	(1,786)
		106,786	67,686
18.	**STOCK–IN–TRADE**		
	Crude oil - in stock	4,239,670	4,224,061
	Semi–finished products	958,198	951,036
	Finished products	6,546,942	5,475,589
	Medical supplies	472	598
		11,745,282	10,651,284

18.1 Stock-in-trade include stocks carried at net realisable value of Rs 10,266 million (2012 : Rs 9,431 million). Adjustments amounting to Rs 856 million (2012 : Rs 1,624 million) have been made to closing inventory to write down stocks to their net realisable value.

19. TRADE DEBTS

All debtors are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 6,971 million (2012 : Rs 13,328 million) and Pakistan Oilfields Limited Rs 32 million (2012 : Rs 8 million).

Age analysis of trade debts from associated companies, past due but not impaired.

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,736	8,829,238
6 to 12 months	–	1,941,030
Above 12 months	–	3,084
	2,550,736	10,773,352

20. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2013 Rs '000	2012 Rs '000
LOANS AND ADVANCES – CONSIDERED GOOD		
Current portion of long term loans to employees - note 15	25,760	21,170
Advances to suppliers	89,311	75,883
Advances to employees	3,118	2,615
	118,189	99,668
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	39,590	37,328
	39,876	37,614
OTHER RECEIVABLES		
Due from associated companies		
Attock Information Technology Services (Private) Limited	–	88
Attock Petroleum Limited	2,130	3,586
Attock Leisure and Management Associates (Private) Limited	4,203	18
Attock Gen Limited	229	101
Attock Cement Pakistan Limited	16	2
National Cleaner Production Centre Foundation	543	1,041
Capgas (Private) Limited	31	20
Due from Staff Pension Fund	18,869	33,295
Income accrued on bank deposits	38,716	24,927
Crude oil freight adjustable through inland freight equalisation margin	15,802	–
Workers' Profit Participation Fund - note 10.2	65,958	–
Income tax refundable	14,554	12,617
Other receivables	23,664	19,992
	184,715	95,687
	342,780	232,969

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
21.	**CASH AND BANK BALANCES**		
	Cash in hand	1,192	642
	Pay orders in hand - note 21.1	8,045,762	–
	With banks :		
	Current accounts	5,710	4,262
	Deposit accounts - note 21.2	–	1,968,414
	Savings accounts (including US $ 473,584 ; 2012 : US $ 375,418)	2,957,907	7,876,968
		11,010,571	9,850,286

21.1 These include amount of Rs 2,190.198 million related to amounts withheld alongwith interest earned thereon net of withholding tax, as referred to in note 10.1. Subsequent to the balance sheet date all the pay orders were duly credited in the Company's bank accounts.

21.2 Balance at June 30, 2012 represents deposits placed in a 90 days interest bearing account consequent to directives of the Ministry of Petroleum & Natural Resources on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 10.1.

21.3 Bank deposits of Rs 0.394 million (2012 : Rs 0.394 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

21.4 Balances with banks include Rs 1.937 million (2012 : Rs 40.964 million) in respect of security deposits received.

21.5 Balances with banks earned weighted average interest / mark-up @ 9.73% (2012 : @ 11.74%) per annum.

		2013 Rs '000	2012 Rs '000
22.	**SALES**		
	Gross sales (excluding Naphtha export sales)	177,930,351	163,419,392
	Naphtha export sales	24,230,801	22,809,059
	Sale proceeds of Naphtha exports related to third parties	(4,156,023)	(2,283,599)
		20,074,778	20,525,460
		198,005,129	183,944,852
	Duties, taxes and levies – note 22.1	(34,516,066)	(29,563,294)
	HSD price differential payable to Government - note 22.2	(188,531)	–
		163,300,532	154,381,558
22.1	**Duties, taxes and levies**		
	Sales tax	24,569,435	22,428,823
	Petroleum development levy	9,946,050	7,133,800
	Custom duties and other levies	581	671
		34,516,066	29,563,294

22.2 This represents amount payable to the Government of Pakistan on account of differential between import parity price of HSD and import price of PSO.

	2013 Rs '000	2012 Rs '000
23. COST OF SALES		
Opening stock of semi-finished products	951,036	899,348
Crude oil consumed - note 23.1	157,340,088	147,485,041
Transportation and handling charges	1,654,633	1,805,118
Salaries, wages and other benefits - note 23.2	629,923	572,802
Printing and stationery	2,617	2,897
Chemicals consumed	294,450	274,657
Fuel and power	857,838	961,325
Rent, rates and taxes	14,925	13,285
Telephone	1,846	1,705
Professional charges for technical services	5,878	3,889
Insurance	118,942	103,690
Repairs and maintenance (including stores and spares consumed Rs 85.488 million ; 2012 : Rs 84.164 million)	285,433	250,653
Staff transport and traveling	14,288	12,586
Cost of receptacles	29,214	24,471
Research and development	66	1,036
Depreciation	99,608	100,747
	162,300,785	152,513,250
Closing stock of semi-finished products	(958,198)	(951,036)
	161,342,587	151,562,214
Opening stock of finished products	5,475,589	6,275,579
Closing stock of finished products	(6,546,942)	(5,475,589)
	(1,071,353)	799,990
	160,271,234	152,362,204
23.1 Crude oil consumed		
Stock at the beginning of the year	4,224,061	3,697,649
Purchases	157,355,697	148,011,453
	161,579,758	151,709,102
Stock at the end of the year	(4,239,670)	(4,224,061)
	157,340,088	147,485,041

Certain crude purchases have been recorded based on provisional prices notified by the Government and may require adjustment in subsequent periods.

23.2 Salaries, wages and other benefits under cost of sales, administration expenses and distribution cost include the Company's contribution to the Pension and Gratuity Fund Rs 73,496 thousand (2012 : Rs 76,273 thousand) and to the Provident Fund Rs 21,370 thousand (2012 : Rs 18,102 thousand).

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
24. ADMINISTRATION EXPENSES		
Salaries, wages and other benefits - note 23.2	209,903	208,976
Board meeting fee	3,985	3,753
Staff transport, traveling and entertainment	19,433	17,058
Telephone	2,092	2,038
Electricity, gas and water	15,254	12,397
Printing and stationery	4,621	4,487
Auditor's remuneration - note 24.1	2,454	2,031
Legal and professional charges	13,102	4,862
Repairs and maintenance	51,531	50,816
Subscription	10,267	8,450
Publicity	5,355	3,104
Scholarship scheme	1,851	1,973
Rent, rates and taxes	3,575	3,837
Insurance	1,477	1,181
Donations*	572	358
Training expenses	2,926	3,245
Depreciation	12,257	11,447
	360,655	340,013

* No director or his spouse had any interest in the donee institutions.

	2013 Rs '000	2012 Rs '000
24.1 Auditor's remuneration		
Annual audit	1,210	1,100
Review of half yearly accounts, audit of consolidated accounts, staff funds and special certifications	713	787
Tax services	350	–
Out of pocket expenses	181	144
	2,454	2,031

	2013 Rs '000	2012 Rs '000
25. DISTRIBUTION COST		
Salaries, wages and other benefits - note 23.2	29,456	27,698
Staff transport, traveling and entertainment	553	522
Telephone	212	201
Electricity, gas and water	5,085	4,132
Printing and stationery	110	141
Repairs and maintenance including packing and other stores consumed	4,414	3,731
Rent, rates and taxes	835	789
Legal and professional charges	30	–
Depreciation	467	401
	41,162	37,615

		2013 Rs '000	2012 Rs '000
26.	**FINANCE COST**		
	Exchange loss	544,492	989,905
	Interest on Workers' Profit Participation Fund – note 10.2	3,775	4,718
	Bank and other charges	288	116
		548,555	994,739
27.	**OTHER CHARGES**		
	Pipeline project cost written off	–	27,420
	Provision for slow moving stores	39,100	8,100
	Workers' Profit Participation Fund	256,096	150,012
	Workers' Welfare Fund	110,763	79,001
		405,959	264,533

28. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2013 using the projected unit credit method. Details of the defined benefit plans are :

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
a)	**The amounts recognised in the profit and loss account :**				
	Current service cost	14,268	12,668	10,885	11,010
	Interest cost	69,198	57,332	41,401	40,630
	Expected return on plan assets	(64,067)	(56,983)	(14,922)	(1,210)
	Past service cost	(3,374)	(3,375)	4,900	6,293
	Recognition of loss / (gain)	10,186	3,881	5,021	7,157
	Net expense	26,211	13,523	47,285	63,880
b)	**The amounts recognised in the balance sheet :**				
	Fair value of plan assets	574,936	491,531	195,642	47,587
	Present value of defined benefit obligations	(583,806)	(535,968)	(375,538)	(333,235)
	Surplus (deficit)	(8,870)	(44,437)	(179,896)	(285,648)
	Unrecognised past service cost	(6,489)	(9,863)	-	2,348
	Unrecognised net loss	34,228	87,595	64,099	37,660
	Net asset / (liability)	18,869	33,295	(115,797)	(245,640)
c)	**Movement in the present value of defined benefit obligation :**				
	Present value of defined benefit obligation as at July 1	535,968	421,810	333,235	299,272
	Current service cost	14,268	12,668	10,885	11,010
	Interest cost	69,198	57,332	41,401	40,630
	Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
	Past service cost	–	–	2,552	–
	Actuarial loss / (gain)	(7,319)	69,588	30,350	1,057
	Present value of defined benefit obligation as at June 30	583,806	535,968	375,538	333,235

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

During the year June 30, 2012, the pension plan was closed to new entrants effective January 1, 2012 and the gratuity plan has been enhanced for new management staff employees. Non-management staff gratuity, which was previously unfunded, has been merged into gratuity fund.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
d)	**Changes in the fair value of plan assets :**				
	Fair value of plan assets as at July 1	491,531	470,136	47,587	6,080
	Expected return	64,067	56,983	14,922	1,210
	Contributions by employer	11,784	11,522	177,129	21,491
	Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
	Inter-fund transfer	–	(33,945)	–	33,945
	Actuarial gain / (loss)	35,863	12,265	(1,111)	3,595
	Fair value of plan assets as at June 30	574,936	491,531	195,642	47,587
	Actual return on plan assets	99,929	69,248	13,811	4,805

The Company expects to contribute Rs 75 million to its defined benefit pension and gratuity plans during 2013 - 2014.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
e)	**The major categories of plan assets :**				
	Investment in equities	129,221	134,540	–	–
	Investment in mixed funds	25,479	66,257	–	–
	Cash / Bank	420,236	290,734	195,722	47,667
	Benefits due	–	–	(80)	(80)
		574,936	491,531	195,642	47,587
f)	**Significant actuarial assumptions at the balance sheet date :**				
	Discount rate	11.00%	13.25%	11.00%	13.25%
	Expected return on plan assets	11.00%	13.25%	11.00%	13.25%
	Future salary increases	9.00%	11.00%	9.00%	11.00%
	Future pension increases	5.75%	7.75%	–	–

		2013 Rs '000	2012 Rs '000	2011 Rs '000	2010 Rs '000	2009 Rs ' 000
g)	**Comparison for five years :**					
	Funded Defined Benefit Pension Plan					
	Present value of defined benefit obligation	(583,806)	(535,968)	(421,810)	(476,121)	(387,196)
	Fair value of plan assets	574,936	491,531	470,136	391,481	340,186
	Surplus / (deficit)	(8,870)	(44,437)	48,326	(84,640)	(47,010)
	Experience adjustments on plan liabilities – loss / (gain)	(7,319)	69,588	(7,509)	41,532	22,993
	Experience adjustments on plan assets – gain / (loss)	35,863	12,265	50,610	6,961	(97,171)
	Funded Defined Benefit Gratuity Plan (Established on July 1, 2010)					
	Present value of defined benefit obligation	(375,538)	(333,235)	(93,979)	–	–
	Fair value of plan assets	195,642	47,587	6,080	–	–
	Deficit	(179,896)	(285,648)	(87,899)	–	–
	Experience adjustments on plan liabilities – loss	30,350	1,057	679	–	–
	Experience adjustments on plan assets – gain / (loss)	(1,111)	3,595	215	–	–

	2013 Rs '000	2012 Rs '000
29. DEFINED CONTRIBUTION PLAN		
Details of the provident funds are as follows :		
Staff Provident Fund		
Net assets	333,281	288,254
Cost of investments made	275,000	256,893
Fair value of investments made	331,443	287,816
%age of investments made	99%	99%

	2013 Rs '000	2013 %age	2012 Rs '000	2012 %age
Breakup of investment - at cost				
Shares	25,002	9%	37,093	14%
Mutual Funds	12,581	5%	66,403	26%
Bank deposits	237,417	86%	153,397	60%
	275,000	100%	256,893	100%

	2013 Rs '000	2012 Rs '000
General Staff Provident Fund		
Net assets	517,527	454,808
Cost of investments made	479,792	462,394
Fair value of investments made	514,284	458,867
%age of investments made	99%	99%

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013		2012	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	23,696	5%	44,503	10%
Mutual Funds	37,265	8%	94,334	20%
Bank deposits	418,831	87%	323,557	70%
	479,792	100%	462,394	100%

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

	2013	2012
	Rs '000	Rs '000
30. OTHER INCOME		
Income from financial assets		
Income on bank deposits	1,139,457	882,557
Interest on delayed payments	1,634,784	1,195,248
Exchange gain	82,417	124,774
	2,856,658	2,202,579
Income from non - financial assets		
Income from crude decanting	15,218	21,940
Income from crude desalter operations - note 30.1	4,387	4,700
Insurance agency commission	2,067	2,178
Rental income	73,287	51,415
Sale of scrap	17,509	9,235
Profit on disposal of fixed assets	749	418
Calibration charges	3,818	3,225
Handling and service charges	88,341	85,201
Penalties from carriage contractors	2,645	4,802
Miscellaneous	17,424	3,081
	225,445	186,195
	3,082,103	2,388,774

	2013	2012
30.1 Income from crude desalter operations		
Income	60,483	56,901
Less : Operating costs		
Salaries, wages and other benefits	1,709	1,590
Chemicals consumed	9,546	8,883
Fuel and power	34,860	32,440
Repairs and maintenance	9,981	9,288
	56,096	52,201
	4,387	4,700

		2013 Rs '000	2012 Rs '000
31.	**PROVISION FOR TAXATION**		
	Current	2,100,300	1,560,200
	Deferred	37,208	64,983
		2,137,508	1,625,183
31.1	**Relationship between tax expense and accounting profit**		
	Accounting profit	4,755,070	2,771,228
	Tax at normal rate	1,664,275	969,930
	Income chargeable to tax at special rate	473,233	655,253
		2,137,508	1,625,183
32.	**PROFIT OF ATTOCK HOSPITAL (PRIVATE) LMITED A WHOLLY OWNED SUBSIDIARY**		
	Revenue*	80,329	68,837
	Less : Operating expenses*		
	Salaries, wages and other benefits (including employees' retirement benefits of Rs 2,617 thousand ; 2012 : Rs 1,474 thousand)	48,329	43,059
	Medical consultancy	7,252	5,829
	Medical supplies	9,330	7,144
	Dietary cost	1,498	1,374
	Sanitation and general services	3,512	3,031
	Utilities and other expenses	6,743	5,387
	Audit fee	110	100
	Depreciation	905	892
		77,679	66,816
	Operating profit	2,650	2,021
	Finance income	220	133
	Finance cost	(170)	(300)
	Other income	128	–
	Other expenses	(123)	(23)
	Profit before taxation	2,705	1,831
	Provision for taxation - current	800	688
	- deferred	136	(47)
		(936)	(641)
	Profit after taxation	1,769	1,190

* The revenue includes amount billed by AHL to ARL amounting to Rs 45,342 thousand (2012 : Rs 40,603 thousand) and operating expenses include amount billed by ARL to AHL amounting to Rs 4,393 thousand (2012 : 3,696 thousand) which have not been eliminated from revenue and expenses. It is considered that this gives a fairer view of the operating results of the Company since profit from refinery operation are separately presented.

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
33. SHARE IN PROFIT AFTER TAX OF ASSOCIATED COMPANIES		
National Refinery Limited	711,114	654,596
Attock Petroleum Limited	845,806	893,407
Less : Unrealised profit from intra-group transactions included in closing stock-in-trade	1,513	766
	844,293	892,641
Attock Gen Limited	1,111,721	929,071
Attock Information Technology Services (Private) Limited	1,693	981
	2,668,821	2,477,289
Less : Related charges		
Workers' Profit Participation Fund - note 10.2	76,979	94,573
Workers' Welfare Fund	29,252	35,938
Taxation - note 33.1	135,250	172,310
	241,481	302,821
	2,427,340	2,174,468

33.1 Taxation is based on presumptive tax rate applicable to dividend income from associated companies.

34. SUMMARISED FINANCIAL STATEMENTS OF THE ASSOCIATED COMPANIES

The aggregate assets, liabilities, revenue and profit of associated companies are as follows :

	2013 Rs '000	2012 Rs '000
ASSETS		
National Refinery Limited	55,676,918	57,114,427
Attock Petroleum Limited	30,097,519	30,531,141
Attock Gen Limited	20,233,612	28,858,186
Attock Information Technology Services (Private) Limited	116,070	97,322
	106,124,119	116,601,076
LIABILITIES		
National Refinery Limited	28,805,564	31,888,032
Attock Petroleum Limited	16,054,062	18,147,818
Attock Gen Limited	11,770,865	21,606,858
Attock Information Technology Services (Private) Limited	7,516	5,697
	56,638,007	71,648,405
REVENUE		
National Refinery Limited	179,184,415	174,797,075
Attock Petroleum Limited	164,710,177	152,843,437
Attock Gen Limited	23,788,327	22,715,658
Attock Information Technology Services (Private) Limited	54,242	40,497
	367,737,161	350,396,667

	2013 Rs '000	2012 Rs '000
PROFIT		
National Refinery Limited	2,844,457	2,618,384
Attock Petroleum Limited	3,906,534	4,120,315
Attock Gen Limited	3,705,738	3,096,903
Attock Information Technology Services (Private) Limited	16,299	9,810
	10,473,028	9,845,412
The Company's share in shareholders' equity		
National Refinery Limited	25.00%	25.00%
Attock Petroleum Limited	21.88%	21.88%
Attock Gen Limited	30.00%	30.00%
Attock Information Technology Services (Private) Limited	10.00%	10.00%

35. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company are as follows :

	2013 Rs '000	2012 Rs '000
High Speed Diesel	66,874,673	61,364,375
Jet Petroleum	21,946,866	21,743,321
Motor Gasoline	44,019,851	39,035,461
Furnace Fuel Oil	20,663,435	18,851,206
Naphtha	20,074,777	20,525,460
Others	24,236,996	22,425,029
	197,816,598	183,944,852
Less : Duties, taxes and levies	34,516,066	29,563,294
	163,300,532	154,381,558

Revenue from four major customers of the Company constitute 87% (2012 : 87%) of total revenue during the year.

36. RELATED PARTY TRANSACTIONS

The Attock Oil Company Limited holds 61.01% (2012 : 56.32%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Attock Oil Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 37 to the financial statements.

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Purchase of crude oil	14,004,809	14,334,680
Purchase of gas	43,524	31,006
Purchase of services	5,959	37,734
Sale of petroleum products	638,980	657,250
Sale of services	20,088	17,820
Attock Petroleum Limited		
Sale of petroleum products	42,079,466	41,518,205
Sale of services	83,356	73,770
Purchase of petroleum products	2,397	2,650
Purchase of services	341,366	335,680
Interest income on delayed payments	1,634,784	1,195,249
National Refinery Limited		
Purchase of services	127,762	116,090
Sale of services	8	2,422
Attock Cement Pakistan Limited		
Purchase of services	50	312
Sale of services	31	10
Attock Gen Limited		
Sale of petroleum products	1,318	1,041
Land lease income	16,261	15,888
Storage tanks lease income	13,190	12,603
Income from other services and facilities provided to AGL	8,576	12,162
National Cleaner Production Centre		
Purchase of services	6,630	5,635
Sale of services	7,231	6,737
Sale of petroleum products	184	165
Attock Information Technology Services (Private) Limited		
Purchase of services	23,033	20,917
Sale of services	3,168	2,952
Attock Leisure & Management Associates (Private) Limited		
Sale of services	5,381	–
Sui Southern Gas Company Limited		
Purchase of crude oil	104,215	–
Capgas (Private) Limited		
Sale of services	270	219
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	409,256	690,189
Purchase of services	8,700	8,171
Sale of services	345	294
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	11,784	12,321
Staff gratuity fund	177,129	21,934
Staff provident fund	21,370	18,967
Contribution to Workers' Profit Participation Fund	333,075	244,585

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for remuneration, including benefits and perquisites, were as follows :

	Chief Executive		Directors		Executives	
	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
Managerial remuneration / honorarium	5,853	5,259	319	319	63,909	46,633
Bonus	2,515	2,307	-	-	22,967	15,516
Company's contribution to provident, pension and gratuity funds	344	1,439	-	-	16,060	12,076
Housing and utilities	4,243	3,916	-	-	68,807	46,817
Leave fare assistance	685	627	-	-	7,677	5,858
	13,640	13,548	319	319	179,420	126,900
Less : Charged to Attock Gen Limited	4,092	4,064	-	-	-	-
	9,548	9,484	319	319	179,420	126,900
No of person(s)	1	1	1	1	64	43

37.1 In addition, the Chief Executive and 15 (2012 : 16) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 26 (2012 : 16) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 39 (2012 : 26) executives.

37.2 In addition, meeting fee based on actual attendance was paid to 4 (2012 : 4) non-executive directors Rs 2.426 million (2012 : Rs 2.103 million), Chief Executive Officer Rs 0.632 million (2012: Rs 0.580 million) and 2 (2012 : 2) alternate directors Rs 0.927 million (2012 : Rs 1.070 million) of the Company.

38. FINANCIAL INSTRUMENTS

38.1 Financial assets and liabilities

	2013 Rs '000	2012 Rs '000
Financial assets :		
Maturity upto one year		
Trade debts	17,499,373	49,116,266
Loans, advances, deposits and other receivables	199,325	107,141
Cash and bank balances		
Foreign currency - US $	47,135	35,496
Local currency	10,963,436	9,814,790
Maturity after one year		
Long term loans and deposits	16,632	14,760
	28,725,901	59,088,453
Financial liabilities :		
Maturity upto one year		
Trade and other payables	31,439,207	65,416,531

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

38.2 Credit quality of financial assets

The credit quality of 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 ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2013 Balance Rs '000	2012 Balance Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	4,495,767	33,546,683
Counterparties without external credit rating			
Due from associated companies		7,003,026	13,336,144
Others *		6,000,580	2,233,439
		17,499,373	49,116,266
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		215,957	121,901
Bank Balances			
Counterparties with external credit rating			
	A 1+	2,963,617	9,278,007
	A 1	865	571,637
		2,964,482	9,849,644

* These balances represent receivable from oil marketing companies and defence agencies.

38.3 Financial risk management

38.3.1 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 placements with banks. The sales are essentially to oil marketing companies and reputable foreign customers. The Company's placements are with banks having satisfactory credit rating. Due to the high credit worthiness of counter parties the credit risk is considered minimal.

At June 30, 2013, trade debts of Rs 2,552,155 thousand (2012 : Rs 42,354,680 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows :

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,904	21,779,102
6 to 12 months	–	8,864,088
Above 12 months	1,251	11,711,490
	2,552,155	42,354,680

b) **Liquidity risk**

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

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 47 million (2012 : Rs 35 million) and financial liabilities include Rs 13,318 million (2012 : Rs 11,865 million) which were subject to currency risk.

At June 30, 2013, if the currency had weakened / strengthened by 10% against with all other variables held constant, profit after tax for the year would have been Rs 863 million (2012 : Rs 769 million) 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.

Financial assets and liabilities include balances of Rs 2,958 million (2012 : Rs 9,845 million) and Rs 2,245 million (2012 : Rs 2,052 million) respectively, which are subject to interest rate risk.

Had interest rates been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 165 million (2012 : Rs 51 million) higher / lower.

iii) **Price risk**

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

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

38.3.2 **Capital risk management**

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year and the Company is not subject to externally imposed capital requirement.

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
39.	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	Profit after taxation from refinery operations	2,617,562	1,146,045
	Profit after taxation from non-refinery operations	1,821,865	1,231,583
		4,439,427	2,377,628
	Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
	Earnings per share - Basic and diluted (Rs)		
	Refinery operations	30.69	13.44
	Non-refinery operations	21.36	14.44
		52.05	27.88

40. GENERAL

40.1 Capacity and production

Against the designed annual refining capacity of 14.963 million (2012 : 14.700 million) US barrels the actual throughput during the year was 14.989 million (2012 : 14.665 million) US barrels.

		2013	2012
40.2	**Number of employees**		
	Total number of employees at end of the year	701	715
	Average number of employees for the year	707	716

40.3 Non-adjusting events after the balance sheet date

i) Subsequent to the balance sheet date the Company has entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of PKR 22 billion for ARL Up-gradation Projects. The facility carries a markup of 3 months KIBOR plus 1.70% which will be payable on quarterly basis. The facility is secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of PKR 15 billion. Further the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over immovable property. The tenor of this facility is 12 years including the grace period of 2 years.

ii) The Board of Directors in its meeting held on August 14, 2013 has proposed a final cash dividend for the year ended June 30, 2013 @ Rs 2.50 per share (2012 : Rs 6.00 per share), amounting to Rs 213,233 thousand (2012 : Rs 511,758 thousand) for approval of the members in the Annual General Meeting to be held on September 27, 2013.

41. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 14, 2013.

___SD___
Chief Executive

___SD___
Director