4. INTANGIBLE ASSETS

	Computer software	Rights under supply contract (note 4.1)	Total
		(Rupees in '000)	
As at July 1, 2007			
Cost	1,980	64,206	66,186
Accumulated amortisation	(1,258)	(26,368)	(27,626)
Net book value	722	37,838	38,560
Intangible assets under development	1,690	-	1,690
	2,412	37,838	40,250
Year ended June 30, 2008			
Opening net book value	722	37,838	38,560
Amortisation charge (note 20)	(147)	(4,586)	(4,733)
Net book value	575	33,252	33,827
As at July 1, 2008			
Cost	1,980	64,206	66,186
Accumulated amortisation	(1,405)	(30,954)	(32,359)
Net book value	575	33,252	33,827
Year ended June 30, 2009			
Opening net book value	575	33,252	33,827
Amortisation charge (note 20)	(147)	(4,586)	(4,733)
Net book value	428	28,666	29,094
As at June 30, 2009			
Cost	1,980	64,206	66,186
Accumulated amortisation	(1,552)	(35,540)	(37,092)
Net book value	428	28,666	29,094
Annual rate of amortisation (%)	**20**	**7.14**	

4.1 This represents consideration for beneficial rights of continuous supply of LPG under the supply contract between Sui Northern Gas Pipelines Limited (SNGPL) and Pak Arab Refinery Limited (PARCO) which was transferred to the Company as part of its acquisition of the LPG business of SNGPL in October 2001. The asset has been recorded at its cost which has been bifurcated from the total cost of acquisition of Rs. 142 million on the basis of a valuation carried out by an independent valuer. This cost is being amortised over a period of fourteen years, being the remaining period of the supply contract with PARCO at the acquisition date.

5. LONG-TERM INVESTMENT

	2009	2008
	(Rupees in '000)	
Available-for-sale, unquoted wholly owned subsidiary - at cost		
Burshane Pakistan (Private) Limited; 200 (2008: 200) ordinary shares of Rs. 10 each	2	2

Burshane Pakistan (Private) Limited has not commenced its operations and, accordingly, investment in this entity has not been consolidated in these financial statements.

6. LONG TERM LOANS - secured, considered good

	2009	2008
	(Rupees in '000)	
Executives	3,255	1,894
Employees	8,583	6,209
	11,838	8,103
Less:		
Recoverable within one year shown under current assets (note 12)		
- Executives	2,116	746
- Employees	2,848	2,127
	4,964	2,873
	6,874	5,230

6.1 **Reconciliation of carrying amount of loans:**

	2009				2008			
	Chief Executive	Executives	Other Employees	Total	Chief Executive	Executives	Other Employees	Total
				(Rupees in '000)				
Balance at beginning of the year	-	1,894	6,209	8,103	377	1,119	7,842	9,338
Transfers to executives during the year	-	293	(293)	-	-	871	(871)	-
Add: Disbursements	-	2,619	7,307	9,926	-	1,440	3,617	5,057
Less: Repayments	-	(1,551)	(4,640)	(6,191)	(377)	(1,536)	(4,379)	(6,292)
Balance at end of the year	-	3,255	8,583	11,838	-	1,894	6,209	8,103

6.2 These loans are granted to employees under the Company's loan policy. Car and motor cycle loans are repayable over a maximum period of five years, housing loans are repayable over a period of two and half years and salary loans are repayable over a maximum period of three years. These loans carry interest at the rate of 1% per annum and are secured by letter of hypothecation, third party guarantees and demand promissory notes.

6.3 The maximum aggregate amount of loans due from Chief Executive and Executives at the end of any month during the year was Rs. Nil (2008: Rs. 377 thousand) and Rs. 3,435 thousand (2008: Rs. 2,045 thousand) respectively.

7. LONG-TERM DEPOSITS

Includes deposits aggregating to Rs. 50,021 thousand (2008: Rs. 73,084 thousand) placed with suppliers of liquefied petroleum gas as per mutually agreed terms.

8. DEFERRED TAXATION

	2009 (Rupees in '000)	2008 (Rupees in '000)
Deferred tax asset arising due to:		
Carry forward of tax losses (note 8.1)	109,734	104,953
Minimum tax on turnover	5,649	3,847
Provision for doubtful trade debts	3,186	1,957
	118,569	110,757
Deferred tax liability arising due to:		
Accelerated depreciation allowance - net	(46,934)	(42,706)
	71,635	68,051

8.1 The aggregate tax losses available for carry-forward at June 30, 2009 amount to Rs. 313,525 thousand (2008: Rs. 372,974 thousand), on which deferred tax asset amounting to Rs. 109,734 thousand (2008: Rs. 104,953 thousand), net of realisation, has been recognised. This include prior year's unrecognised deferred tax asset on unused tax losses amounting to Rs. 25,848 thousand, the realisation thereof, based on financial projections, has now become probable.

9. STORES AND SPARES

	2009 (Rupees in '000)	2008 (Rupees in '000)
Stores	1,515	1,704
Spares	2,787	2,164
	4,302	3,868
Less: Provision for obsolete items	(126)	(126)
	4,176	3,742

10. STOCK IN TRADE

	2009 (Rupees in '000)	2008 (Rupees in '000)
Liquified petroleum gas (note 10.1)	15,569	11,695
Low pressure regulators	10,194	10,399
	25,763	22,094

10.1 Includes stock held with third parties amounting to Rs.1,591 thousand (2008: Rs.925 thousand).

10.2 Stock held on behalf of third parties amounts to Rs.3,113 thousand (2008: Rs.1,988 thousand).

11. TRADE DEBTS - unsecured

	2009 (Rupees in '000)	2008 (Rupees in '000)
Considered good	2,696	4,320
Considered doubtful	9,102	5,592
	11,798	9,912
Less: Provision for impairment (note 11.1)	(9,102)	(5,592)
	2,696	4,320

11.1 **Provision for impairment**

	2009	2008
Balance at beginning of the year	5,592	5,005
Add: Provided during the year and recognised in distribution and marketing expenses (note 21)	3,510	587
Balance at end of the year	9,102	5,592

11.2 As at June 30, 2009 trade receivables aggregating Rs. 1,004 thousand (2008: Rs. 2,008 thousand) were past due but not impaired. These relate to various customers for which there is no recent history of default, the aging analysis of these trade receivables is as follows:

	2009 (Rupees in '000)	2008 (Rupees in '000)
Up to 1 month	-	271
1 to 6 months	562	1,365
More than 6 months	442	372
	1,004	2,008

11.3 As at June 30, 2009, trade receivable aggregating Rs. 9,102 thousand (2008: Rs. 5,592 thousand) were impaired and provided for, which are past due for more than six months.

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

	2009	2008
	(Rupees in '000)	
Loans and advances - secured, considered good		
Loans due from (note 6)		
– Executives	**2,116**	746
– Employees	**2,848**	2,127
	4,964	2,873
Advances to		
– Executives (note 12.1)	**253**	288
– Contractors and Suppliers (note 12.2)	**5,201**	25,318
	10,418	28,479
Short-term deposits	**1,040**	1,040
Short-term prepayments	**1,178**	6,341
Due from related parties	**3,199**	2,233
Receivable from		
– Staff retirement benefit funds	**13,283**	34,227
– Staff retirement contributory funds	**-**	1,721
– LPG marketing companies	**678**	678
Others	**1,558**	1,154
	31,354	75,873
Less: Provision for impairment	**(43)**	(43)
	31,311	75,830

12.1 The maximum aggregate amount of advances due from executives at the end of any month during the year was Rs. 288 thousand (2008: Rs. 288 thousand).

12.2 Advance to related party as at year end was Rs. 2,048 thousand (2008: Rs. 9,964 thousand).

13. CASH AND BANK BALANCES

	2009	2008
	(Rupees in '000)	
Cash and cheques in hand	**314**	51
With banks in:		
– savings accounts	**157,215**	2,444
– current accounts	**35,970**	50,126
	193,499	52,621

14. SHARE CAPITAL

Authorised capital

2009	2008		2009	2008
(Number of shares)			(Rupees in '000)	
30,000,000	30,000,000	Ordinary shares of Rs. 10 each	**300,000**	300,000

Issued, subscribed and paid up capital

2009	2008		2009	2008
(Number of shares)			(Rupees in '000)	
20,032,920	20,032,920	Ordinary shares of Rs. 10 each fully paid up in cash	**200,329**	200,329
76,820	76,820	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	**768**	768
2,530,304	2,530,304	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**25,303**	25,303
22,640,044	22,640,044		**226,400**	226,400

14.1 The Shell Petroleum Company Limited, United Kingdom, Parent Company, a subsidiary of Royal Dutch Shell Plc., held, as at June 30, 2009, 15,374,545 (2008: 15,374,545) ordinary shares of Rs. 10 each.

15. LONG TERM FINANCE, secured

Long term finance of Rs. 75,000 thousand, obtained from United Bank Limited in 2007, is repayable in one lumpsum on July 29, 2010. Mark-up thereon is payable quarterly at the rate of KIBOR prevailing on the first day of each quarterly installment period, plus one percent. The finance is secured by a ranking charge on all inventory of LPG, cylinders/regulators, stores and other supplies, book debts, loans, advances, deposits, short term prepayments, other receivables, plant & machinery and equipments.

16. CYLINDER AND REGULATOR DEPOSITS

These deposits are non-interest bearing and are refundable on termination of distributorship agreements and/or return of cylinders and ancillary equipment as per the Company policy.

17. SHORT-TERM RUNNING FINANCES, secured

	2009	2008
	(Rupees in '000)	
Short-term running finances utilised under mark-up arrangements	-	25,892

The facilities for short term running finances available from various banks, which represents the aggregate sales price of all mark-up arrangements, amounts to Rs. 250 million (2008: Rs. 350 million). The corresponding purchase prices are payable on various dates by November 14, 2009 and the facilities carry a mark-up at the rate of monthly KIBOR plus 0.76% to 2.5% (2008: monthly KIBOR plus 0.76% to 1.5%). The arrangements are secured by way of pari passu charge against hypothecation of inventory of LPG, cylinders/regulators, stores and other supplies, book debts, plant & machinery and equipments of the Company.

The facilities for opening letter of credit and guarantees as at June 30, 2009 amounts to Rs. 150 million (2008: Rs. 150 million) of which the amount remaining unutilised as at year end was Rs. 150 million (2008: Rs. 150 million).

18. TRADE AND OTHER PAYABLES

	2009	2008
	(Rupees in '000)	
Creditors (note 18.1)	31,680	54,538
Accrued liabilities (note 18.1)	43,387	59,718
Payable in respect of share-based payments	1,211	1,211
Workers' profit participation fund	3,685	-
Workers' welfare fund	1,400	-
Sales tax payable	2,800	795
Retention money	102	155
Advances from distributors / customers	15,075	8,699
Security deposits from cartage contractors (note 18.2)	10	10
Distributors' security deposits - payable on termination of distributorship (note 18.2)	1,952	1,952
Mark-up on:		
– short-term running finances	-	1,769
– long-term finance	57	2,173
	57	3,942
Dividends		
– unclaimed	168	172
– unpaid	640	640
	808	812
Excess advance received from parent company against right issue	5,722	5,722
Others	270	692
	108,159	138,246

18.1 Amounts due to related parties as at year end was Rs. 32,469 thousand (2008: Rs. 44,446 thousand).

18.2 Security deposits from cartage contractors and distributors are non-interest bearing and/or are refundable on completion of contract and on termination of distributorship respectively.

19. COMMITMENTS

Capital commitments contracted for but not incurred at June 30, 2009 amounted to Rs. 12,101 thousand (2008: Rs. 12,413 thousand).

20. COST OF PRODUCT SOLD

	2009	2008
	(Rupees in '000)	
Cost of LPG sold:		
Opening stock	11,695	60,373
Purchases	907,395	945,318
	919,090	1,005,691
Less: Closing stock	15,569	11,695
	903,521	993,996
Salaries, wages and other employee benefits (note 20.1)	28,163	27,748
Cost of low pressure regulators sold	205	381
Stores and spares consumed	1,999	3,514
Repairs and maintenance	1,492	3,037
Traveling, conveyance and vehicle expenses	2,715	2,621
Rent, rates and electricity	5,002	3,201
Communication expenses	6,781	4,554
Printing and stationery	159	125
Insurance	1,798	1,227
Depreciation (note 3.1.1)	30,852	32,185
Amortisation (note 4)	4,733	4,733
Security expenses	2,093	1,816
Sundry expenses	3,312	8,036
	992,825	1,087,174

20.1 Salaries, wages and other employee benefits include Rs. 826 thousand (2008: Rs. 705 thousand) in respect of staff retirement benefits.

21. DISTRIBUTION AND MARKETING EXPENSES

	2009	2008
	(Rupees in '000)	
Salaries, wages and other employee benefits (note 21.1)	11,872	14,309
Repairs and maintenance	382	3,865
Traveling, conveyance and vehicle expenses	2,136	3,387
Rent, rates and electricity	982	838
Communication expenses	4,646	3,172
Printing and stationery	162	140
Insurance	333	578
Freight and octroi	29,480	56,834
Advertisement and publicity	878	2,327
Depreciation (note 3.1.1)	38,177	36,910
Security expenses	206	187
Provision for doubtful debts (note 11.1)	3,510	587
Sundry expenses	693	791
	93,457	123,925

21.1 Salaries, wages and other employee benefits include Rs. 371 thousand (2008: Rs. 475 thousand) in respect of staff retirement benefits.

22. ADMINISTRATIVE EXPENSES

	2009	2008
	(Rupees in '000)	
Salaries, wages and other employee benefits (note 22.1)	27,060	24,853
Repairs and maintenance	592	383
Traveling, conveyance and vehicle expenses	2,995	3,798
Rent, rates and electricity	11,556	7,829
Communication expenses	8,075	4,970
Printing and stationery	458	503
Insurance	260	650
Service cost from group companies	25,095	21,559
Advertisement and publicity	45	463
Depreciation (note 3.1.1)	8,146	8,531
Operating assets written-off	2,000	-
Security expenses	240	236
Sundry expenses	3,166	3,449
	89,688	77,224

22.1 Salaries, wages and other employee benefits include Rs. 908 thousand (2008: Rs. 1,123 thousand) in respect of staff retirement benefits.

Notes to the Financial Statements
For the year ended June 30, 2009

23. OTHER OPERATING INCOME

	2009	2008
	(Rupees in '000)	
Income from savings accounts	5,768	18
Tanks rental income	2,263	405
Exchange gain - net	4,537	-
Liabilities written back (note 23.1)	12,167	-
Profit on disposal of operating assets	4,300	3,859
Sundries	252	284
	29,287	4,566

23.1 This represents write back of payable to Shell International Petroleum Company Limited for various services availed during 2007 by the Company, on waiver thereof.

24. OTHER OPERATING EXPENSES

	2009	2008
	(Rupees in '000)	
Directors' fees	73	70
Auditors' remuneration (note 24.1)	838	689
Workers' profits participation fund	3,685	-
Workers' welfare fund	1,400	-
Legal and professional charges	1,817	615
Exchange loss - net	-	2,451
Others	3,845	1,352
	11,658	5,177

24.1 Auditors' remuneration

	2009	2008
Audit fee		
– statutory audit	400	350
– half yearly review	150	100
– audit of provident, pension and gratuity funds	75	56
Out of pocket expenses	213	183
	838	689

25. FINANCE COSTS

	2009	2008
Mark-up on:		
– long-term finance	11,279	8,210
– short-term running finances	49	9,832
	11,328	18,042
Bank charges	1,356	1,693
	12,684	19,735

26. TAXATION

	2009	2008
Current - for the year	-	5,649
Deferred	(3,584)	(32,958)
	(3,584)	(27,309)

26.1 **Reconciliation of income tax expense for the year**

	2009	2008
	(Rupees in '000)	
Accounting profit/(loss) before taxation	68,575	(182,730)
Tax at the applicable tax rate of 35% (2008: 35%)	24,001	(63,956)
Minimum tax at the rate of 0.5% of turnover	-	5,649
Deferred tax asset on minimum tax, net	(1,802)	3,776
Deferred tax asset on unused tax losses (note 8.1)	(25,848)	25,848
Others	65	1,374
	(3,584)	(27,309)

27. EARNINGS/(LOSS) PER SHARE – Basic and diluted

Basic earnings/loss per share is calculated by dividing the profit/loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. There is no dilutive effect on the basic earnings/loss per share of the Company.

	2009	2008
	(Rupees in '000)	
Profit/(loss) after taxation	72,159	(155,421)
	Number of Shares	
Weighted average number of ordinary shares in issue (in thousands)	22,640	18,353
	Rupees	
Earnings/(loss) per share - Basic and diluted	3.19	(8.47)

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2009				2008			
	Chief Executive	Executive Director	Executives	Total	Chief Executive	Executive Directors	Executives	Total
	(Rupees in '000)							
Managerial remuneration	3,191	1,419	9,404	14,014	3,191	904	10,418	14,513
Bonus	1,248	704	4,506	6,458	1,212	785	3,801	5,798
Company's contribution to gratuity, pension and provident funds	239	106	704	1,049	239	55	713	1,007
Housing, utilities and conveyance	2,219	1,005	6,532	9,756	1,755	281	5,471	7,507
Medical, leave fare, etc.	120	173	952	1,245	837	38	1,299	2,174
	7,017	3,407	22,098	32,522	7,234	2,063	21,702	30,999
Number of persons including those who worked part of the year	1	1	12	14	1	2	11	14

28.1 Aggregate amount charged for the year in respect of fees to two directors is Rs. 73 thousand (2008: two directors, Rs. 70 thousand).

28.2 In addition, the Chief Executive and certain Executives were also provided with few household appliances and free use of Company cars.

29. EMPLOYEE BENEFITS

29.1 The details of defined benefit schemes are as follows:

	Pension Fund 2009	Pension Fund 2008	Gratuity Fund 2009	Gratuity Fund 2008
	(Rupees in '000)			
29.1.1 Balance sheet reconciliation				
Fair value of plan assets	78,784	105,076	14,533	16,198
Present value of defined benefit obligations	(60,302)	(65,444)	(16,763)	(15,202)
Funded status	18,482	39,632	(2,230)	996
Unrecognised net actuarial (gain)/loss	(6,334)	(7,530)	2,704	468
Receivable in respect of payments to outgoing employees on behalf of the funds	661	661	-	-
Recognised asset	12,809	32,763	474	1,464
29.1.2 Movement in fair value of plan assets				
Fair value as at July 1	105,076	79,123	16,198	17,737
Expected return on planned assets	11,558	7,912	1,782	1,774
Actuarial gains/(losses)	(12,256)	985	(2,261)	(2,706)
Employer's contribution	(20,900)	20,901	-	-
Employees contributions	637	-	-	-
Benefits paid	(5,331)	(3,845)	(1,186)	(607)
Plan assets as at June 30	78,784	105,076	14,533	16,198

	Pension Fund 2009	Pension Fund 2008	Gratuity Fund 2009	Gratuity Fund 2008
	(Rupees in '000)			
29.1.3 Movement in defined benefit obligation				
Obligation as at July 1	**65,444**	57,293	**15,202**	10,165
Current service cost	**4,049**	3,401	**1,100**	850
Interest cost	**7,199**	5,729	**1,672**	1,016
Actuarial (gains)/losses	**(11,059)**	2,866	**(25)**	3,778
Benefits paid	**(5,331)**	(3,845)	**(1,186)**	(607)
Obligations as at June 30	**60,302**	65,444	**16,763**	15,202
29.1.4 Charge for the year				
Current service cost	**4,049**	3,401	**1,100**	850
Interest cost	**7,199**	5,729	**1,672**	1,016
Expected return on plan assets	**(11,558)**	(7,912)	**(1,782)**	(1,774)
Employees contributions	**(637)**	(570)	**-**	-
Recognition of actuarial gain	**-**	(115)	**-**	(326)
Expense/(income) for the year	**(947)**	533	**990**	(234)

29.1.5 **Principal actuarial assumptions used in the actuarial valuation carried out as of June 30, 2009 using the 'Projected Unit Credit Method' are as follows:**

	Pension Fund 2009	Pension Fund 2008	Gratuity Fund 2009	Gratuity Fund 2008
Discount rate and expected return on plan assets	14%	11%	14%	11%
Future salary increases	14%	11%	14%	11%
Expected mortality rate	EFU 61-66 mortality table	EFU 61-66 mortality table	EFU 61-66 mortality table	EFU 61-66 mortality table
Expected withdrawal rate	Age dependent	Age dependent	Age dependent	Age dependent
Actual return on plan assets (rupees in '000)	(697)	8,897	(479)	(933)

29.1.6 Plan assets comprised of the following:

	2009 Rupees in '000	2009 %	2008 Rupees in '000	2008 %
Debts	**77,308**	**82.8**	79,138	65.3
Equity	**9,858**	**10.6**	10,222	8.4
Cash and bank balances	**6,151**	**6.6**	31,914	26.3
	93,317		121,274	

29.1.7 **Comparison for five years:**

	2009	2008	2007	2006	2005
	(Rupees in '000)				
Fair value of plan assets	**93,317**	121,274	96,860	106,158	99,400
Present value of defined benefit obligation	**(77,065)**	(80,646)	(67,458)	(60,856)	(50,454)
Surplus	**16,252**	40,628	29,402	45,302	48,946

29.1.8 **Experience adjustment on plan assets and obligation:**

Pension Fund					
Fair value of plan assets	**78,784**	105,076	79,123	88,131	80,645
Present value of obligation	**(60,302)**	(65,444)	(57,293)	(50,184)	(41,638)
Funding surplus	**18,482**	39,632	21,830	37,947	39,007
Actuarial gain /(loss) on assets	**(12,256)**	985	(11,403)	1,359	3,913
Actuarial gain /(loss) on obligation	**11,059**	(2,866)	(5,789)	(3,604)	4,164
Gratuity Fund					
Fair value of plan assets	**14,533**	16,198	17,737	18,027	18,755
Present value of obligation	**(16,763)**	(15,202)	(10,165)	(10,672)	(8,816)
Funding surplus	**(2,230)**	996	7,572	7,355	9,939
Actuarial gain /(loss) on assets	**(2,261)**	(2,706)	180	(1,737)	(828)
Actuarial gain /(loss) on obligation	**25**	(3,778)	268	(979)	(19)

29.1.9 In addition, Rs. 1 thousand (2008: Rs. 5 thousand) and Rs. 10 thousand (2008: Rs. 105 thousand) have been charged in these financial statements in respect of contribution made to the Shell Pakistan Gratuity Fund and Shell Pakistan Limited Pension Fund Trust (Pvt.) Limited respectively, on behalf of employees on secondment from Shell Pakistan Limited.

29.2 **Defined contribution scheme**

An amount of Rs. 2,047 thousand (2008: Rs. 1,939 thousand) has been charged during the year in respect of Contributory Provident Fund Scheme maintained by the Company. In addition, an amount of Rs. 4 thousand (2008: Rs. 21 thousand) has been charged in these financial statements in respect of payment to Shell Provident Fund, on behalf of employees on secondment from Shell Pakistan Limited.

29.3 **Share based payments**

The Shell Group has Performance Share Plan (PSP) under which a conditional number of Royal Dutch Shell Plc. (RDS) shares are awarded to Chief Executive of the Company. Under this scheme if certain performance conditions of Shell Group are met, a number of shares may be awarded to the participants at the end of the three year performance period, after which they are vested with employees and the benefit provided is recharged by RDS to Shell Gas LPG (Pakistan) Limited.

No amount has been accrued in the current year in respect of this plan as it is presently not determinable.

30. TRANSACTIONS WITH RELATED PARTIES

30.1 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Nature of relationship	Nature of transactions	2009 (Rupees in '000)	2008 (Rupees in '000)
Associated companies	Service charges	**25,095**	21,558
	Group infrastructure desktop charges	**15,599**	7,862
	Recovery of excess charges for prior years	**12,167**	-
	Others	**544**	427
Related Parties by virtue of Common Directorship	Purchases of LPG	**125,991**	100,462
Staff retirement benefits funds	Payments made on behalf of retirement benefits funds	**-**	16,775
	Recovery of amount paid on behalf of retirement benefits funds	**25,917**	-
	Contribution to Provident Fund	**2,047**	1,673
Other related parties	Recovery of expenses incurred on behalf of related parties	**94**	377

30.2 Transactions with related parties are made on commercially agreed terms negotiated by the Company.

30.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Company considers its Chief Executive and Executive Directors to be key management personnel.

Particulars of transactions entered into with key management personnel are as per the terms of their employment and are disclosed in notes 6 and 28 to these financial statements.

31. CAPACITY

The installed filling capacity of LPG bottling plants as well as actual average daily LPG being bottled is 85 (2008: 85) metric tons per day on single shift basis.

	2009 (Rupees in '000)	2008 (Rupees in '000)
32. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS		
Profit/(loss) before taxation	**68,575**	(182,730)
Adjustment for non cash charges and other items:		
Depreciation	**77,175**	77,626
Amortisation	**4,733**	4,733
Operating assets written off	**2,000**	-
Profit on disposal of operating assets	**(4,300)**	(3,859)
Provision for doubtful debts	**3,510**	587
Interest income	**(5,768)**	(18)
Finance costs	**11,328**	18,042
Working capital changes (note 32.1)	**12,328**	87,590
	169,581	1,971
32.1 Working capital changes		
Increase/decrease in current assets		
Stores and spares	**(434)**	341
Stock-in-trade	**(3,669)**	49,096
Trade debts	**(1,886)**	925
Loans, advances, deposits, prepayments and other receivables	**44,519**	12,560
	38,530	62,922
Decrease/increase in current liabilities		
Trade and other payables - net	**(26,202)**	24,668
	12,328	87,590
33. CASH AND CASH EQUIVALENTS		
Cash and bank balances (note 13)	**193,499**	52,621
Short-term running finances (note 17)	**-**	(25,892)
	193,499	26,729

34. FINANCIAL ASSETS AND LIABILITIES

34.1 Financial assets

	2009				
	Financial assets				
	Available for sale	Loans and receivables	Sub total	Assets other than financial assets	Total
	(Rupees '000)				
ASSETS					
Non-Current Assets					
Property, plant and equipment	-	-	-	456,620	456,620
Intangible assets	-	-	-	29,094	29,094
Long-term investment	2	-	2	-	2
Long-term loans	-	6,874	6,874	-	6,874
Long-term deposits	-	888	888	50,021	50,909
Deferred taxation	-	-	-	71,635	71,635
	2	7,762	7,764	607,370	615,134
Current Assets					
Stores and spares	-	-	-	4,176	4,176
Stock-in-trade	-	-	-	25,763	25,763
Trade debts	-	2,696	2,696	-	2,696
Loans, advances, deposits,					-
prepayments and other receivables	-	24,722	24,722	6,589	31,311
Taxation recoverable	-	-	-	9,485	9,485
Cash and bank balances	-	193,499	193,499	-	193,499
	-	220,917	220,917	46,013	266,930
Total Assets	2	228,679	228,681	653,383	882,064

	2008				
	Financial assets				
	Available for sale	Loans and receivables	Sub total	Assets other than financial assets	Total
	(Rupees '000)				
ASSETS					
Non-Current Assets					
Property, plant and equipment	-	-	-	513,452	513,452
Intangible assets	-	-	-	33,827	33,827
Long-term investment	2	-	2	-	2
Long-term loans	-	5,230	5,230	-	5,230
Long-term deposits	-	893	893	73,084	73,977
Deferred taxation	-	-	-	68,051	68,051
	2	6,123	6,125	688,414	694,539
Current Assets					
Stores and spares	-	-	-	3,742	3,742
Stock-in-trade	-	-	-	22,094	22,094
Trade debts	-	4,320	4,320	-	4,320
Loans, advances, deposits,					-
prepayments and other receivables	-	43,926	43,926	31,904	75,830
Taxation recoverable	-	-	-	8,570	8,570
Cash and bank balances	-	52,621	52,621	-	52,621
	-	100,867	100,867	66,310	167,177
Total Assets	2	106,990	106,992	754,724	861,716

34.2 Financial liabilities

	2009			2008		
	Financial liabilities at amortised cost	Liabilities other than financial liabilities	Total	Financial liabilities at amortised cost	Liabilities other than financial liabilities	Total
	(Rupees '000)					
Non-Current Liabilities						
Long-term finance	75,000	-	75,000	75,000	-	75,000
Cylinder and regulator deposits	400,470	-	400,470	396,302	-	396,302
	475,470	-	475,470	471,302	-	471,302
Current Liabilities						
Short-term running finances	-	-	-	25,892	-	25,892
Trade and other payables	85,199	22,960	108,159	128,752	9,494	138,246
	85,199	22,960	108,159	154,644	9,494	164,138
Total liabilities	560,669	22,960	583,629	625,946	9,494	635,440

35. FINANCIAL RISK MANAGEMENT

35.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimise earnings volatility and provide maximum return to share holders.

Risk management is carried out by the Company's finance and treasury department under policies approved by the Board of Directors.

(a) 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.

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings, especially group companies. The Company primarily has foreign currency exposure in USD, Euro and GBP. The Company does not hedge its foreign exchange risk exposure. Risk is, however, managed by close monitoring of foreign exchange markets and expected currency movements and adjusting timing of payments accordingly.

As at June 30, 2009 had the exchange rates of USD, Euro and GBP depreciated or appreciated against the currency with all other variables held constant, the change in post tax profit/(loss), mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated payables, would have been as follows:

Currency	June 30, 2009		June 30, 2008	
	% change	**Impact**	% change	Impact
USD	**5**	**325,393**	5	147,439
Euro	**5**	**238,536**	5	-
GBP	**5**	**213,572**	5	967,517

(ii) Other price risk

Other price risk is 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 currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not materially exposed to equity securities price risk.

(iii) Interest rate risk

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

As the Company has no significant interest - bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. As the Company has no borrowings at fixed rates, it is not exposed to fair value interest rate risk.

The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available.

As at June 30, 2009, the impact on post tax profit/(loss) for the year of a 2% shift would have been a maximum increase/decrease of Rs. 975,000 (2008: Rs. 976,219), mainly as a result of lower/higher interest expense on variable rate borrowings.

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid fund is limited because the counter parties are banks with reasonably high credit rating. The maximum exposure to credit risk is equal to the carrying amount of financial assets.

Notes to the Financial Statements
For the year ended June 30, 2009

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2009	2008
	(Rupees in '000)	
Long-term loans	**6,874**	5,230
Long-term deposits	**888**	893
Trade debts	**1,692**	2,312
Loans, advances, deposits, prepayments and other receivables	**24,722**	43,926
Bank balances	**193,185**	52,570
	227,361	104,931

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows;

Rating Agency	Rating				2009	2008
	Short term		Long term		(Rupees in '000)	
	2009	2008	2009	2008		
S&P	**A1**	A1+	**A+**	AA	**566**	40,488
JCR-VIS	**A1+**	A1+	**AA+**	AA+	**1,426**	5,648
PACRA	**A1+**	A1+	**AA+**	AA+	**186,833**	477
JCR-VIS	**A1+**	A1+	**AAA**	AAA	**1,308**	2,963
PACRA	**A1+**	A1+	**AAA**	AAA	**515**	525
PACRA	**A1+**	A1+	**AA**	AA	**2,526**	2,459
JCR-VIS	**A1+**	A1+	**AA+**	AA+	**11**	10
					193,185	52,570

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates.

	As at June 30, 2009			As at June 30, 2008		
	Maturity up to one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
Financial liabilities						
Long term finance	-	75,000	75,000	-	75,000	75,000
Cylinder and regulator deposits	-	400,470	400,470	-	396,302	396,302
Short term running finance	-	-	-	25,892	-	25,892
Trade and other payables	85,199	-	85,199	128,752	-	128,752
	85,199	475,470	560,669	154,644	471,302	625,946

Notes to the Financial Statements
For the year ended June 30, 2009

35.2 **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed Capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2009 and 2008 were as follows:

	2009	2008
	(Rupees in '000)	
Long-term finance	**75,000**	75,000
Short-term finance	**-**	25,892
Total borrowings	**75,000**	100,892
Less: Cash and bank balances	**(193,499)**	(52,621)
Net Debt	**(118,499)**	48,271
Total Equity	**298,435**	226,276
Total Capital	**179,936**	274,547
Gearing ratio (note 35.2.2)	**-**	0.21

35.2.1 The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

35.2.2 As at June 30, 2009, the Company had excess of liquid funds over total borrowings, hence, the exposure to capital risk is minimal.

36. GENERAL

These financial statements have been rounded to the nearest thousand.

37. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 17, 2009 by the Board of Directors of the Company.

38. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison, the effects of which are not material.

Zaiviji Ismail bin Abdullah
Chairman

Fawzia Kazmi
Chief Executive

Attendance at Board Meetings
For the year ended June 30, 2009

Name of Directors	Total No. of Board Meetings*	No. of Meetings Attended
Mr. Zaiviji Ismail bin Abdullah	4	4
Ms. Fawzia Kazmi	4	4
Ms. Khurshid Bhaimia	4	4
Mr. Istaqbal Mehdi	4	1
Mr. Sameer Amin	4	4
Mr. Charles Parsons	*1	1
Mr. Adam Harrison	4	2
Ms. Sok Mei Wong	*3	2

*held during the period concerned Director was on the Board

Pattern of Shareholding
As at June 30, 2009

Number of Shareholders	Shareholding From	Shareholding To	Total Number of Shares Held	Percentage %
288	1	100	18,005	0.08
381	101	500	121,735	0.54
149	501	1,000	125,237	0.55
154	1,001	5,000	355,905	1.57
27	5,001	10,000	177,265	0.78
1	10,001	15,000	10,600	0.05
3	15,001	20,000	52,822	0.23
9	20,001	25,000	192,003	0.85
1	35,001	40,000	38,836	0.17
1	75,001	80,000	79,800	0.35
1	205,001	210,000	207,900	0.92
2	235,001	240,000	471,674	2.08
1	360,001	365,000	361,837	1.60
1	380,001	385,000	380,569	1.68
1	410,001	415,000	410,821	1.81
1	505,001	510,000	509,488	2.25
1	635,001	640,000	636,783	2.81
1	1,530,001	1,535,000	1,534,033	6.78
1	1,580,001	1,585,000	1,580,186	6.98
1	15,370,001	15,375,000	15,374,545	67.91
1,025			22,640,044	100

Shareholders Category	Number of Shareholders	Number of Shares held	Percentage %
Directors	4	1,156,147	5.10
Executives	2	5,075	0.02
Banks, Insurance Companies, Modaraba and Mutual Funds	5	3,968,391	17.53
General Public	985	2,086,688	9.22
Associated Companies*	1	15,374,545	67.91
Others	28	49,198	0.22
	1,025	22,640,044	100.00

* This category represents the foreign shareholding of The Shell Petroleum Company Ltd., United Kingdom

Pattern of Shareholding
As at June 30, 2009

Additional Information

Shareholders' Category	Number of Shareholders	Number of Shares held
Associated companies		
The Shell Petroleum Company Limited, United Kingdom	1	15,374,545
Directors		
Ms. Khurshid Bhaimia	1	1,156,146
Mr. Sameer Amin	1	1
Chief Executive Officer	–	–
Directors'/CEO's spouses	–	–
Executives	2	5,075
Public sector companies and corporations	–	–
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies Modaraba and Mutual Funds.		
National Bank of Pakistan, Trustee Deptt.	1	1,534,033
National Bank of Pakistan	1	9,489
NBP Trustee - NI(U)T (LOC) Fund	1	1,580,186
Adamjee Insurance Company Limited	1	207,900
State Life Insurance Corporation of Pakistan	1	636,783
Shareholders holding 10% or more voting interest		
The Shell Petroleum Company Limited, United Kingdom	1	15,374,545

Financial Statements
For the year ended June 30, 2009
Burshane Pakistan (Private) Limited

Auditors' Report to the Members

We have audited the annexed balance sheet of Burshane Pakistan (Private) Limited as at June 30, 2009, together with the notes forming part thereof, 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 statement in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on the balance sheet 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 statement is free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statement. 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 statement. 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 accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion, the balance sheet together with the notes thereon has been drawn up in conformity with the Companies Ordinance, 1984, and is in agreement with the books of accounts;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, together with the notes forming part thereof conforms with the approved accounting standards as applicable in Pakistan, and, gives the information required by the Companies Ordinance, 1984, in the manner so required and gives a true and fair view of the state of the Company's affairs as at June 30, 2009; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Further, we report that no business was conducted, no investments were made and no expenditure was incurred during the year, as stated in note 1 of the annexed financial statements.

Karachi: September 14, 2009

A.F. Ferguson & Co.
Chartered Accountants

Name of the audit engagement partner: Imtiaz A. H. Laliwala

Balance Sheet
As at June 30, 2009

	2009	2008
EQUITY		
Authorised capital		
100,000 ordinary shares of Rs. 10 each	**1,000,000**	1,000,000
Issued, subscribed and paid-up capital		
202 ordinary shares of Rs. 10 each fully paid in cash	**2,020**	2,020
ASSETS		
Current Assets		
Cash in hand	**2,020**	2,020

The annexed notes 1 to 3 form an integral part of this balance sheet.

Fawzia Kazmi
Chief Executive

Sameer Amin
Director

Notes to the Balance Sheet
For the year ended June 30, 2009

1. LEGAL STATUS AND OPERATIONS

Burshane Pakistan (Private) Limited is a private limited company incorporated in Pakistan on August 24, 2001 under the Companies Ordinance, 1984. The main objective of the Company is to carry on the business of storing and marketing liquefied petroleum gas. However, no business was conducted, no investments were made and no expenditure was incurred during the year as the Company has not commenced its operations so far.

Shell Gas LPG (Pakistan) Limited holds 200 ordinary shares of the Company.

2. BASIS OF PREPARATION

2.1 These financial statements have been prepared under the historical cost convention.

2.2 These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives have been followed.

3. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 17, 2009 by the Board of Directors of the Company.

Fawzia Kazmi
Chief Executive

Sameer Amin
Director

Form of Proxy

The Secretary
Shell Gas LPG (Pakistan) Limited
Adjacent to Pakistan Refinery Limited,
Korangi Creek, Karachi-75190

I/We ______________________________

of ______________ in the district of ______________

being a member of Shell Gas LPG (Pakistan) Limited and a holder of ______________

______________ Ordinary Shares as per Share Register Folio No.

(No. of shares)

______________ and/ or CDC Participant I.D. No. ______________

and Sub Account No. ______________ hereby appoint ______________

of ______________ in the district of ______________ or

failing him/her ______________ of ______________ as my/our

Proxy to vote for me/us and on my/our behalf at the Forty Third Annual General Meeting of the Company to be held on October 16, 2009 at 9:30 a.m. and at any adjournment thereof.

Signed this ________ day of ____________ 2009.

WITNESSES:

1. Signature
   Name
   Address

   CNIC or
   Passport No.

2. Signature
   Name
   Address

   CNIC or
   Passport No.

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

Notes:

1. A member entitled to be present and vote at the Meeting may appoint a proxy to attend and vote for him/her. A proxy need not be a member of the Company.
2. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Meeting.
3. CDC Shareholders and their Proxies must each attach an attested photocopy of their Computerised National Identity Card or Passport with this proxy form.