

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

26 DISTRIBUTION COST	Note	2009 (Rs.'000)	2008 (Rs.'000)
Advertisement and publicity		47,160	41,006
Salaries and wages	27.1	16,820	13,600
Selling expenses		29,722	16,582
Commission to M/s D.P. Edulji Limited - an associated undertaking		14,927	11,870
Samples		648	698
Sales promotion		3,074	2,284
Breakage		2	19
Freight		38,673	27,881
Depreciation	14.5	3,168	4,331
Others		5,713	2,695
		159,907	120,966
27 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	27.1	67,766	63,618
Traveling and conveyance		592	2,264
Printing and stationery		2,440	2,323
Repairs and maintenance		11,491	7,554
Fuel and power		3,693	4,722
Directors' fees and traveling		423	587
Communication		1,906	2,352
Entertainment		1,465	883
Advertisement		2,915	350
Legal and professional		506	412
Security		894	593
Subscriptions and periodicals		223	132
Donations		348	179
Training		28	997
Insurance		6,322	5,449
Rent, rates and taxes		1,092	965
Depreciation	14.5	8,576	7,144
Others		2,309	1,841
		112,989	102,365
27.1 This includes staff retirement benefits amounting to Rs. 4.177 million (2008: Rs.4.437 million).			
28 FINANCE COST			
	Note	2009 (Rs.'000)	2008 (Rs.'000)
Markup on short term running finance		4,179	97
Finance charge on leased assets		287	544
Interest on Workers' (Profit) Participation Fund	10.2	-	66
		4,466	707
29 OTHER EXPENSES			
Workers' (Profit) Participation Fund	10.2.1	17,605	14,301
Workers' Welfare Fund	10	6,956	6,053
Auditors' remuneration	29.1	950	875
Internal audit fee		800	150
		26,311	21,379

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29.1 Auditors' remuneration

Note	2009 (Rs.'000)	2008 (Rs.'000)
Annual audit fee	575	500
Half yearly review	200	200
Other certifications	175	175
	<u>950</u>	<u>875</u>

30 OTHER OPERATING INCOME

Income from financial assets:

Dividend income	1,882	3,202
Interest on advances	355	21
Unrealized (loss)/ gain on remeasurement of investments held for trading	(9,826)	4,916
Return on deposit accounts	7,866	5,763
(Loss)/ gain on sale of investments	(2,334)	1,519
	<u>(2,057)</u>	15,421

Income from assets other than financial assets:

(Loss)/ gain on disposal of property, plant and equipment	14.7	(3,781)	2,262
Scrap sales		8,486	5,706
Services charges		7,572	6,123
Rental income		2,686	1,976
Miscellaneous receipts		2,291	3,820
		<u>15,197</u>	<u>35,308</u>

31 PROVISION FOR TAXATION

Current		87,181	101,922
Deferred		37,841	(1,151)
	31.1	<u>125,022</u>	<u>100,771</u>

31.1 Reconciliation of tax charge for the year

Accounting profit before taxation		<u>340,854</u>	296,616
Tax rate		<u>35%</u>	35%
Tax on accounting profit		119,299	103,816
Tax effect of lower rate on certain incomes		(1,177)	(801)
Tax credits on approved donations		1	1
Tax effect of other permanent differences		6,899	(2,245)
Tax expense for the year		<u>125,022</u>	<u>100,771</u>

31.2 Reassessment for the assessment year 2002-2003 in light of the direction of the appellate authorities is pending finalization before the taxation officer. Assessments for Tax years 2004 and 2008 were amended by the tax authorities by disallowing credit for certain expenses and tax payments. The Company has filed appeals against the orders and is confident of favorable outcome. Accordingly, no provision has been made in these financial statements.

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32 EARNINGS PER SHARE - Basic and diluted

<u>2009</u>	<u>2008</u>
	Restated
There is no dilutive effect on the basic earnings per share of the Company, which is based on:	
Net profit for the year (Rs.'000)	195,845
Weighted average number of shares (Numbers)	13,121,273
Earnings per share (Rupees)	14.93

For the purpose of computing earnings per share, the number of shares for the previous year have been adjusted for the effect of bonus shares issued during the year.

33 CASH AND CASH EQUIVALENTS

<u>2009</u>	<u>2008</u>
(Rs.'000)	(Rs.'000)
These are made up as follows:	
Cash in hand	768
Bank balances	112,921
	113,689