

MURREE BREWERY COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2008

1 STATUS AND NATURE OF OPERATIONS

Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Ordinance, 1984) in February 1861 as a public limited Company in Pakistan. The shares of the Company are listed on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated in Rawalpindi. The Company is principally engaged in the manufacturing of alcoholic beer, non alcoholic beer, Pakistan Made Foreign Liquor (P.M.F.L), juices in Tetra packs in Rawalpindi and food products, juices, glass bottles and jars in Hattar.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard No. 34 "Interim Financial Reporting" as applicable in Pakistan
- 2.2 This condensed interim financial information is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.
- 2.3 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended 30 June 2007. Comparative balance sheet is extracted from the annual audited financial statements for the year ended 30 June 2007 whereas comparative profit and loss account, statement of changes in equity and cash flow statement are stated from unaudited condensed interim financial information for the nine months period ended 31 March 2006.
- 2.4 Accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the preceding year ended 30 June 2007.

3 SHARE CAPITAL

During the period, the Company has issued 1,084,402 ordinary shares (nine months ended 31 March 2007: 985,820 ordinary shares) of Rs. 10 each representing 10% bonus shares, 01share for every 10 shares held.

4 SHORT TERM RUNNING FINANCE

This represents running finance facility amounting to Rs. 35 million from Bank Alfalah Limited, Rawalpindi. This facility carries mark up at the rate of KIBOR plus 1.0 % per annum. It is secured against first hypothecation charge on current assets of the Company amounting to Rs. 60 million.

5 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2007 except for the following:

- 5.1 The Company is contingently liable in respect of guarantees amounting to Rs 25.451 million (30 June 2007 Rs.25.463 million) issued by the banks on behalf of the Company in normal course of business.
- 5.2 The Company has opened Letters of Credit for the import of machinery and inventory items valuing Rs 80.982 million (30 June 2007: Rs. 26.112 million).
- 5.3 The Company's capital commitment outstanding at the period end amounts to Rs. 5.36 million (30 June 2007: Rs 5.40 million)

TAXATION:

- 5.4 The returns for the Tax years 2004 to 2007 stand assessed in terms of section 120 of the Income Tax Ordinance 2001. However, the tax authorities are empowered to reopen these assessments within five (5) years from the date of assessment.

	Note	Nine months ended	
		31 March 08 (Rs. '000)	31 March 07 (Rs. '000)
6 PROPERTY, PLANT AND EQUIPMENT			
Opening balance		743,801	787,903
Add: Additions during the period	6.1	45,736	24,762
		789,537	812,665
Less: Disposals during the period at book value		(1,471)	(1,716)
Depreciation charged during the period		(59,683)	(67,542)
		728,383	743,407
6.1 Additions during the period:			
Buildings		3,021	6,152
Plant and machinery		23,743	11,396
Furniture and fixtures		374	436
Vehicles - owned		5,278	4,828
Vehicles - leased		124	1,950
Capital work in progress		13,196	
		45,736	24,762