

MURREE BREWERY COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010

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Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Ordinance, 1984) in February 1861 as a public limited Company in Pakistan.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 2010. Comparative balance sheet is extracted from the annual audited financial statements for the year ended 30 June 2010 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 quarter ended 30 September 2009.
- 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 2010.

3 SHARE CAPITAL

During the period, the Company has issued NIL ordinary shares (quarter ended 30 September 2009: 1,312,127 ordinary shares).

4 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 2010 except for the following:

- 4.1 **The Company has opened Letters of Credit for the import of machinery and inventory items valuing Rs 73 million (30 June 2010: Rs. 87.12 million).**

TAXATION:

- 4.2 Reassessment for the assessment year 2002-2003 in light of the direction of the appellate authorities is pending for finalization before the taxation officer. Assessments for Tax years 2004 was amended by tax authorities by disallowing for certain expenses and tax credit. The Appeal filed by the company was decided by the Commissioner(Appeals) in favour of the company where against the tax department has filed appeal to the Inome Tax Appelate Tribunal (ITAT) which is pending for decission.

5	PROPERTY, PLANT AND EQUIPMENT	Note	1st Quarter ended	
			30 Sep 10 (Rs. '000)	30 Sep 09 (Rs. '000)
	Opening balance		2,997,183	2,946,626
	Add: Additions during the period	5.1	19,704	20,767
			3,016,887	2,967,392
	Less: Disposals during the period at book value		138	1,417
	Depreciation charged during the period		35,317	29,911
			35,455	31,328
			2,981,432	2,936,065

5.1 Additions during the period:

Buildings	-	19,798
Plant and machinery	6,533	889
Furniture and fixtures	98	80
Motor Vehicles	3,083	-
CWIP	9,990	-
	19,704	20,767

