

MURREE BREWERY COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

6 TAX STATUS

Tax Returns for the Tax years 2004 to 2010 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 end of the financial year in which the returns were filed.

7 PROPERTY, PLANT AND EQUIPMENT

During the period, the Company acquired property, plant and equipment aggregating Rs. 173.727 million (31 March 2011: Rs. 171.231 million) and assets with the carrying value of Rs. 12.160 million (31 Mrch 2011: Rs. 6.867 million) were disposed off. Detail of additions are as under:

	Six months ended	
	31 March 12	31 March 11
	(Rs. '000)	(Rs. '000)
Land	-	23,258
Buildings	5,827	1,562
Plant and machinery	46,889	74,770
Furniture and fixtures	949	399
Vehicles - owned	4,311	7,274
Vehicles - leased	269	-
Capital work in progress	115,482	63,968
	173,727	171,231

8 COST OF SALES	Note	Nine months ended 31 Mrch 2012			Nine months ended	
		Liquor	Glass	Tops	31 Mrch12	31 March 11
		(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Raw material consumed	8.1	914,036	143,149	493,519	1,550,704	1,379,819
Store and Spares Consumed		10,048	34,808	278	45,134	-
Fuel and power		83,167	117,964	27,757	228,888	177,725
Salaries, wages and other benefits		45,504	27,872	26,357	99,732	70,849
Repair and maintenance		15,503	9,343	9,015	33,861	28,542
Other manufacturing overhead		5,268	6,427	5,027	16,723	15,944
Depreciation		34,178	49,959	20,897	105,034	94,570
		1,107,705	389,524	582,849	2,080,075	1,798,423
Work in process						
Opening stock		256,451	765	5,172	262,388	240,289
Closing stock		(292,093)	(765)	(16,371)	(309,229)	(270,725)
		(35,642)	-	(11,198)	(46,839)	(30,435)
Cost of goods manufactured		1,072,063	389,524	571,651	2,033,236	1,767,988
Add: Opening stock of finished goods		9,067	11,981	13,315	34,364	53,794
Less: Closing stock of finished goods		(27,003)	(42,511)	(29,027)	(98,540)	(74,078)
		(17,936)	(30,529)	(15,711)	(64,176)	(20,284)
		1,054,127	358,995	555,939	1,969,060	1,747,703
Less: Interdivisional transfers		(221,801)	-	(141,325)	(363,126)	(350,397)
		832,325	358,995	414,615	1,605,934	1,397,306
8.1 Raw material consumed						
Opening stock of raw material		306,282	10,593	137,257	454,132	300,435
Purchases		872,172	139,703	480,711	1,492,585	1,418,814
		1,178,454	150,296	617,968	1,946,718	1,719,250
Less: Closing stock of raw material		(264,418)	(7,147)	(124,448)	(396,014)	(339,430)
		914,036	143,149	493,519	1,550,704	1,379,819

9 EARNINGS PER SHARE - BASIC AND DILUTED	Quarter Ended		Nine months ended	
	31 March 12	31 March 11 (Restated)	31 March 12	31 March 11 (Restated)

There is no dilutive effect on the basic earnings per share of the Company, which is based on :

Net profit for the period - Rupees in ('000)	149,507	129,023	286,954	300,720
Weighted average number of shares - Numbers	19,052,200	19,052,200	19,052,200	19,052,200
Earnings per share - Rupees	7.85	6.77	15.06	15.78

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

10 ADDITIONAL INFORMATION ON DIVISIONS

The detail of utilization of the Company assets by the divisions as well as related liabilities is as follows:

	Liquor Division (Rs. '000)	Glass Division (Rs. '000)	Tops Division (Rs. '000)	Unallocated (Rs. '000)	Total (Rs. '000)
Assets					
31 March 2012	4,106,091	332,924	594,736	85,435	5,119,186
30 June 2011	4,385,938	163,974	298,196	109,131	4,957,239
Liabilities					
31 March 2012	92,166	136,340	271,198	275,759	775,463
30 June 2011	29,787	162,317	292,451	239,401	723,956
Capital expenditure					
31 March 2012	133,092	16,326	24,309	-	173,727
31 March 2011	116,507	16,525	38,199	-	171,231
Depreciation					
31 March 2012	42,726	50,090	25,406	-	118,222
31 March 2011	36,349	48,026	20,282	-	104,657

11 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise directors, key management personnel, major shareholders, entities over which the directors are able to exercise influence and employees' fund. Transactions with related parties during the period are as follows:

	<u>Six months ended</u>	
	<u>31 March 12</u>	<u>31 March 11</u>
	<u>(Rs. '000)</u>	<u>(Rs. '000)</u>
Transactions with associated companies under common directorship		
Lease installments paid	-	793
Sales commission	17,790	19,357
Purchase of raw material	71,415	75,569
Services acquired	5,940	2,481
Transactions with other related parties		
Contribution to staff provident fund	1,223	1,035
Remuneration of key management personnel	18,688	10,416

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 24 April 2012

13 General

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

Chief Executive

Director