

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

35 SEGMENT INFORMATION

35.1 Operating segments

The Company has three reportable segments, as described below, which are the Company's strategic business units. These strategic business units offer different products and are managed separately because of the requirement of different technologies and marketing strategies. For each of the business units, the audit committee of the Board of Directors and the Company's Chief Executive Officer (CEO) along with the Chief Financial Officer (CFO) reviews internal management reports on at least quarterly basis. These segments have been identified on the basis of business namely Liquor Division, Glass Division and Tops Division. Main products of each segment are as follows:

Liquor Division: PMFL, Alcoholic Beer, NAB, Big Apple, Lemonade, Cindy and Malt - 79.
Tops Division: Food products, juices and mineral water.
Glass Division: Glass bottles and jars.

There are varying levels of integration between the three segments. This integration includes transfers of raw material and finished goods respectively. The accounting policies of the reportable segments are the same as described in note 3.23.

Information regarding the results of each reportable segment is given in the profit and loss account and related notes. Performance is measured on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's CEO along with the CFO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

35.2 Information about reportable segments

(a) The detail of utilization of the Company's assets by the reportable segments as well as related liabilities is as follows:

		Liquor Division	Glass Division	Tops Division	Unallocated	Total
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Assets	2012	4,717,730	433,965	735,433	85,215	5,972,343
	2011	4,402,595	163,974	298,196	92,474	4,957,239
Liabilities	2012	479,438	40,338	111,141	202,185	833,102
	2011	29,838	162,317	292,451	239,401	724,007

(b) Other details of reportable segments are as follows:

(i) Non current assets - additions

Property, plant and equipment	2012	91,967	21,424	87,571	-	200,962
	2011	103,801	39,145	85,033	-	227,979
Investment property	2012	-	-	-	-	-
	2011	17,697	-	-	-	17,697
Long term advances - considered good	2012	19,424	-	976	-	20,400
	2011	3,550	-	1,742	-	5,292
Long term deposits	2012	-	-	1,850	-	1,850
	2011	100	10,446	1,060	-	11,606

(ii) Other material items

External revenue	2012	3,507,126	222,459	1,234,084	-	4,963,669
	2011	3,569,733	124,882	1,101,089	-	4,795,704
Inter-segment revenue	2012	196,706	406,158	3,443	-	606,307
	2011	128,533	388,751	-	-	517,284
Interest income	2012	52,273	-	-	-	52,273
	2011	46,423	-	-	-	46,423
Interest expense	2012	-	-	798	-	798
	2011	-	-	398	-	398

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		Liquor Division	Glass Division	Tops Division	Unallocated	Total
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
(ii) Other material items (continued)						
Depreciation	2012	57,745	67,090	40,867	-	165,702
	2011	49,483	64,924	28,368	-	142,775
Reportable segment profit and profit before income tax	2012	684,113	38,606	7,114	-	729,833
	2011	705,561	27,024	17,346	-	749,931

(c) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items are as under:

	2012 (Rs.'000)	2011 (Rs.'000)
(i) Revenues		
Total revenue for reportable segments	5,569,972	5,312,988
Elimination of inter-segment revenue	(602,860)	(517,284)
Consolidated revenue	4,967,112	4,795,704
(ii) Profit or loss		
Total profit or loss for reportable segments	729,833	749,931
Unallocated amounts - Other expenses	(55,414)	(56,026)
Unallocated amounts - Other operating income	128,390	90,781
Net profit before taxation	802,809	784,686
(iii) Assets		
Total assets for reportable segments	5,887,128	4,864,765
Other unallocated amounts	85,215	92,474
Consolidated total assets	5,972,343	4,957,239
(iv) Liabilities		
Total liabilities for reportable segments	630,917	484,606
Other unallocated amounts	202,185	239,401
Consolidated total liabilities	833,102	724,007
(v) Other material items		
Interest income	52,273	46,423
Interest expense	798	398
Property, plant and equipment - additions	200,962	227,979
Depreciation	165,702	142,775

(c) Geographical segments

All the assets of the Company are held in Pakistan.

(d) Geographical information

Substantially all the revenues of the Company are generated in Pakistan.