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VISION STATEMENT

Our office is in the market

MISSION STATEMENT

We the people of Murree Brewery Co. make personal commitment to first understand our customers' requirement then to meet & exceed their expectations, by performing the correct tasks on time and every time through:

Continuous improvement

Alignment of our missions & goals

Responsibility and respect of our jobs and each other

Educate one another

MURREE BREWERY COMPANY LIMITED

ESTABLISHED 1860
CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman	Mr. Khurram Muzaffar
Chief Executive Officer Directors	Mr. Isphanyar M. Bhandara Ch. Mueen Afzal Mr. Aamir H. Sherazi Mrs. Goshi M. Bhandara Lt. Gen (R) Zarrar Azim Mr. Osman Khalid Waheed

PRINCIPAL OFFICERS

Company Secretary	Mr. M. Zaffar Iqbal
Chief Financial Officer	Mr. Mazhar Iqbal
Head Internal Audit	Mr. Malik Saqib Gul Nawaz
General Manager (Brewery Division)	Mr. Mohammad Javed
Business Manager (Murree Glass)	Mr. Arshad Zaheer
General Manager (Tops)	Mr. Talat Yaqoob
Factory Manager (Murree Sparkletts)	Mr. Fayyaz Ahmad

AUDIT COMMITTEE

Lt. Gen @ Zarrar Azim	(Chairman)
Ch. Mueen Afzal	(Member)
Mrs. Goshi M. Bhandara	(Member)

HUMAN RESOURCE AND REMUNERATION (HR & R COMMITTEE)

Ch. Mueen Afzal	(Chairman)
Mr. Khurram Muzaffar	(Member)
Mrs. Goshi M. Bhandara	(Member)

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants.
6th Floor, State Life Bldg,
Jinnah Avenue, Islamabad.

PRINCIPAL BANKERS

Askari Commercial Bank Ltd, Islamabad
Standard Chartered Bank, Islamabad
National Bank of Pakistan, Rawalpindi / Hattar
Bank Alfalah Ltd, Rawalpindi
The Bank of Khyber, Hattar.
Allied Bank Ltd, Rwp / Lhr / Gujranwala / FAbad

MURREE BREWERY COMPANY LIMITED

ESTABLISHED 1860

REGISTERED OFFICE

Murree Brewery Company Limited
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax: 051-5584420.
E-mail: murreebrewery@isb.paknet.com
murbr@isb.paknet.com.pk
Website: www.murreebrewery.com.pk

LEGAL ADVISORS

(i) Hamid Law Associates,
409-410, Alfalah Building,
Shahrah-e-Quaid-e-Azam,
Lahore. Tel: 042-6301801)

FACTORIES

(i) **Murree Brewery Company Limited**
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5584420

(ii) (a) **Tops Food & Beverages.**
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5565461

(b) Plot No. 14/1, Phase III, Industrial Estate,
Hattar, **District Haripur** (K.P.K.)
Tel: 0995-617013, 617493, 617494

(iii) **Murree Sparkletts**
Plot, No. 10/2, Phase-III, Industrial Estate,
Hattar, **District Haripur** (K.P.K.)

(iv) **Murree Glass**
Plot No. 24, Phase III, Industrial Estate,
Hattar. **District Haripur** (K.P.K.)
Tel: 0995-617233, Fax: 0995-617188

(ii) Mr. Umer Abdullah (Advocate)
Chaudhary Law Associates
Advocate High Court
Flats No. 5 & 6, 1st Floor, MICCOP Centre,
1. Mozang Road, Lahore.
Cell # 0300-8430877-0345-8412222

TAX ADVISOR

Naseem Zafar Associates
16-A, First Floor, Sadiq Plaza,
69-Shahrah-e-Quaid-e-Azam, Lahore.
Tel: 042-6360275-6

CORPORATE ADVISOR

Mr. Javed Panni
Corporate and Capital Market Consultant
House No. 15, Street No. 59,
F-8/4, Islamabad.
Tel: 051-2856087-88

DISTRIBUTION OFFICES

• Tops Food & Beverages,
121/3, Industrial Estate, Kot Lakhpat,
Lahore. 042-5117501

• Aziz Chowk Pindi Bypass,
Galla Sonica Industry,
G.T Road, **Gujranwala**
Tele: 055-3891 571

• Mansoor Abad
Near Sant Sing Railway Gate
Jumra Road, **Faisalabad**
Tele: 041 -85221 82, 041 -2420580

MURREE BREWERY COMPANY LIMITED DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors take pleasure in presenting the six monthly report together with un-audited financial data for the six months ended 31st December, 2013.

Financial and Operational Performance

In the half year ended 31st December, 2013 sales were higher than in the previous corresponding period. Key financial indicators as compared to the same period last year were

- Gross profit of Rs.715.51 million increased by 18%.
- Operating profit of Rs.470.48 million increased by 20%
- Profit before tax of Rs.515.09 million increased by 19%
- Profit after tax of Rs.360.16. million increased by 23%
- Earning per share was Rs.15.62 against Rs.12.69 (increased by 23%).

Capital gains and other income increased to Rs.83.1 million from Rs.67.7 million in the previous period.

We also draw shareholders attention to Note # 4.1 'Contingencies' regarding Capacity Tax.

These excellent results have been achieved by the commitment and efforts of all employees, support of our customers and Government departments which are greatly appreciated.

Inspite of load shedding and competition, the company is cautiously optimistic of results in the second half of the year to 30th June, 2014.

Rawalpindi
21st February, 2014


Chairman

MURREE BREWERY COMPANY LIMITED

Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Murree Brewery Company Limited ("the Company") as at 31 December 2013, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cashflow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (the interim financial information).

Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

The figures for the three months period ended 31 December 2013, in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Emphasis of matter

We refer to note 4 of the Company's condensed interim financial information wherein it is stated that the Company has challenged the applicability of Federal Excise Duty and Sales Tax on Production Capacity (Aerated Water) Rules, 2013 through a writ petition with the Court and accordingly has not provided for related liability of Rs. 195 million.

Islamabad
Date: February 21, 2014

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner: Syed Bakhtiyar Kazmi

MURREE BREWERY COMPANY LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2013

	31 December 2013		30 June 2013	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
SHARE CAPITAL AND RESERVES				
Share capital	230,529	209,572		
Reserves:				
Capital reserve	30,681	30,681		
Contingency reserve	20,000	20,000		
General reserve	327,942	327,042		
Unappropriated profit	2,671,451	2,446,324		
	3,049,174	2,824,047		
	3,279,703	3,033,619		
	2,673,300	2,692,870		
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax				
NON - CURRENT LIABILITIES				
Liabilities against assets subject to finance lease	4,475	1,879		
Deferred liabilities - staff retirement benefits	73,801	58,985		
Deferred taxation	158,970	181,750		
	237,246	242,614		
CURRENT LIABILITIES				
Current portion of liabilities against assets subject to finance lease	2,046	2,785		
Trade and other payables	624,657	617,678		
Provision for taxation - net	1,431	54,564		
	628,134	675,027		
	6,818,383	6,644,130		
NON - CURRENT ASSETS				
Property, plant and equipment	3,698,440	3,670,403		
Investment property	212,437	212,437		
Long term advances - considered good	3,794	5,519		
Long term deposits	18,700	18,353		
	3,933,371	3,906,712		
CURRENT ASSETS				
Stores, spares parts and loose tools	90,227	80,800		
Stock in trade	1,004,805	863,675		
Trade debts - unsecured	11,330	34,859		
Advances - considered good	41,064	38,806		
Short term prepayments	15,314	15,352		
Interest accrued	10,367	63		
Other receivables	949	1,447		
Short term investments	29,950	31,619		
Advance income tax	16,359	16,270		
Cash and bank balances	1,664,647	1,654,527		
	2,885,012	2,737,418		
	6,818,383	6,644,130		

CONTINGENCIES AND COMMITMENTS 4
The annexed notes 1 to 12 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

MURREE BREWERY COMPANY LIMITED

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

	Liquor Division			Glass Division			Tops Division			Total		
	Quarter ended		Six months ended	Quarter ended		Six months ended	Quarter ended		Six months ended	Quarter ended		Six months ended
	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12	31 Dec 13	
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	

7 TURNOVER

Third party sales - net
Inter divisional sales

1,222,291	1,010,166	2,297,269	1,832,198	-	24,884	-	28,836
45,978	39,428	137,298	98,907	217,112	168,221	397,011	300,016
1,268,269	1,049,594	2,434,567	1,931,105	217,112	193,105	397,011	328,852
(401,213)	(321,039)	(719,295)	(549,282)	-	(3,432)	-	(3,977)
867,056	728,555	1,715,272	1,381,823	217,112	189,673	397,011	324,875

Less: Duties and taxes

8 COST OF SALES

Third party
Inter divisional

(367,888)	(331,068)	(814,537)	(654,521)	(146,301)	(136,364)	(295,020)	(260,672)
(219,307)	(161,589)	(391,936)	(279,008)	-	-	-	-
(587,195)	(492,657)	(1,206,473)	(933,529)	(146,301)	(136,364)	(295,020)	(260,672)
279,861	235,898	508,799	448,294	70,811	53,309	101,991	64,203

GROSS PROFIT

Distribution cost
Administrative expenses
Finance cost

(39,386)	(20,246)	(96,448)	(72,138)	(1,291)	(693)	(1,904)	(1,368)
(33,473)	(34,144)	(60,185)	(57,294)	(4,240)	(4,460)	(9,032)	(8,304)
(646)	(62)	(808)	(328)	(15)	(800)	(39)	(857)
(73,505)	(54,452)	(157,441)	(129,760)	(5,546)	(5,953)	(10,975)	(10,529)
206,356	181,446	351,358	318,534	65,265	47,356	91,016	53,674

Other expenses
Other operating income

(23,608)	(13,081)	(38,450)	(25,167)	(7,898)	(6,289)	28,114	19,390
46,579	40,482	83,052	67,709	(7,898)	(6,289)	28,114	19,390
286,694	249,914	515,090	434,140	(7,898)	(6,289)	28,114	19,390

NET PROFIT BEFORE TAXATION

TAXATION

- Current year
- Deferred

(95,984)	(96,584)	(173,638)	(168,973)	(72,643)	(47,191)	(158,066)	(132,615)
18,709	-	18,709	27,481	(45,456)	(46,786)	(85,910)	(81,358)
(77,275)	(96,584)	(154,929)	(141,492)	(7,443)	(8,182)	(16,693)	(15,760)
209,419	153,330	360,161	292,648	(94)	(106)	(203)	(344)
(39,803)	(34,540)	(76,610)	(75,213)	(39,803)	(34,540)	(76,610)	(75,213)
263,723	222,513	470,488	391,598	(7,898)	(6,289)	28,114	19,390

NET PROFIT AFTER TAXATION

EARNINGS PER SHARE - BASIC AND DILUTED (Rupees) - Note 9

9.08	6.65	15.62	12.69
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The annexed notes 1 to 12 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

MURREE BREWERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

	Quarter ended 31 Dec 13 (Rs. '000)	Quarter ended 31 Dec 12 (Rs. '000)	Six months ended 31 Dec 13 (Rs. '000)	Six months 31 Dec 12 (Rs. '000)
Profit after tax	209,419	153,330	360,161	292,648
Other comprehensive income for the period				
Experience adjustments on defined benefit obligation (Note 2.3)	(11,974)	-	(11,974)	-
Tax effect on experience adjustments	4,071	-	4,071	-
Total other comprehensive income	(7,903)	-	(7,903)	-
Total comprehensive income for the period	201,516	153,330	352,258	292,648

The annexed notes 1 to 12 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

MURREE BREWERY COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

	31 Dec 13	31 Dec 12
	<u>(Rs. '000)</u>	<u>Restated (Rs. '000)</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	515,090	434,140
Adjustment for:		
Depreciation	84,547	79,209
Provision for staff retirement benefits	6,572	9,758
Profit on deposits / dividend income	(56,315)	(41,336)
Dividend Income	(5)	(8)
Finance cost	1,050	1,529
Unrealised gain on re-measurement of available for sale securities	(1,030)	(833)
Realised gain on sale of short term investments	-	(2,723)
Profit on disposal of property, plant and equipment	(1,172)	(2,431)
Operating profit before working capital changes	<u>548,737</u>	<u>477,305</u>
(Increase) / decrease in stores, spares and loose tools	(9,427)	1,543
Increase in stock in trade	(141,130)	(21,613)
Decrease in trade debts	23,529	9,407
Increase in advances, receivables and prepayments	(407)	(44,514)
Increase / (decrease) in current liabilities	6,979	(151,856)
	(120,456)	(207,033)
Finance cost paid	(1,050)	(1,529)
Staff retirement benefits paid	(165)	(3,088)
Income tax paid	(226,772)	(145,104)
Net cash generated from operating activities	<u>200,294</u>	<u>120,551</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(114,634)	(72,102)
Proceeds for sale of investment held for trading	639	55,751
Proceeds from disposal of property, plant and equipment	3,222	6,449
Long term deposits and advances	1,378	(1,880)
Dividend received	5	8
Profit received on deposits	46,011	38,338
Net cash (used in) / generated from investing activities	<u>(63,379)</u>	<u>26,564</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Re-payment of finance leases	(1,051)	(1,381)
Dividend paid	(125,744)	(86,689)
Net cash used in financing activities	<u>(126,795)</u>	<u>(88,070)</u>
Net increase in cash and cash equivalents	<u>10,120</u>	<u>59,045</u>
Cash and cash equivalents at beginning of the period	<u>1,654,527</u>	<u>1,107,422</u>
Cash and cash equivalents at the end of the period	<u>1,664,647</u>	<u>1,166,467</u>

The annexed notes 1 to 12 form an integral part of these interim financial statements.


 CHIEF EXECUTIVE


10


 DIRECTOR

MURREE BREWERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2012

	Share capital (Rs. '000)	Capital reserve (Rs. '000)	Contingency reserve (Rs. '000)	General reserve (Rs. '000)	Unappropriated profit (Rs. '000)	Total equity (Rs. '000)
Balance at 01 July						
2012 - as previously reported	190,520	30,681	20,000	327,042	1,785,127	2,353,370
Effect of change in accounting policy (Note 2.3)	-	-	-	-	(10,858)	(10,858)
Balance at 01 July 2012 - as restated	190,520	30,681	20,000	327,042	1,774,269	2,342,512
Total comprehensive income for the six months period ended 31 December 2012	-	-	-	-	292,648	292,648
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	15,031	15,031
Transaction with owners, recorded directly in equity						
Final dividend for the year ended 30 June 2012 (Rs. 5.0 per share)	-	-	-	-	(95,260)	(95,260)
Bonus shares issued for the year ended 30 June 2012 @ 10%	19,052	-	-	-	(19,052)	-
	19,052	-	-	-	(114,312)	(95,260)
Balance as at 31 December 2012	209,572	30,681	20,000	327,042	1,967,636	2,554,931
Balance at 01 July						
2013 - as previously reported	209,572	30,681	20,000	327,042	2,463,072	3,050,367
Effect of change in accounting policy (Note 3.1)	-	-	-	-	(16,748)	(16,748)
Balance at 01 July 2013 - as restated	209,572	30,681	20,000	327,042	2,446,324	3,033,619
Total comprehensive income for the six months period ended 31 December 2013	-	-	-	-	352,258	352,258
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	19,570	19,570
Transaction with owners, recorded directly in equity						
Final dividend for the year ended 30 June 2013 (Rs. 6.0 per share)	-	-	-	-	(125,744)	(125,744)
Bonus shares issued for the year ended 30 June 2013 @ 10%	20,957	-	-	-	(20,957)	-
	20,957	-	-	-	(146,701)	(125,744)
Balance as at 31 December 2013	230,529	30,681	20,000	327,042	2,671,451	3,279,703

The annexed notes 1 to 12 form an integral part of these interim financial statements.


CHIEF EXECUTIVE

11


DIRECTOR

MURREE BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

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, mineral water, glass bottles and jars in Hattar. The Company is presently operating three divisions namely Liquor Division, Tops Division and Glass Division to carry out its principal activities.

2 BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the six months period ended 31 December 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim financial information do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2013. Comparative balance sheet is extracted from the annual audited financial statements as of 30 June 2013, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the six months period ended 31 December 2012 except restatement as mentioned in Note 2.3 to the condensed interim financial information.
- 2.2** This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange Limited.
- 2.3** The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2013 except the following:

IAS 19 (as revised in June 2011) "Employees Benefits" became effective during the period. The amendments to IAS 19 change accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. The amendments require the recognition of changes in defined benefit obligation and fair value of plan assets when they occur, and hence eliminate 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income. Furthermore, the interest cost and expected return on plan assets used in previous version of IAS 19 are replaced with a 'net-interest' amount under IAS 19 (as revised in June 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. IAS 19 (as revised in June 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

MURREE BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

The Company has applied IAS 19 (as revised in June 2011) retrospectively in accordance with requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly, opening balance sheet of the earliest comparative period presented (01 July 2012) has been restated. This change has resulted in decrease in the balance of deferred liabilities - staff retirement benefit, receivable from provident fund and deferred tax liability by amounts mentioned below with corresponding effect on equity. The effect on the condensed interim statement of comprehensive income for the six months period ended 31 December 2012 has not been disclosed separately since the actuarial valuation is carried out on annual basis. However, there is no impact of this change in accounting policy on condensed interim profit and loss account and condensed interim cash flow statement.

<u>Effect due to change in accounting policy</u>	2013	2012
	(Rs. '000)	(Rs. '000)
<i>Deferred liabilities, staff retirement benefit</i>		
Present value of defined benefit obligation - as previously reported	43,775	36,307
Increase due to change in accounting policy	15,210	16,945
Present value of defined benefit obligation - as restated	<u>58,985</u>	<u>53,252</u>
Deferred taxation liability - as previously reported	190,377	231,889
Decrease due to change in accounting policy	5,171	5,931
Deferred taxation liability - as restated	<u>185,206</u>	<u>225,958</u>
Net effect of change in accounting policy on equity recognised in unappropriated profit	<u>10,039</u>	<u>11,014</u>
<i>Other receivables, Receivables from pension fund</i>		
Present value of net assets of the fund as previously reported	8,073	5,692
(Decrease) / increase due to change in accounting policy	(10,165)	240
Present value of net (liabilities) / assets of the fund - as restated	<u>(2,092)</u>	<u>5,932</u>
Deferred taxation liability - as previously reported	190,377	231,889
(Decrease) / increase due to change in accounting policy	(3,456)	84
Deferred taxation liability - as restated	<u>186,921</u>	<u>231,973</u>
Net effect of change in accounting policy on equity recognised in unappropriated profit	<u>6,709</u>	<u>156</u>
Net decrease due to change in accounting policy in:		
- Deferred taxation liability	<u>8,627</u>	<u>5,847</u>
- Equity recognised in unappropriated profit	<u>16,748</u>	<u>10,858</u>

This change has also resulted in recognition of experience adjustments on defined benefit obligations amounting to Rs. 7.90 million, net of tax in other comprehensive income for the six months period ended 31 December 2013.

MURREE BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

Contingencies:

- 4.1 During the period, Federal Board of Revenue has issued the Federal Excise Duty and Sales Tax on Production Capacity (Aerated Water) Rules, 2013 ("the Rules") vide SRO 649(i)/2013 effective 10 July 2013. These Rules require the Companies involved in the production of aerated waters to pay tax on gross production capacity of spouts filling valves installed in the Company instead of sales tax and federal excise duty on the basis of sales. Management of the Company considers that measure of determination of "Capacity Tax" in the Rules is inequitable and accordingly filed a writ petition with the Honourable Lahore High Court ("the Court") to set aside these Rules. The Court through its Order dated 02 August 2013 provided interim relief by allowing the Company to continue to pay Federal Excise Duty and sales tax on the basis of manner in which the taxes were paid before the promulgation of the Rules. Management however believes that since the capacity tax is inequitable, an industry wide issue and accordingly it is likely that these Rules will be set aside by the Court. Accordingly the Company has not recorded a liability of Rs. 195 million in this interim financial information in respect of capacity tax payable for the six months' period ended 31 December 2013.
- 2.4 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2014 and are not expected to have any significant effect on condensed interim financial information of the Company.

- IFRIC 21 'Levies'	(effective 01 January 2014)
- IAS 32 'Financial Instruments: Presentation'	(effective 01 January 2014)
- IAS 36 'Impairment of Assets'	(effective 01 January 2014)
- IAS 39 'Financial Instruments: Recognition and Measurement'	(effective 01 January 2014)
- IAS 19 'Employee Benefits'	(effective 01 July 2014)
- IAS 27 'Consolidated and Separate Financial Statements'	(effective 01 January 2014)

Amendments to following standards as annual improvements cycle of 2010-2012 and 2011-2013. Most amendments will apply prospectively for annual period beginning on or after 1 July 2014

- IFRS 2 'Share-based Payment'	- IAS 16 Property, plant and equipment
- IFRS 3 Business Combinations	- IAS 24 Related Party Disclosure
- IFRS 8 Operating Segments	- IAS 40 Investment Property

3 SHARE CAPITAL

During the period, the Company has issued 2,095,729 ordinary shares of Rs. 10 each representing 10% bonus shares, 01 share for every 10 shares held (six months ended 31 December 2012: 1,905,209 ordinary shares of Rs. 10 each representing 10% bonus shares, 01 share for every 10 shares held).

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 2013, except the following:

MURREE BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

- 4.2 The Company is contingently liable in respect of guarantees amounting to Rs. 47.09 million (30 June 2013: Rs. 47.05 million) issued by banks on behalf of the Company in normal course of business.

Commitments:

5.1 Additions during the period:

Buildings	14,550	155
Plant and machinery	47,408	22,147
Furniture and fixtures	637	1,641
Motor vehicles	8,000	20,912
Capital work in progress	44,039	180,332
	<u>114,634</u>	<u>225,187</u>

- 4.3 The Company has opened Letters of Credit for the import of machinery and inventory items valuing approximately Rs. 242.2 million (30 June 2013: Rs. 298.50 million).

- 4.4 The Company's contracted capital commitments outstanding at the balance sheet date amounting to Rs. 160.89 million (30 June 2013: Rs. 181.57 million).

5	PROPERTY, PLANT AND EQUIPMENT	Note	Six months ended	
			31 Dec 13 (Rs. '000)	30 Jun 13 (Rs. '000)
	Opening balance		3,670,403	3,649,647
	Additions during the period / year	5.1 & 5.2	114,634	225,187
			<u>3,785,037</u>	<u>3,874,834</u>
	Disposals during the period / year at book value		2,050	41,598
	Depreciation charged during the period / year	5.2	84,547	162,833
			<u>86,597</u>	<u>204,431</u>
			<u>3,698,440</u>	<u>3,670,403</u>

- 5.2 Additions in and depreciation on property, plant and equipment during the half year ended 31 December 2012 were Rs 72.10 million and Rs 79.21 million respectively.

6 INVESTMENT PROPERTY

The investment properties are lands and building held for capital appreciation and to earn rental income. At the balance sheet date, an exercise was carried out by the management to assess the fair value of investment property. Based on the exercise, management of the Company ascertained that there is no change in the valuation of investment property.

7 TURNOVER

Turnover is net of discounts amounting to Rs. 76.38 million (31 December 2012: Rs. 52.18 million) for the six months period ended 31 December 2013..

MURREE BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

	Note	Six months ended 31 December 2013			Six months ended	
		Liquor (Rs. '000)	Glass (Rs. '000)	Tops (Rs. '000)	31 Dec 13 (Rs. '000)	31 Dec 12 (Rs. '000)
8 COST OF SALES						
Raw material consumed	8.1	1,035,128	134,200	386,296	1,555,624	1,272,983
Stores and spares consumed		5,889	19,899	202	25,990	28,263
Fuel and power		66,157	87,510	21,911	175,578	159,758
Salaries and other benefits		60,910	20,437	21,780	103,127	71,207
Repair and maintenance		15,424	12,524	9,066	37,014	27,898
Other manufacturing overhead		6,988	5,119	4,126	16,233	14,941
Depreciation		31,521	28,767	12,616	72,904	68,428
		1,222,017	308,456	455,997	1,986,470	1,643,478
Work in process						
Opening stock 01 July		330,720	765	9,383	340,868	318,373
Closing stock 31 December		(308,258)	(765)	(6,969)	(315,992)	(302,015)
		22,462	-	2,414	24,876	16,358
Cost of goods manufactured		1,244,479	308,456	458,411	2,011,346	1,659,836
Finished goods						
Opening stock 01 July		38,190	16,118	36,726	91,034	53,359
Closing stock 31 December		(76,196)	(29,555)	(47,708)	(153,459)	(139,108)
		(38,006)	(13,437)	(10,982)	(62,425)	(85,749)
		1,206,473	295,019	447,429	1,948,921	1,574,087
Less: Interdivisional transfers		(391,936)	-	(157,185)	(549,121)	(401,098)
		<u>814,537</u>	<u>295,019</u>	<u>290,244</u>	<u>1,399,800</u>	<u>1,172,989</u>
8.1 Raw material consumed						
Opening stock 01 July		283,690	8,993	139,090	431,773	404,378
Purchases		1,017,525	145,781	405,301	1,568,607	1,226,114
		1,301,215	154,774	544,391	2,000,380	1,630,492
Closing stock 31 December		(266,087)	(20,574)	(158,095)	(444,756)	(357,509)
		<u>1,035,128</u>	<u>134,200</u>	<u>386,296</u>	<u>1,555,624</u>	<u>1,272,983</u>

MURREE BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

	Quarter ended		Six months ended	
	<u>31 Dec 13</u>	<u>31 Dec 12</u> (Restated)	<u>31 Dec 13</u>	<u>31 Dec 12</u> (Restated)
9 EARNINGS PER SHARE - BASIC AND DILUTED				
Net profit for the period - Rupees in ('000)	<u>209,419</u>	<u>153,330</u>	<u>360,161</u>	<u>292,648</u>
Weighted average number of shares - Numbers	<u>23,053,025</u>	<u>23,053,025</u>	<u>23,053,025</u>	<u>23,053,025</u>
Earnings per share - Rupees	<u>9.08</u>	<u>6.65</u>	<u>15.62</u>	<u>12.69</u>

There is no dilutive effect on the basic earnings per share of the Company. 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 SEGMENT INFORMATION

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 December 2013	4,527,603	1,087,116	1,178,281	25,383	6,818,383
30 June 2013	5,276,469	511,410	823,186	33,065	6,644,130
Liabilities					
31 December 2013	507,069	48,793	81,288	228,229	865,379
30 June 2013	475,267	27,174	123,487	291,713	917,641
Capital expenditure					
31 December 2013	28,415	77,833	8,385	-	114,633
30 June 2013	75,609	137,377	12,201	-	225,187
Depreciation					
31 December 2013	39,402	28,875	16,269	-	84,546
30 December 2012	34,906	28,374	15,929	-	79,209

MURREE BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

11 TRANSACTIONS AND BALANCES 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 and balances with related parties for the period are as follows:

	Six months ended	
	31 Dec 13 (Rs. '000)	31 Dec 12 (Rs. '000)
Transactions and balances with associated companies under common directorship		
Sales commission	27,625	26,421
Services acquired	5,400	4,800
Sales commission payable	16,340	* 2,371
Transactions with other related parties		
Contribution to staff provident fund	551	508
Contribution to staff pension fund	1,539	1,203
Remuneration of the Key Management Personnel	11,136	8,970
Balance payable at the period end	4,690	* 2,092

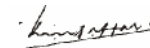
* Audited balance as at 30 June 2013.

12 DATE OF APPROVAL

These condensed interim unaudited financial statements were authorized by the Board of Directors of the Company in their meeting held on February 21, 2014



CHIEF EXECUTIVE



DIRECTOR