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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	Mr. Isphanyar M. Bhandara
Directors	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)
Mr. Khurram Muzaffar	(Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Ch. Mueen Afzal	(Chairman)
Mrs. Goshi M. Bhandara	(Member)
Mr. Khurram Muzaffar	(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 / Gujranw / FAbad / Multan
Sahiwal / Murree

MURREE BREWERY COMPANY LIMITED

ESTABLISHED 1860

CORPORATE INFORMATION

REGISTERED OFFICE

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

- (iv) Mohallah Noorpura,
Bahawalpur Bypass Road, **Multan**
Ph: 061-4232964
Mob: 0313-7313234
- (v) 164/B, Near Winter Time,
Small Industries Estate, **Sahiwal**
Mob: 0335-5611125
0321-6954001

FACTORIES

- (1) **Murree Brewery Company Limited**
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5584420
- (2) (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
- (3) **Murree Sparkletts**
Plot, No. 10/2, Phase-III, Industrial Estate,
Hattar, **District Haripur (K.P.K)**
- (4) **Murree Glass**
Plot No. 24, Phase III, Industrial Estate,
Hattar. **District Haripur (K.P.K)**
Tel: 0995-617233, Fax: 0995-617188

- (vi) Ratti Gali, Ayoubia Road,
Murree
Mob: 0335-5111047

LEGAL ADVISORS

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

DISTRIBUTION OFFICES

- (i) Tops Food & Beverages,
121/3, Industrial Estate, Kot Lakhpat,
Lahore. (Tel: 042-5117501)
- (ii) Aziz Chowk Pindi Bypass,
Galla Sonica Industry,
G.T Road, **Gujranwala** (Tele: 055-3891571)
- (iii) Mansoor Abad
Near Sant Sing Railway Gate
Jumra Road, **Faisalabad**
Tele: (041-8522182 & 2420580)

TAX ADVISOR

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

MURREE BREWERY COMPANY LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors present the six monthly report together with un-audited financial statement for the six months ended 31st December, 2015.

Financial and Operational Performance

In the half year ended 31st December, 2015 overall sales were higher than in the previous corresponding period except Murree Glass Division.

Key financial indicators as compared to the same period last year were:

- Turnover Rs.4,426.03 million increased by 19%
- Gross profit Rs. 960.05 million decreased by 7%
- Operating profit Rs. 597.69 million decreased by 17%
- Profit before tax Rs. 657.87 million decreased by 18%
- Profit after tax Rs. 496.65 million decreased by 9%
- Earning per share was Rs.21.54 against Rs.23.66 decreased by 9%.

Capital gains and other income decreased to Rs.101.31million from Rs.136.47 million in the previous period.

Main reasons for decrease in group profit:

1. The Collective Bargaining Agent (CBA) served a Charter of Demands under the Factories Act for two years from 1st July 2015 which was finalized in October 2015. This increased administrative, manufacturing and distribution costs.
2. Still Head Duty imposed by the Punjab Government on exports of alcoholic products to other provinces mentioned in detail in the company Annual Report 2015 continues in force reducing half year sales of alcoholic products.

There is no such duty on exports of alcoholic products to other provinces on the distilleries in Sindh and Baluchistan and our legal advisors have stated the company has a very strong case for relief. A writ petition has been filed in the Lahore High Court and representations have been made at the highest level to the Punjab Government. The result of both these actions are awaited.

Liquor Division

For the reason # 2 stated above, quantitative sale decreased by 14% in liquor and 1% in beer, resulting in reduced profitability.

MURREE BREWERY COMPANY LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

Glass Division

- New furnace went in to production on 19th August, 2015, hence plant operated for 137 days vs 184 days. This resulted in decrease in sales by 16%.
- Depreciation increased by 105% due to capitalization of new furnace, which increased manufacturing costs.

Tops Division

- Depreciation increased by 23% due to installation of new Water Line and Reverse Osmosis Plant in Murree Sparkletts.

On 11th February, 2016, fire erupted due to short circuit of electricity which engulfed first floor of the Malt House, where sugar and cap seals were burnt. But, due to timely action the fire was extinguished. Since the goods are insured, the Company will lodge a claim for this loss.

Load shedding and fierce competition are expected to continue in the soft drinks market. However, keeping in view the present economic condition, we will try to mitigate the adverse economic factors through effective control on costs.

Rawalpindi
25th February, 2016


Chairman

MURREE BREWERY COMPANY LIMITED
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 2015, 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.

Other matters

The figures for the three months period ended 31 December 2015, 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.

Islamabad
25 February 2016



KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner: Riaz Pesnani

MURREE BREWERY
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

COMPANY LIMITED
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

	Liquor Division				Glass Division			
	Quarter ended 31 December		Six months ended 31 December		Quarter ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Note								

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TURNOVER
Third party sales - net
Inter divisional sales

1,741,648	1,500,222	3,387,883	2,927,053	41,483	-	41,483	-
64,462	55,861	202,369	154,971	315,514	251,166	380,576	490,114
1,806,110	1,556,083	3,590,252	3,082,024	356,997	251,166	422,059	490,114
(725,679)	(462,748)	(1,332,410)	(881,305)	(6,027)	-	(6,027)	-
1,080,431	1,093,335	2,257,842	2,200,719	350,970	251,166	416,032	490,114

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COST OF SALES
Third party
Inter divisional

(453,916)	(445,433)	(1,211,600)	(988,593)	(207,659)	(139,320)	(253,025)	(286,392)
(316,911)	(259,115)	(382,228)	(486,299)	-	-	-	-
(770,827)	(704,548)	(1,593,828)	(1,474,892)	(207,659)	(139,320)	(253,025)	(286,392)
309,604	368,787	664,014	725,827	143,311	111,846	163,007	203,722

Distribution cost
Administrative expenses
Finance cost

(48,734)	(49,021)	(115,898)	(115,916)	(1,098)	(915)	(2,042)	(1,722)
(51,594)	(43,164)	(92,485)	(81,379)	(7,734)	(5,746)	(14,225)	(12,092)
(102)	(665)	(284)	(1,480)	(70)	(19)	(75)	(26)
(100,430)	(92,850)	(208,637)	(198,775)	(8,902)	(6,680)	(16,342)	(13,840)
209,174	295,937	455,377	527,052	134,409	105,166	146,665	189,882

Other expenses
Other operating income

(20,684)	(30,634)	(41,140)	(51,145)	48,714	71,653	101,311	136,477
348,808	423,744	657,869	801,757				

TAXATION

- Current year
- Deferred

(62,590)	(151,897)	(161,490)	(270,605)	273	14,276	273	14,276
(62,317)	(137,621)	(161,217)	(256,329)	286,491	286,123	496,652	545,428

PROFIT AFTER TAXATION

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

12.43	12.41	21.54	23.66
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The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE

King of the Hill
DIRECTOR

	Tops Division				Total			
	Quarter ended 31 December		Six months ended 31 December		Quarter ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)

344,306	263,722	996,663	791,296	2,127,437	1,763,944	4,426,029	3,718,349
7,070	10,258	13,223	16,063	-	-	-	-
351,376	273,980	1,009,886	807,359	2,127,437	1,763,944	4,426,029	3,718,349
(75,658)	(56,229)	(220,740)	(167,597)	(807,364)	(518,977)	(1,559,177)	(1,048,902)
275,718	217,751	789,146	639,762	1,320,073	1,244,967	2,866,852	2,669,447

(189,728)	(127,161)	(442,180)	(362,293)	(821,303)	(711,914)	(1,906,806)	(1,637,278)
(70,135)	(58,171)	(213,940)	(174,849)	-	-	-	-
(229,863)	(185,332)	(656,120)	(537,142)	(821,303)	(711,914)	(1,906,806)	(1,637,278)
45,855	32,419	133,026	102,620	498,770	533,052	960,047	1,032,169

(53,730)	(37,084)	(108,768)	(78,218)	(103,562)	(87,020)	(226,708)	(195,856)
(14,835)	(13,670)	(28,376)	(24,814)	(74,163)	(62,580)	(135,056)	(118,285)
(95)	(43)	(226)	(97)	(267)	(727)	(585)	(1,603)
(68,660)	(50,797)	(137,370)	(103,129)	(177,992)	(150,327)	(362,349)	(315,744)
(22,805)	(18,378)	(4,344)	(509)	320,778	382,725	597,698	716,424

(20,684)	(30,634)	(41,140)	(51,145)
48,714	71,653	101,311	136,477
348,808	423,744	657,869	801,757

(62,590)	(151,897)	(161,490)	(270,605)
273	14,276	273	14,276
(62,317)	(137,621)	(161,217)	(256,329)
286,491	286,123	496,652	545,428

12.43	12.41	21.54	23.66
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MURREE BREWERY COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

	Quarter ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Profit after tax	301,401	286,123	496,652	545,428
Other comprehensive income for the period				
Experience adjustments on defined benefit obligation	(49,394)	(43,272)	(49,394)	(43,272)
Tax effect on experience adjustments	14,818	15,145	14,818	15,145
Total other comprehensive income	(34,576)	(28,127)	(34,576)	(28,127)
Total comprehensive income for the period	266,825	257,996	462,076	517,301

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE

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DIRECTOR

MURREE BREWERY COMPANY LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

	<u>Six months ended 31 December</u>	
	<u>2015</u>	<u>2014</u>
	<u>(Rs. '000)</u>	<u>(Rs. '000)</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	657,869	801,757
Adjustment for:		
Depreciation	113,806	77,630
Provision for staff retirement benefits	9,361	9,090
Profit on deposits	(80,404)	(102,059)
Dividend income	(7)	(3)
Finance cost	585	1,603
Unrealised gain on re-measurement of available for sale securities	(563)	(1,802)
Gain on disposal of investment	(95)	-
Loss / (gain) on disposal of property, plant and equipment	10,885	(1,757)
Operating profit before working capital changes	<u>711,437</u>	<u>784,459</u>
Increase in stores, spares and loose tools	(4,268)	(10,102)
Increase in stock in trade	(286,808)	(58,364)
Decrease in trade debts	5,569	2,306
Increase in advances, receivables and prepayments	(20,666)	(21,511)
(Decrease) in current liabilities	(168,708)	(154,618)
	(474,881)	(242,289)
Finance cost paid	(585)	(1,603)
Staff retirement benefits paid	(4,467)	(6,342)
Income tax paid	(342,615)	(376,506)
Net cash (used in) / generated from operating activities	<u>(111,111)</u>	<u>157,719</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(95,196)	(256,880)
Purchase of investment held for trading	(81,000)	(7,999)
Proceeds for sale of investment held for trading	15,700	-
Proceeds from disposal of property, plant and equipment	2,731	3,678
Long term deposits and advances	(1,758)	(2,971)
Dividend received	7	3
Profit received on deposits	70,161	84,178
Net cash used in investing activities	<u>(89,355)</u>	<u>(179,991)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Re-payment of finance leases	(1,938)	(1,294)
Dividend paid	(122,436)	(109,096)
Net cash used in financing activities	<u>(124,374)</u>	<u>(110,390)</u>
Net decrease in cash and cash equivalents	(324,840)	(132,662)
Cash and cash equivalents at beginning of the period	3,013,619	2,524,830
Cash and cash equivalents at the end of the period	<u>2,688,779</u>	<u>2,392,168</u>

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE

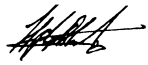
11


DIRECTOR

MURREE BREWERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

	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 2014	230,530	30,681	20,000	327,042	3,290,048	3,898,301
Total comprehensive income for the six months period ended 31 December 2014	-	-	-	-	517,301	517,301
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	21,626	21,626
<i>Transaction with owners, recorded directly in equity</i>						
Final dividend for the year ended 30 June 2014 (Rs. 6.0 per share)	-	-	-	-	(138,318)	(138,318)
Balance as at 31 December 2014	230,530	30,681	20,000	327,042	3,690,657	4,298,910
Balance at 01 July 2015	230,530	30,681	20,000	327,042	4,193,571	4,801,824
Total comprehensive income for the six months period ended 31 December 2015	-	-	-	-	462,076	462,076
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	21,414	21,414
Transferred from surplus on revaluation of property, plant and equipment on write off/disposal - net of deferred tax	-	-	-	-	5,504	5,504
<i>Transaction with owners, recorded directly in equity</i>						
Final dividend for the year ended 30 June 2015 (Rs. 6.5 per share)	-	-	-	-	(149,845)	(149,845)
Balance as at 31 December 2015	230,530	30,681	20,000	327,042	4,532,720	5,140,973

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE

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DIRECTOR

MURREE BREWERY COMPANY LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

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. Previously, the shares of the Company were quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the Company are now quoted on Pakistan Stock Exchange. The registered office of the Company is situated at National Park Road 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 2015 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 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 2015. Comparative balance sheet is extracted from the annual audited financial statements as of 30 June 2015, 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 2014.

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 Pakistan Stock Exchange Limited.

2.3 Except for note 3.1, 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 2015. IFRS 13 'Fair Value Measurement' became effective for the financial periods beginning on or after 1 January 2015. The effects of IFRS 13 'Fair Value Measurement' are disclosed in Note 3.1 and 11 of these condensed financial information.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016 and are not expected to have any significant effect on condensed interim financial information of the Company:

MURREE BREWERY COMPANY LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

- IAS 38 'Intangible Assets'	(effective 01 January 2016)
- IAS 16 'Property, Plant and Equipment'	(effective 01 January 2016)
- IAS 27 'Separate Financial Statement'	(effective 01 January 2016)
- IAS 28 'Investments in Associates and Joint Ventures'	(effective 01 January 2016)
- Amendments to IAS 41 'Agriculture'	(effective 01 January 2016)

Amendments to following standards as annual improvements cycle of 2012-2014. Most amendments will apply prospectively for annual period beginning on or after 01 January 2016:

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7 'Financial Instruments- Disclosures'
- IAS 19 'Employee Benefits'
- IAS 34 'Interim Financial Reporting'

The above amendments are not likely to impact on Company's financial statements.

- 3.1 IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial statements of the Company's except certain additional disclosures.

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 2015, except the following:

Contingencies:

- 4.1 The Company is contingently liable in respect of guarantees amounting to Rs. 46.93 million (30 June 2015: Rs. 58.3 million) issued by banks on behalf of the Company in normal course of business.
- 4.2 Regarding Gas Infrastructure Development Cess (GIDC) the unpaid amount up to 31 December 2015 is Rs. 93.47 million (30 June 2015: Rs. 76 million), for details note # 12.2 to the financial statements for the year ended 30 June 2015 is referred.

Commitments:

- 4.3 The Company has opened Letters of Credit for the import of machinery and inventory items valuing approximately Rs. 195.06 million (30 June 2015: Rs. 92.6 million).
- 4.4 The Company's capital commitments as at 31 December 2015 amounts to Rs. 12.03 million (30 June 2015: Rs. 7.6 million).

MURREE BREWERY COMPANY LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

		Six months ended 31 December 2015 (Un-audited) (Rs. '000)	Year ended 30 June 2015 (Audited) (Rs. '000)
5	PROPERTY, PLANT AND EQUIPMENT		
	Opening balance	3,898,900	3,708,169
	Additions during the period / year	5.1 & 5.2 <u>104,711</u>	<u>372,627</u>
		<u>4,003,611</u>	<u>4,080,796</u>
	Disposals during the period / year at book value	5.2 13,616	22,409
	Depreciation charged during the period / year	5.2 113,806	159,487
		<u>127,422</u>	<u>181,896</u>
		<u>3,876,189</u>	<u>3,898,900</u>
5.1	Additions during the period / year:		
	Land	-	40,036
	Buildings	48,468	12,702
	Plant and machinery	468,448	97,607
	Furniture and fixtures	409	1,075
	Motor vehicles	3,380	26,209
	Capital work in progress - net	<u>(415,994)</u>	<u>194,998</u>
		<u>104,711</u>	<u>372,627</u>

5.2 Additions in and depreciation on property, plant and equipment during the half year ended 31 December 2014 were Rs. 256.88 million and Rs. 77.63 million respectively.

6 INVESTMENT PROPERTY

The investment properties are land 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 significant change in the valuation of investment property.

7 Turnover

Turnover is net of discount & freight amounting to Rs. 74.372 million (31 December 2014: 81.94 million) for the six months period ended 31 Decemeber 2015 as the Company's non alcoholic goods are sold on the delivered basis as per the market practices of the comparable industries.

MURREE BREWERY COMPANY LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

Note	Six months ended 31 December 2015			Six months ended 31 December	
	Liquor	Glass	Tops	2015	2014
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
8 COST OF SALES					
Raw material consumed 8.1	1,350,548	131,938	590,123	2,072,609	1,928,538
Stores and spares consumed	9,589	22,842	222	32,653	29,296
Fuel and power	94,751	76,681	13,485	184,917	181,151
Salaries and other benefits	92,650	37,281	34,096	164,027	114,781
Repair and maintenance	11,962	16,693	6,708	35,363	28,322
Other manufacturing overhead	6,960	6,617	4,219	17,796	16,017
Depreciation	28,668	59,164	14,847	102,679	67,585
	1,595,128	351,216	663,700	2,610,044	2,365,690
Work in process					
Opening stock 01 July	337,721	-	4,047	341,768	346,092
Closing stock 31 December	(306,808)	(1,445)	(8,619)	(316,872)	(348,680)
	30,913	(1,445)	(4,572)	24,896	(2,588)
Cost of goods manufactured	1,626,041	349,771	659,128	2,634,940	2,363,102
Finished goods					
Opening stock 01 July	44,059	960	54,827	99,846	97,582
Closing stock 31 December	(76,272)	(97,706)	(57,835)	(231,813)	(162,258)
	(32,213)	(96,746)	(3,008)	(131,967)	(64,676)
	1,593,828	253,025	656,120	2,502,973	2,298,426
Less: Interdivisional transfers	(382,228)	-	(213,940)	(596,168)	(661,148)
	1,211,600	253,025	442,180	1,906,805	1,637,278
8.1 Raw material consumed					
Opening stock 01 July	291,053	14,824	188,240	494,117	447,332
Purchases	1,473,545	131,464	629,859	2,234,868	1,919,638
	1,764,598	146,288	818,099	2,728,985	2,366,970
Closing stock 31 December	(414,050)	(14,350)	(227,976)	(656,376)	(438,432)
	1,350,548	131,938	590,123	2,072,609	1,928,538

MURREE BREWERY COMPANY LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

9 EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014
	Net profit for the period - Rupees in ('000)	286,491	286,123	496,652
Weighted average number of shares - Numbers	23,053,025	23,053,025	23,053,025	23,053,025
Earnings per share - Rupees	12.43	12.41	21.54	23.66

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

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 2015	7,056,424	755,188	839,360	25,036	8,676,008
30 June 2015 - Audited	6,928,667	698,561	808,358	43,873	8,479,459
Liabilities					
31 December 2015	687,965	62,528	114,547	90,982	956,022
30 June 2015 - Audited	793,756	39,862	132,011	106,074	1,071,703
Capital expenditure					
31 December 2015	61,815	13,668	29,228	-	104,711
30 June 2015 - Audited	157,848	186,205	28,574	-	372,627
Depreciation					
31 December 2015	35,834	59,211	18,761	-	113,806
30 June 2015 - Audited	67,609	58,127	33,751	-	159,487

MURREE BREWERY COMPANY LIMITED

NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Fair value through income statement	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
31 December 2015								
Financial assets measured at fair value								
Short term investments		78,831	-	-	78,831	78,831	-	78,831
Financial assets not measured at fair value								
Bank balances	11.1	-	2,688,779	-	2,688,779	-	-	2,688,779
Term deposit receipts		-	31,000	-	31,000	-	31,000	31,000
Advances and other receivables		-	21,647	-	21,647	-	-	21,647
Long term deposits		-	21,378	-	21,378	-	-	21,378
Trade debts		-	18,814	-	18,814	-	-	18,814
		-	2,781,618	-	2,781,618	-	-	2,781,618
Financial liabilities not measured at fair value								
Trade and other payables	11.1	-	-	368,514	368,514	-	-	368,514
Lease liabilities		-	-	8,943	8,943	-	-	8,943
		-	-	377,457	377,457	-	-	377,457

MURREE BREWERY COMPANY LIMITED
NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Fair value through income statement	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
Rupees in '000'								
30 June 2015								
Financial assets measured at fair value								
Short term investments		33,173	-	-	33,173	33,173	-	33,173
Financial assets not measured at fair value								
	11.1							
Bank balances		-	3,013,619	-	3,013,619			
Trade debts		-	24,383	-	24,383			
Long term deposits		-	20,473	-	20,473			
Advances and other receivables		-	13,840	-	13,840			
Term deposit receipts		-	10,700	-	10,700	-	10,700	10,700
		-	3,083,015	-	3,083,015			
Financial liabilities not measured at fair value								
	11.1							
Trade and other payables		-	-	433,434	433,434			
Lease liabilities		-	-	1,360	1,360			
		-	-	434,794	434,794			

* excluding provision for workers' welfare fund, workers' profit participation fund, sales tax payable, federal excise duty payable, export duty payable and withholding tax payable.

11.1 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

MURREE BREWERY COMPANY LIMITED
NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Six months ended 31 December	
	2015 (Rs. '000)	2014 (Rs. '000)
Transactions and balances with associated companies under common directorship		
Sales commission	33,560	34,986
Services acquired	6,000	6,000
Dividend Paid	59,320	20,212
Sales commission payable	10,490	* 5,860
Share capital held	91,263	* 91,263
Transactions with other related parties		
Contribution to staff provident fund	1,474	1,083
Contribution to staff pension fund	1,651	1,406
Dividend paid	30,965	26,915
Remuneration of the Key Management Personal	13,446	11,150
Share capital held by Directors	62,256	* 62,256

* Balance as at 30 June 2015

13 DATE OF APPROVAL

This condensed interim financial information were approved by the Board of Directors of the Company in their meeting held on 25th February, 2016.



CHIEF EXECUTIVE

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DIRECTOR