MURREE BREWERY COMPANY LIMITED
BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 (Rs.'000)	2007 (Rs.'000)
SHARE CAPITAL AND RESERVES			
Share capital	**4**	**119,284**	108,440
Reserves:			
Capital reserve		**30,681**	30,681
Contingency reserve		**20,000**	20,000
General reserve		**327,042**	327,042
Unappropriated profit		**511,525**	368,787
		889,248	746,510
		1,008,532	854,950
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- net of tax	**5**	**2,391,793**	322,227
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	**6**	**1,612**	3,440
Deferred liabilities - staff retirement benefits	**7**	**14,494**	16,202
Deferred taxation	**8**	**100,020**	74,865
CURRENT LIABILITIES		**116,126**	94,507
Current portion of liabilities against assets subject to finance lease	**6**	**1,614**	1,887
Trade and other payables	**9**	**368,797**	331,544
Provision for taxation - net		**20,349**	-
Short term running finance - Secured	**10**	**-**	4,154
		390,760	337,585
		3,907,211	1,609,269
CONTINGENCIES AND COMMITMENTS	**11**		

	Note	2008 (Rs.'000)	2007 (Rs.'000)
FIXED ASSETS - Tangible			
Property, plant and equipment	**12**	**2,906,058**	743,801
LONG TERM ADVANCES - Considered good	**13**	**3,901**	4,092
LONG TERM DEPOSITS		**2,336**	2,438
CURRENT ASSETS			
Stores and spare parts	**14**	**65,705**	62,247
Stock in trade	**15**	**492,664**	347,640
Trade debts - Considered good	**16**	**77,581**	43,860
Advances - Considered good	**17**	**39,796**	63,473
Short term prepayments		**4,210**	3,534
Interest accrued		**22**	584
Investments at fair value through profit or loss	**18**	**201,249**	182,050
Advance income tax - net		-	4,288
Cash and bank balances	**19**	**113,689**	151,262
		994,916	858,938
		3,907,211	1,609,269

The annexed notes 1 to 35 form an integral part of these financial statements.

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on ___________.

RAWALPINDI

CHIEF EXECUTIVE **DIRECTOR**

MURREE BREWERY COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 (Rs.'000)	2007 (Rs.'000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxation		**296,616**	259,898
Adjustments for:			
Depreciation		**73,510**	91,203
Provision for staff retirement benefits		**4,437**	5,255
Profit on deposits/ dividend income/ capital gain		**(10,484)**	(15,142)
Finance cost		**707**	674
Unrealized gain on re-measurement of investments at fair value through profit or loss		**(4,916)**	(21,140)
Gain on disposal of property, plant and equipment		**(2,262)**	(2,065)
		60,992	58,785
Operating profit before working capital changes		**357,608**	318,683
Increase in trade debts		**(33,721)**	(15,245)
Decrease/ (increase) in advances and short term prepayments		**23,099**	(38,823)
Increase in stores and spare parts		**(3,458)**	(1,193)
Increase in stock in trade		**(145,024)**	(78,568)
		(159,104)	(133,829)
Increase in trade and other payables		**35,563**	35,471
Cash generated from opeartions		**234,067**	220,325
Finance cost paid		**(707)**	(674)
Staff retirement benefits paid		**(6,646)**	(18,030)
Income taxes paid		**(77,285)**	(43,077)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**149,429**	158,544
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(130,816)**	(57,609)
Proceeds on disposal of property, plant and equipment		**5,141**	3,958
Increase in long term deposits and advances		**293**	(434)
Securities purchased under resale agreement		**-**	(30,000)
Securities sold under resale agreement		**-**	54,095
Purchase/ sale of investments at fair value through profit or loss - net		**(14,283)**	(85,149)
Profit on deposits/ dividends received		**11,046**	14,997
NET CASH USED IN INVESTING ACTIVITIES		**(128,619)**	(100,142)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance leases		**(2,101)**	(3,015)
Dividend paid		**(52,128)**	(47,323)
NET CASH USED IN FINANCING ACTIVITIES		**(54,229)**	(50,338)
Net (decrease)/ increase in cash and cash equivalents		**(33,419)**	8,064
Cash and cash equivalents at beginning of the year		**147,108**	139,044
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**29**	**113,689**	147,108

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

DIRECTOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2008

BOARD OF DIRECTORS

It is with immense grief and a feeling of deprivation that we record the tragic and untimely death of our Chief Executive Mr. M. P. Bhandara on 15th June, 2008 following complications after a car accident in China.

Mr. Bhandara was a director of the company for over 50 years and was the Chief Executive for 49 years. Under his leadership the company grew from a capital of Rs.2.4 million in 1959 to Rs.119 million in 2008. Turnover increased from Rs.4 million to Rs.2,541 million during this period and after tax profit increased from Rs.0.25 million to Rs.195 million. Mr. Bhandara was a man of multifarious interests. He was a member of the National Assembly for many years, wrote articles which were published and remained a father figure to the employees of the company devoting his entire provident fund for their children's education and medical treatment and other financial help to retired employees.

The Board of Directors invited his widow Mrs. Goshi M. Bhandara to join the Board on the vacancy caused by his death and his son Mr. Isphanyar M. Bhandara who has been a director for 10 years and has experience of all three divisions of the company was appointed Chief Executive. We are fortunate to have him take over the responsibilities of running the company.

An election of the directors took place on 27th July, 2008. All the retiring directors were re-elected. The Board welcomes Mrs. Goshi M. Bhandara as a director.

FINANCIAL OVERVIEW

Turnover for the year at Rs.2,541 million shows an increase of 13.38% from the previous year at Rs 2,241 million. Profit after taxation of Rs196 million is 4.25% higher than the previous year.

DIVISIONAL OPERATING RESULTS

The working results of our three divisions were:

Liquor Division

	2008		2007	
	Rs. in million	%	Rs. in million	%
Sales exclusive of applicable taxes	1,270		1,090	
Cost of sales	819	64.48	715	65.60
Gross profit	451	35.51	375	34.40
Operating profit	305	24.01	263	24.13

The turnover of the division reflects an increase of Rs.180 million (16.8%) over the previous year. This increase is mainly in Pakistan Made Foreign Liquor (PMFL) and Non-Alcoholic products.

A can filler and seamer is being imported at a cost of Rs.64 million and two aluminum beer fermenters have been replaced with stainless steel fermenters at a cost of Rs.9 million .

One new carbonated soft drink plant has been imported from China for BiGG Apple production at a cost of Rs.27 million which is in operation now. Production capacity has increased and we should be able to sell more than 3 million cases next year vs 2.6 million in 2007-08. There is also a plan to install a bottle filler from Brazil at a cost of Rs.60 million in the 3rd quarter which will be used exclusively for NAB production.

Glass Division

	2008 Rs. in million	%	2007 Rs. in million	%
Sales exclusive of applicable taxes	228		189	
Cost of sales	243	106.57	224	118.52
Gross Loss	15	6.57	35	18.51
Operating Loss	28	12.28	35	24.33
Glass containers sales in Metric Ton	13,257		10,646	

The sale of 13,257 metric tons of glass containers during the year, is 17.70% higher than the previous year which helped to reduce loss to Rs.28 million from Rs.46 in the previous year.

The continuing loss is due to poor machine efficiency, high melting costs and low selling prices which could not contain the rising costs.

Major repair, balancing and modernisation of production machines has been arranged at an investment of Rs.162. million for which a shut down of about 9 weeks will be necessary from January, 2009. As a result, efficiency of the plant is expected to increase to 75% against 56% in the previous year, and benefits should accrue from the 4th quarter of 2008/09.

Tops Division

	2008 Rs. in million	%	2007 Rs. in million	%
Sales exclusive of applicable taxes	531		557	
Cost of sales	460	86.62	485	87.07
Gross profit	71	13.37	72	12.93
Operating profit	6	1.12	8	1.44

Products prices of this division are very competitive and new strategies are under consideration to improve the profitability of this division.

FUTURE OUT LOOK

The management is conscious of the fierce competition in the industry, but confident that the company will retain its market share and is optimistic in achieving budgeted goals for the current year.

The company is continuing its policy of balancing and modernisation by reviewing production procedures replacing old machines and controlling costs.

NATIONAL ACCOUNTABILITY BUREAU CASE (NAB)

The Accountability Court filed a reference in 2001 against certain Directors and the General Manager of the Company. The decision was suspended by the High Court of Sindh and is still pending with the Honorable Court.

AUDIT COMMITTEE

The Audit Committee has been constituted by the Board of Directors under the Code of Corporate Governance and comprises three non-executive directors of the company. The Committee meets at least once every quarter of the year prior to the approval of the quarterly results of the company by the Board of Directors. This statutory committee reviews Internal Audit Reports on the company's financial procedures and system of internal control. The Audit Committee also recommends the appointment of external auditors, their audit fee and reviews the quality of work and performance of external auditors.

The Audit Committee comprises of the following non-executive directors:

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

AUDITORS

The present auditors M/s KPMG Taseer Hadi & Co, Chartered Accountants retire and offer themselves for reappointment. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as Auditors of the Company for the year ended June 30, 2009.

EARNING PER SHARE

Earning per share for the current year is Rs16.42 against Rs.15.73 last year.

DIVIDEND

The Board has recommended Cash Dividend @ 50% and Bonus Shares @ 10%.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The directors state that,

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- In preparation of financial statements, appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgement.
- In the preparation of financial statements International Accounting Standards, as applicable in Pakistan, have been followed and any departure there from has been adequately disclosed.
- There are no statutory payments on account of taxes, levies and charges outstanding as on June 30, 2008, except as disclosed in the financial statements.
- The existing system of internal controls and other procedures are being continued and any weakness in controls will have the immediate attention of the management.
- There are no significant doubts about the company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- Key operating and financial data for the last six years in summarized form is annexed.

- The value of the Provident Fund investment at the year-end June 30, 2008 was Rs.33.50 million and Pension Fund Rs.13.60 million.

- During the year four meetings of the Board of Directors were held. Attendance by each Director is as follows:

Names of Directors	No of Meetings attended
Mr. M. P. Bhandara	3
Mr. Khurram Muzaffar	4
Mr. M. M. Shahbaz	4
Mr. Isphanyar M. Bhandara	3
Mr. Asadullah Khawaja	3
Ch. Mueen Afzal	1
Mr .Aamir H. Sherazi	3

ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the dedication and efforts of all executives, staff and workers who have contributed to the growth of the company and the continued success of its operations.

On behalf of the Board

Khurram Muzaffar
Chairman

Rawalpindi: 29th September, 2008

MURREE BREWERY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Share Capital	Capital Reserve	General reserve	Contingency reserve	Unappropriated profit	Total
	Rupees in '000					
Balance as at 01 July 2006	**98,582**	**30,681**	**327,042**	**20,000**	**232,628**	**708,933**
Net profit for the year 2007	-	-	-	-	187,661	187,661
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	7,647	7,647
Total recognised income and expense	-	-	-	-	195,308	195,308
Final dividend for the year ended 30 June 2006 (Rs. 5.0 per share)	-	-	-	-	(49,291)	(49,291)
Bonus shares issued for the year ended 30 June 2006 @ 10%	9,858	-	-	-	(9,858)	-
Balance as at 30 June 2007	**108,440**	**30,681**	**327,042**	**20,000**	**368,787**	**854,950**
Net profit for the year 2008	-	-	-	-	195,845	195,845
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	11,957	11,957
Total recognised income and expense	-	-	-	-	207,802	207,802
Final dividend for the year ended 30 June 2007 (Rs. 5.0 per share)	-	-	-	-	(54,220)	(54,220)
Bonus shares issued for the year ended 30 June 2007 @ 10%	10,844	-	-	-	(10,844)	-
Balance as at 30 June 2008	**119,284**	**30,681**	**327,042**	**20,000**	**511,525**	**1,008,532**

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

12 Property, plant and equipment

	Owned							Leased	Grand
	Freehold land	**Building on freehold land**	**Plant, machinery and equipment**	**Furniture, fixtures and equipment**	**Motor Vehicles**	**Capital work in progress (note: 13.5)**	**Sub total**	**Motor Vehicles**	**Total**
	(Rs. '000)								
Original cost/ reassessed value									
Balance as at 01 July 2006	287,833	108,771	515,494	10,091	39,404	6,268	**967,861**	6,971	**974,832**
Additions	-	7,760	37,251	1,119	5,591	5,888	**57,609**	5,671	**63,280**
Disposals	-	-	(4,752)	(9)	(6,139)	-	**(10,900)**	-	**(10,900)**
Transfers/ adjustments	-	-	8,006	-	2,802	(8,006)	**2,802**	(2,802)	-
Balance as at 30 June 2007	287,833	116,531	555,999	11,201	41,658	4,150	**1,017,372**	9,840	**1,027,212**
Balance as at 01 July 2007	287,833	116,531	555,999	11,201	41,658	4,150	**1,017,372**	9,840	**1,027,212**
Revaluation surplus	2,032,668	32,242	42,919	-	-	-	**2,107,829**	-	**2,107,829**
Additions	-	7,023	35,267	1,083	6,098	81,345	**130,816**	-	**130,816**
Transfers	-	-	33,778	-	-	(33,778)	-	-	-
Disposals	-	-	(1,096)	-	(5,263)	-	**(6,359)**	-	**(6,359)**
Adjustments	-	-	(516)	-	2,396	-	**1,880**	(2,396)	**(516)**
Balance as at 30 June 2008	2,320,501	155,796	666,351	12,284	44,889	51,717	**3,251,538**	7,444	**3,258,982**
Depreciation									
Balance as at 01 July 2006	-	38,196	134,448	6,362	18,636	-	**197,642**	3,573	**201,215**
Depreciation charge for the year	-	10,486	71,169	898	7,632	-	**90,185**	1,018	**91,203**
Disposals	-	-	(4,601)	(8)	(4,398)	-	**(9,007)**	-	**(9,007)**
Adjustments	-	-	-	-	1,612	-	**1,612**	(1,612)	-
Balance as at 30 June 2007	-	48,682	201,016	7,252	23,482	-	**280,432**	2,979	**283,411**
Balance as at 01 July 2007	-	48,682	201,016	7,252	23,482	-	**280,432**	2,979	**283,411**
Depreciation charge for the year	-	9,700	54,278	836	7,073	-	**71,887**	1,623	**73,510**
Disposals	-	-	(111)	-	(3,370)	-	**(3,481)**	-	**(3,481)**
Adjustments	-	-	(516)	-	1,560	-	**1,044**	(1,560)	**(516)**
Balance as at 30 June 2008	-	58,382	254,667	8,088	28,745	-	**349,882**	3,042	**352,924**
Carrying amounts - 2007	287,833	67,849	354,983	3,949	18,176	4,150	736,940	6,861	743,801
Carrying amounts - 2008	**2,320,501**	**97,414**	**411,684**	**4,196**	**16,144**	**51,717**	**2,901,656**	**4,402**	**2,906,058**
Rates of depreciation	-	5-10%	10-20%	10-33.3%	20%	-		20%	

12.1 The Company had its lands and buildings revalued in 1991, 1992, 1995, 2002 and 2007 by independent valuers on market value basis and plant and machinery revalued in 1991, 1992, 1995, 2002 and 2007 by independent valuers on replacement cost basis. These revaluations resulted in net surplus of Rs. 21.577 million, Rs. 38.478 million, Rs. 15.396 million, Rs. 376.885 million and Rs 2,107.829 million respectively.

12.2 Land includes 2 kanals and 3 marlas given to Army Housing Colony by the Military Estate Office (MEO) for construction of a housing colony. This has been stated at 2002 revalued amount in these financial statements which come to Rs. 2,523,240. The Company had filed a case against MEO for this unauthorised occupation. The court of Civil Judge, Rawalpindi has decreed against MEO for vacating the land. The management is confident that the final outcome of this matter will be in the Company's favour.

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

32 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

32.1 Interest rate risk exposure

The information about Company's exposure to interest rate risk based on contractual refinancing or maturity dates which ever is earlier is as follows:

	2008											
		Interest/ mark-up bearing							Non-interest/ mark-up bearing			
	Rate of Interest	Maturity upto one year	Maturity after one year and upto two years	Maturity after two years and upto three years	Maturity after three years and upto four years	Maturity after four years and upto five years	Maturity after five years	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	%	Rs. ('000)										
Financial assets												
Long term advances	**11**	**905**	**1,316**	**2,585**	**-**	**-**	**-**	**4,806**	**-**	**-**	**-**	**4,806**
Long term deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,336**	**2,336**	**2,336**
Trade debts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**77,581**	**-**	**77,581**	**77,581**
Advances to employees	**-**	-	**-**	**-**	**-**	**-**	**-**	**-**	**3,625**	**-**	**3,625**	**3,625**
Interest accrued	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22**	**-**	**22**	**22**
Investments at fair value through profit or loss	**-**	-	**-**	**-**	**-**	**-**	**-**	**-**	**201,249**	**-**	**201,249**	**201,249**
Cash and bank balances	**6.5 - 9.4**	**23,835**	**-**	**-**	**-**	**-**	**-**	**23,835**	**89,854**	**-**	**89,854**	**113,689**
		24,740	**1,316**	**2,585**	**-**	**-**	**-**	**28,641**	**372,331**	**2,336**	**374,667**	**403,308**
Financial liabilities												
Liabilities against assets subject to finance lease	**8 - 13.43**	**1,614**	**1,612**	**-**	**-**	**-**	**-**	**3,226**	**-**	**-**	**-**	**3,226**
Trade and other payables		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**179,457**	**-**	**179,457**	**179,457**
		1,614	**1,612**	**-**	**-**	**-**	**-**	**3,226**	**179,457**	**-**	**179,457**	**182,683**
Excess of financial assets over financial liabilities		**23,126**	**(296)**	**2,585**	**-**	**-**	**-**	**25,415**	**192,874**	**2,336**	**195,210**	**220,625**
		2007										
		Rs. ('000)										
Financial assets												
Long term advances	11	720	830	3,262	-	-	-	4,812	-	-	-	4,812
Long term deposits	-	-	-	-	-	-	-	-	-	1,679	1,679	1,679
Trade debts	-	-	-	-	-	-	-	-	43,860	-	43,860	43,860
Advances to employees	-	-	-	-	-	-	-	-	2,561	-	2,561	2,561
Interest accrued	-	-	-	-	-	-	-	-	584	-	584	584
Investments at fair value through profit or loss	-	-	-	-	-	-	-	-	182,050	-	182,050	182,050
Cash and bank balances	8 - 10.5	102,017	-	-	-	-	-	102,017	49,245	-	49,245	151,262
		102,737	830	3,262	-	-	-	106,829	278,300	1,679	279,979	386,808
Financial liabilities												
								-				
Liabilities against assets subject to finance lease	8 - 13.43	1,887	1,614	1,067	-	-	-	4,568	-	-	-	4,568
Trade and other payables	37.5	6,274	-	-	-	-	-	6,274	157,296	-	157,296	163,570
Short term running finance	11.65	4,154	-	-	-	-	-	4,154	-	-	-	4,154
		12,315	1,614	1,067	-	-	-	14,996	157,296	-	157,296	172,292
Excess of financial assets over financial liabilities		90,422	(784)	2,195	-	-	-	91,833	121,004	1,679	122,683	214,516

MURREE BREWERY COMPANY LIMITED.
ESTABLISHED 1860
CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman	Mr. Khurram Muzaffar
Chief Executive	Mr. Isphanyar M. Bhandara
	Mr. M. M. Shahbaz
	Mr. Asadullah Khawaja
	Ch. Mueen Afzal
	Mr. Aamir H. Sherazi
	Mrs. Goshi M. Bhandara

PRINCIPAL OFFICERS

Company Secretary	Mr. M. Zaffar Iqbal
Chief Financial Officer	Kh. Mushtaq Ahmed, FCA
General Manager (Brewery Division)	Mr. Mohammad Javed
Director (Glass Division)	Mr. M. M. Shahbaz
Acting General Manager (Tops)	Major ® Sabih-ur-Rehman

AUDIT COMMITTEE

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

AUDITORS

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

PRINCIPAL BANKERS

Bank Alfalah Ltd, Rawalpindi
Standard Chartered Bank,

Askari Commercial Bank Ltd,

National Bank of Pakistan,

The Bank of Khyber, Hattar.
Allied Bank Ltd, Lahore / Gujranwala

REGISTERED OFFICE

Murree Brewery Company Limited
National Park Road, Rawalpindi
Tel: 051-5567041-47, UAN 111-324-111
Fax: 051-5584420.
E-mail: **murreebrewery@isb.paknet.com**
murbr@isb.paknet.com.pk
Website: www.murreebrewery.com

LEGAL ADVISORS

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

(b) AJURIS, Advocates & Corporate Counsel
51-A, St. 63, F-8/4, Islamabad.
Tel: 2852067-2852087

(c) Tanveer & Associates, 3rd Floor,
Baig Plaza, Canning Road, Saddar,
Rawalpindi.

(d) M/s Azam Chaudhry Law Associates
5-St. No. 9, F-8/3, Islamabad

		Note	2008 (Rs.'000)	2007 (Rs.'000)
9	**TRADE AND OTHER PAYABLES**			
	Creditors	**9.1**	**91,739**	97,276
	Accrued liabilities		**29,807**	29,118
	Advances from customers		**22,012**	20,244
	Unpaid dividend		**8,961**	7,280
	Unclaimed dividend		**5,318**	4,907
	Workers' (Profit) Participation Fund (WPPF)	**9.2**	**14,948**	6,274
	With holding tax payable		**140**	187
	Sales tax payable - net		**40,056**	29,851
	Special excise duty payable		**9,440**	-
	Export duty payable	**9.3**	**110,821**	110,821
	Workers Welfare Fund (WWF)		**6,053**	2,907
	Payable to pension fund	**9.4**	**-**	513
	Payable to provident fund	**9.5**	**153**	42
	Zila tax payable		**6,871**	6,871
	Other liabilities		**22,478**	15,253
			368,797	331,544

9.1 This includes Rs. 2.137 million (2007: Rs. 1.441 million) payable to associated company on account of services received for the sale of the Company's products. This balance is interest free and payable on demand.

		Note	2008 (Rs.'000)	2007 (Rs.'000)
9.2	**Workers' (Profit) Participation Fund**			
	Opening balance		**6,274**	14,063
	Interest for the year	**24**	**66**	338
	Contribution for the year	**9.2.1**	**14,301**	11,483
			20,641	25,884
	Less: Payments during the year		**(5,693)**	(19,610)
			14,948	6,274

9.2.1 Computation of Workers' (Profit) Participation Fund

	Note	2008	2007
Profit for the year before WPPF and WWF		**316,970**	272,881
Less:			
Gain on disposal of property, plant and equipment		**2,262**	2,065
Interest on advances		**21**	196
Return on deposits		**5,763**	2,433
Gain on sale of investments		**1,519**	7,468
Miscellaneous receipts		**16,473**	8,669
Interest on securities purchased under resale arrangement		**-**	1,244
Unrealized gain on re-measurement of investments to fair value		**4,916**	21,140
		30,954	43,215
		286,016	229,666
Contribution for the year at the rate of 5%	**25**	**14,301**	11,483

9.3 This amount is payable on account of Export Duty on PMFL and beer.

9.5 Payable to provident fund	**Note**	**2008 (Rs.'000)**	2007 (Rs.'000)
Opening balance		**42**	43
Contribution for the year	**33**	**988**	1,099
		1,030	1,142
Less: Payments during the year		**(877)**	(1,100)
		153	42

10 SHORT TERM RUNNING FINANCE - SECURED

10.1 This represents running finance facility amounting to Rs. 35 million from Bank Alfalah Limited, Rawalpindi. This facility is available till 31 March 2009 and carries mark up at the rate of KIBOR plus 1.5% per annum. It is secured against first hypothecation charge on current assets of the Company amounting to Rs. 60 million.

10.2 The Company has created following charge in favour of Askari Bank Limited to secure working capital finance facility.

- First hypothecation charge ranking parri passu over the stocks and spares of the Company amounting to Rs. 35 million.
- Second hypothecation charge over stock and spares of the Company amounting to Rs. 20 million.
- First charge by way of equitable mortgage amounting to Rs. 36 million over two banglows of the Company.
- First charge by way of equitable mortgage amounting to Rs. 25 million over land and building of Glass Division.

11 CONTINGENCIES AND COMMITMENTS

Contingencies:

11.1 As a result of investigations by the National Accountability Bureau (NAB), relating to vend fee payments, a fine of Rs. 20 million was imposed by the Accountability Court on an employee of the Company. The Honorable High Court of Sindh in its order dated 29 May 2003 acquitted the employee, however, NAB preferred an appeal in the Honorable Supreme Court of Pakistan. Supreme Court of Pakistan in its order dated 21 April 2005 finally dismissed NAB appeal in employees' favour. The Accountability Court has also held that reference be filed against certain directors and the General Manager of the Company. The case is currently pending with the Honorable High Court of Sindh.

In the opinion of the management and on the basis of legal opinion, the Company is not exposed to any liability on account of the above matter.

11.2 The Company is contingently liable in respect of guarantees amounting to Rs.35.678 million (2007: Rs. 25.463 million) issued by bank on behalf of the Company in normal course of business.

11.3 The Company is contesting certain claims and levies imposed by various government authorities and departments amounting to Rs. 4.30 million (2007: Rs. 6.1 million) in various courts of law and other assessment forums. The Company is hopeful of favourable settlement of these cases.

11.4 Refer note 27.2 for contingencies related to tax matters.

Commitments:

11.5 The Company has opened Letters of Credit for the import of machinery and inventory items valuing approximately Rs.104.593 million (2007: Rs. 26.112 million).

11.6 The Company's contracted capital commitments outstanding at the year end amounting to Rs.11.89 million (2007: Rs.5.4 million).

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

		Note	2008 (Rs.'000)	2007 (Rs.'000)
13	**LONG TERM ADVANCES - Considered good**			
	To employees - Secured		**4,806**	4,812
	Less: Due within one year, shown under current assets		**(905)**	(720)
			3,901	4,092

13.1 These advances carry interest @ 11% p.a. and are repayable in periods up to three years.

13.2 These advances include advances given to executives amounting to Rs. 3.447 million (2007: Rs. 3.884 million)

		Note	2008 (Rs.'000)	2007 (Rs.'000)
14	**STORES AND SPARE PARTS**			
	Stores		**15,855**	20,675
	Spare parts		**46,298**	37,511
	Bottles and shells		**1,042**	1,353
	Goods in transit		**2,510**	2,708
			65,705	62,247
15	**STOCK IN TRADE**			
	Raw material		**274,666**	185,356
	Work in process		**47,722**	37,184
	Stock under maturation		**139,837**	105,522
	Finished goods	**15.1**	**30,439**	19,578
			492,664	347,640

15.1 This includes stocks stated at Net Realizable Value - NRV amounting to Rs. 16.93 million (2007: Rs. 2.99 million).

		Note	2008 (Rs.'000)	2007 (Rs.'000)
16	**TRADE DEBTS - Unsecured**			
	Considered good		**77,581**	43,860
	Considered doubtful		**2,500**	2,500
			80,081	46,360
	Less: Provision for doubtful debts		**(2,500)**	(2,500)
			77,581	43,860
17	**ADVANCES - Considered good**			
	To employees including current portion of long term advances - Secured		**3,625**	3,281
	Suppliers		**34,225**	60,047
	Others	**17.1**	**1,946**	145
			39,796	63,473

17.1 This includes 0.099 million (2007: nil) receivable from pension fund. Also refer note 9.4.

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

18 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	2008 (Rs.'000)	2007 (Rs.'000)
Listed Companies		
Baluchistan Glass Limited	**1**	1
Habib Arkady Limited	**3**	5
Attock Refinery Limited	**219**	86
Pakistan Oilfields Limited	**-**	10,863
Shezan International Limited	**43**	22
Saudi Pak Leasing Company Limited	**3**	4
Indus Motor Company Limited	**-**	16,904
Pakistan State Oil Company Limited	**36**	-
Pak Suzuki Motors Limited	**1,237**	8,272
Thall Limited	**4,612**	5,302
	6,154	41,459
Banks & Financial Institutions		
Bank of Punjab	**-**	6
	-	6
Listed Modarabas		
Standard Chartered Modaraba	**7**	9
First Prudential Modaraba	**-**	1
	7	10
Funds		
AMZ Plus Income Fund	**20,701**	18,762
NAFA Multi Asset Fund	**27,056**	25,742
NAFA Cash Fund	**7,859**	7,150
Atlas Income Fund	**-**	5,052
Pakistan Premier Fund	**2,631**	2,669
Al Meezan Mutual Fund	**2,570**	2,428
Pakistan Capital Marketing Fund	**8,368**	9,193
HBL Income Fund	**11,049**	10,107
MCB Dynamic Cash Fund	**5,539**	5,043
Atlas Stock Mutual Fund	**-**	3,859
Pakistan Strategic Allocation Fund (PSAF)	**4,605**	5,250
IGI Income Fund	**44,231**	40,293
United Monetary Market Fund	**5,491**	5,027
AKD Income Fund	**26,184**	
NAFA Income Fund	**10,211**	
National Investment Trust - NIT	**8,011**	
Askari Income Fund	**10,582**	
	195,088	140,575
	201,249	182,050

18.1 Fair value of these investments are determined using quoted market price and redemption/ repurchase price, which ever is applicable.

19 CASH AND BANK BALANCES

	Note	2008 (Rs.'000)	2007 (Rs.'000)
Cash in hand		**768**	475
Cash at banks:			
- in current accounts		**89,086**	48,770
- in saving accounts	**19.1**	**20,835**	77,017
- in deposit accounts	**19.2**	**3,000**	25,000
		112,921	150,787
		113,689	151,262

19.1 Effective interest rates on saving accounts ranges from 6.5% to 9% (2007: 8% to 9%) per annum.

19.2 Effective interest rates on deposit accounts ranges from 9.4% (2007: 9.00% to 10.25%) per annum.

22	DISTRIBUTION COST	Note	2008 (Rs.'000)	2007 (Rs.'000)
	Advertisement and publicity		**41,006**	23,118
	Salaries and wages	**23.1**	**13,600**	11,474
	Selling expenses		**16,582**	16,276
	Commission to D.P. Edulji Limited - an associated Company		**11,870**	9,936
	Samples		**698**	430
	Sales promotion		**2,284**	2,496
	Breakage		**19**	56
	Freight		**27,881**	25,360
	Depreciation	**12.4**	**4,331**	4,316
	Others		**2,695**	2,792
			120,966	96,254

23	ADMINISTRATIVE EXPENSES	Note	2008 (Rs.'000)	2007 (Rs.'000)
	Directors' fees and traveling		**587**	672
	Salaries, wages and benefits	**23.1**	**63,618**	48,217
	Traveling and conveyance		**2,264**	793
	Printing and stationery		**2,323**	1,986
	Repairs and maintenance		**7,554**	6,043
	Fuel and power		**4,722**	4,332
	Communication		**2,352**	1,650
	Entertainment		**883**	646
	Advertisement		**350**	487
	Legal and professional		**412**	690
	Security		**593**	1,115
	Subscriptions and periodicals		**132**	150
	Donations		**179**	8,610
	Training		**997**	9
	Insurance		**5,449**	4,763
	Rent, rates and taxes		**965**	1,224
	Depreciation	**12.4**	**7,144**	7,745
	Others		**1,841**	1,472
			102,365	90,604

23.1 This includes staff retirement benefits amounting to Rs. 4.437 million (2007: Rs.5.256 million).

24	FINANCE COST	Note	2008 (Rs.'000)	2007 (Rs.'000)
	Markup on short term running finance		**97**	61
	Finance charge on leased assets		**544**	275
	Interest on Workers' (Profit) Participation Fund	**9.2**	**66**	338
			707	674

		Note	2008 (Rs.'000)	2007 (Rs.'000)
25	**OTHER EXPENSES**			
	Workers' (Profit) Participation Fund	**9.2.1**	**14,301**	11,483
	Workers' Welfare Fund	**9**	**6,053**	1,500
	Auditors' remuneration	**25.1**	**875**	875
	Internal audit fee		**150**	200
			21,379	14,058
25.1	**Auditors' remuneration**			
	Annual audit fee		**500**	500
	Half yearly review		**200**	200
	Other certifications		**175**	175
			875	875
26	**OTHER INCOME**			
	Income from financial assets:			
	Dividend income		**3,202**	3,997
	Interest on advances		**21**	196
	Interest on securities purchased under resale arrangement		**-**	1,244
	Unrealized gain on remeasurement of investments to fair value		**4,916**	21,140
	Return on deposit accounts		**5,763**	2,433
	Gain on sale of investments		**1,519**	7,468
			15,421	36,478
	Income from assets other than financial assets:			
	Gain on disposal of property, plant and equipment	**12.6**	**2,262**	2,065
	Scrap sales		**1,152**	2,194
	Miscellaneous receipts		**16,473**	8,669
			35,308	49,406
27	**PROVISION FOR TAXATION**			
	Current		**101,922**	81,452
	Deferred		**(1,151)**	(9,215)
		27.1	**100,771**	72,237

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		(Rs.'000)	(Rs.'000)
27.1	Reconciliation of tax charge for the year		
	Accounting profit before taxation	**296,616**	259,898
	Tax rate	**35%**	35%
	Tax on accounting profit	**103,816**	90,964
	Tax effect of items that are not deductible in determining taxable profit	**-**	5,426
	Tax effect of items that are deductible in determining taxable profit	**(2,245)**	(19,933)
	Tax effect of lower rate on certain income	**(801)**	(1,199)
	Tax credits on approved donations	**1**	(3,021)
	Tax expense for the year	**100,771**	72,237

27.2 Assessment of the Company for the assessment years 2002-2003 is pending decisions by the Income Tax Appellate Tribunal (ITAT) on question of add back out of profit and loss expenses and addition in sales. The related tax demand is Rs. 73.2 million. The Company is confident of a favorable outcome.

27.3 The returns for the tax years 2003 to 2007 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 date of assessment.

28 EARNINGS PER SHARE - Basic and diluted

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

	2008	2007 Restated
Net profit for the year (Rs.'000)	**195,845**	187,661
Weighted average number of shares (Numbers)	**11,928,430**	11,928,430
Earnings per share (Rupees)	**16.42**	15.73

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

29 CASH AND CASH EQUIVALENTS

These are made up as follows:

	2008 **(Rs.'000)**	2007 (Rs.'000)
Cash in hand	**768**	475
Bank balances	**112,921**	150,787
Short term running finance - Secured	**-**	(4,154)
	113,689	147,108

32.2 FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value of financial instruments is not significantly different from their book values as shown in these financial statements.

32.3 FOREIGN EXCHANGE RISK

This exists due to the Company's exposure resulting from outstanding import payments. The management of the Company believes that it is not materially exposed to foreign exchange risk.

32.4 CREDIT RISK MANAGEMENT

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company believes that it is not exposed to major concentration of credit risk. The Company controls its credit risk by the following methods:

- Ascertainment of credit worthiness of customers.
- Monitoring of debt on a continuous basis.
- Legal notices and follow-up.

32.5 LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. In the opinion of the management, the Company is not exposed to liquidity risk.

32.6 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain stakeholders' confidence and to ensure sustainable future development of the business. The Board of directors monitors return on equity and ensures that the company has an appropriate capital mix. Return on equity is defined as percentage of earning before interest and tax to the total capital employed, whereas capital mix is defined as the ratio between equity and debt capital of the company. Board of directors monitors the company's performance along with the capial and debt costs. There were no changes to the company's approach to the capital management during the year. The company is not subject to externally imposed capital requirements

33 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds, directors and key management personnel. Balances with related parties are shown in notes 6.1, 9.1, 17.1 and 9.5 to the financial statements. The transactions with the related parties are as follows:

	2008 (Rs.'000)	2007 (Rs.'000)
Transactions with associated companies under common directorship		
Lease installments paid	**1,172**	195
Sales commission	**11,870**	9,936
Purchase of raw materials	**55,075**	26,211
Sale of a vehicle	**532**	500
Purchase of a vehicle	**700**	-
Payments made on behalf of associated Company	**1,236**	913
Services acquired	**480**	480
Securities purchased under resale arrangement	**-**	30,000
Securities sold under resale arrangement	**-**	64,095
Investment made in open end mutual fund	**35,000**	-
Sale of investment of open end mutual fund	**45,853**	-

Transactions with other associated undertakings	**2008 (Rs.'000)**	2007 (Rs.'000)
Contribution to staff provident fund	**877**	1,100
Contribution to staff pension fund	**1,570**	14,378
Remuneration to chief executive and directors (Note 31)		

34 CAPACITY AND PRODUCTION

		2008	2007
34.1 Liquor Division			
a) Capacity of Industrial unit			
Beer and Non alcoholic beverages	Litres	**5,450,000**	5,450,000
P.M.F.L.	Cases (2 B.G)	**1,000,000**	1,000,000
Alcohol (96 GL)	Litres	**2,000,000**	2,000,000
Non alcoholic products	Litres	**24,000,000**	24,000,000
b) Actual Production			
Beer and Non alcoholic beverages	Litres	**7,730,547**	8,076,309
P.M.F.L.	Cases(2 B.G)	**663,788**	562,279
Alcohol	Litres	**1,796,507**	1,758,633
Lemonades	Litres	**20,402,427**	19,397,204
34.2 Tops Division			
34.2.1 Rawalpindi			
a) Capacity			
Tetrapack Juices	Litres	**12,000,000**	12,000,000
Malt Extract	Kgs	**210,000**	210,000
b) Actual Production			
Tetra pack Juices	Litres	**14,005,124**	15,479,813
Malt Extract	Kgs	**14,470**	11,259
34.2.2 Hattar			
a) Capacity			
Food Products	Cartons	**375,000**	375,000
Juice (NR)	Litres	**2,250,000**	2,250,000
Juice (Ret)	Litres	**2,592,000**	2,592,000
b) Actual production			
Food Products	Cartons	**116,275**	120,525
Juice (NR)	Litres	**2,220,363**	2,386,266
Juice (Ret)	Litres	**48,154**	17,326
34.3 Glass Division - Hattar			
a) Melting Capacity	M. Tons	**24,040**	24,040
b) Actual production - Glass melted	M. Tons	**23,597**	17,739

34.4 Normal capacity is based on one shift of 8 hours per day.

34.5 Actual production is dependent upon the demand and supply situation of the related product.

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

35 GENERAL

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

35.2 Dividend payable to Muslim Shareholders is deemed to be appropriated from income arising from the Company's investments.

35.3 These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on ___________.

35.4 The Board of Directors of the Company in the meeting held on _______________ proposed final cash dividend of Rs _____ per share and stock dividend of ______% i.e. 1 bonus share for every 10 shares held.

RAWALPINDI	**CHIEF EXECUTIVE**	**DIRECTOR**

MURREE BREWERY COMPANY
NOTES TO THE FINANCIAL
FOR THE YEAR ENDED 30 JUNE 2008

1 THE COMPANY AND ITS 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.

The Company is presently operating three divisions to carry out its principal activities namely Liquor Division, Tops Division and Glass Division.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Accounting convention and basis of measurement

These financial statements have been prepared under the historical cost convention except that certain components of property, plant and equipment have been stated at revalued amounts, investments at fair value through profit or loss have been measured at fair market value and obligations under certain staff retirement benefits have been measured at present value.

2.3 Significant accounting estimates

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in subsequent years are discussed in the ensuing paragraphs:

2.3.1 Income taxes

The Company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items is of material nature is in accordance with law, the amounts are shown as contingent liabilities. (Refer note 3.1 for accounting policy of taxation and note 27 for disclosures).

2.3.2 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 3.3.2 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Changes in these assumptions in future years may affect the liability under these schemes in those years. (Refer note 3.3.2 for accounting policy of retirement benefits and notes 8 and 10.4 for disclosures).

2.3.3 Property, plant and equipment

The Company reviews the useful life of property plant and equipment on regular basis. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment. (Refer note 3.3 for accounting policy of property, plant and equipment and note 12 for disclosures).

2.3.4 Stores and spare parts and stock in trade

The Company reviews the value of inventory of stores and spares and stock in trade for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spare parts and stock in trade with a corresponding affect on the provision. (Refer note 3.8 and 3.9 for accounting policies of stores and spares and stock in trade respectively and note 14 and 15 for disclosures).

2.3.5 Provision against trade debts

The Company reviews its trade debts to assess any amount of bad debts and provision required there against on regular basis. (Refer note 3.10 for accounting policy of trade debts and note 16 for disclosures)

2.3.6 Impariment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. Any change in the estimates in future years might affect the carrying amounts of the respective assets with a corresponding affect on the depreciation/ amortization charge and impairment. (Refer note 3.4 for accounting policy of impairment).

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR), which is the Company's functional and presentation currency.

2.5 Initial Application of a standard or an Interpretation

Amendment to IAS 1 - "Presentation of Financial Statements - Capital Disclosures", introduces new disclosures about the level of an entity's capital and how it manages capital. Adoption of this amendment has only resulted in additional disclosures given in note 32.6 to the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Taxation

Income tax on profit or loss for the year comprises current and deferred taxation. Current and deferred tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

3.1.1 Current

Taxation charged in the financial statements is based on taxable income at the current rates of taxation after taking into account tax rebates and tax credits available, if any.

3.1.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated at the rates that are expected to apply to the period when the temporary differences are expected to reverse, based on tax rates that have been enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. At each balance sheet date, the Company re-assesses unrecognized deferred tax assets and the carrying amount of deferred tax assets. The Company recognizes the previously unrecognized deferred tax asset to the extent that it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilized.

3.2 Staff retirement benefits

The Company operates following retirement benefit schemes for its employees :

3.2.1 Defined contribution plan

The Company operates a Provident Fund Trust for which the Company and the employees contribute equally @ 8.33 % of the basic salaries of employees. The Company's contribution is charged to profit and loss account.

3.2.2 Defined benefit plans

The Company operates pension and gratuity plans for its eligible staff. The Pension Plan is funded while the Gratuity Plan is unfunded. The liabilities under the plans are determined on the basis of actuarial valuations carried out by using the Projected Unit Credit Method. The Company has a policy of carrying out actuarial valuations after every two years. Latest valuations were conducted as of 30 June 2007. Significant actuarial assumptions are as follows:

Discount rat	10%
Increase in s	10%
Mortality rat	EFU 61-66 mortality rate

The amount recognized in the balance sheet represents the present value of defined benefits as is adjusted for unrecognized actuarial gains and losses. Unrecognized actuarial gains and losses, exceeding corridor limits defined in International Accounting Standard - 19 "Employee benefits" are amortized over the expected average remaining working lives of the employees participating in the plan.

3.2.3 Compensated absences

The Company provides for compensated absences according to the Company's rules.

3.3 Property, plant and equipment

3.3.1 Owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for:

- Land, which was revalued on 31 July 1995, 30 June 2002 and 01 July 2007 is stated at revalued figures.
- Buildings, which were revalued on 22 August 1991, 30 November 1991, 31 July 1995, 30 June 2002 and 01 July 2007 are stated at revalued figures less accumulated depreciation and impairment losses, if any.
- Plant and machinery which was revalued on 10 August 1992, 31 July 1992, 30 June 2002 and 01 July 2007 is stated at revalued figures less accumulated depreciation and impairment losses, if any.

Depreciation is charged to the profit and loss account on straight line method so as to write off the depreciable amount of the property, plant and equipment over their estimated useful lives at the rates specified in note 12.

The Company charges depreciation on all additions to property, plant and equipment and assets subject to finance lease from the date asset is available for use till the date of its disposal. Depreciation on depreciable assets is commenced from the date the asset is available for use up to the date when the asset is retired.

During the year, the company has reviewed the remaining useful life of building and plant and machinery and accordingly has revised the estimate of its remaining useful life from 5-15 to 10-20 years and from 0-5 to 5-10 years respectively. This change has been applied prospectively as required under IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Had there been no change in the estimate, the profit for the year after taxation would have been reduced by Rs. 276,659 and carrying amount of property, plant and equipment would have lowered by Rs. 425,629.

Minor renewals, replacements and repairs are charged to the profit and loss account as and when incurred. Major improvements are capitalized and property, plant and equipment so replaced; if any, are retired.

Gains and losses on disposals of property, plant and equipment are taken to profit and loss account.

Capital work in progress is stated at cost less impairment losses, if any.

3.3.2 Leased

Leases in term of which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired by way of finance lease are stated at amounts equal to the lower of their fair value and the present value of minimum lease payments at the inception of the lease less accumulated depreciation and impairment losses, if any. Outstanding obligations under the lease less finance charges allocated to the future periods are shown as liability. Value of leased assets is depreciated over the useful life of the asset using the straight line method at the rates given in note 12 to these financial statements.

3.4 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the assets' recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account.

3.5 Borrowing costs

All borrowing costs are charged to the profit and loss account as incurred.

3.6 Securities purchased under resale arrangement

Transactions of purchase under resale (reverse repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date are not recognised in the balance sheet. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

3.7 Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are designated as investments at fair value through profit or loss. These are stated at fair values with any resulting gains or losses recognised directly in the profit and loss account. The fair value of such investments representing listed equity securities are determined on the basis of prevailing market price. Investment in de-listed/suspended companies are carried at nil value. The Company recognises the regular way purchase or sale of investments using settlement date accounting.

3.8 Stores and spare parts

Stores and spare parts are stated at lower of cost or net realizable value. Cost is determined using the weighted average method. Items in transit are valued at invoice price and related expenses incurred up to the balance sheet date.

3.9 Stock in trade

These are valued at lower of cost or net realizable value. Cost is determined as follows:

- Raw materials and finished goods are valued at weighted average cost.
- Stocks under maturation and work in process are valued at manufacturing cost.
- Goods in transit are valued at actual cost, which includes invoice value and other charges incurred thereon.
- Cost of finished goods include prime cost and appropriate portion of production overheads. Net realizable value represents the estimated selling price less costs necessary to make the sale.

3.10 Trade and other receivables

These are originated by the Company and are stated at cost less provision for any uncollectible amount. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written off.

3.11 Revenue recognition

- Sales are recorded on dispatch of goods to the customers and when risks and rewards are transferred.
- Return on deposits is accounted for on a time proportion basis using the applicable rate of interest.
- Capital gains or losses on sale of investments are taken to the profit and loss account in the period in which they arise.
- Dividend income is recognized when the Company’s right to receive the dividend is established.

3.12 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between originally recognized amount and redemption value being recognized in profit and loss account over the period of borrowing on an effective interest rate basis.

The Company accounts for lease obligations by recording the asset and corresponding liability there against determined on the basis of discounted value of total minimum lease payments. Finance charge is recognized in the profit and loss account using the effective mark-up rate method.

3.13 Trade and other payables

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received.

3.14 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of any past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.15 Foreign currency transactions

Foreign currency transactions during the year are translated into PKR at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into PKR at the rates of exchange prevailing at the balance sheet date. Exchange differences if any, are charged to the profit and loss account.

3.16 Dividend appropriation

Dividends and other reserve movements are recognised in the financial statements in the period in which they are declared/appropriated.

3.17 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, short term running finance and bank balances .

3.18 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument i.e. on trade date basis. The Company de-recognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss

3.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to setoff the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.20 Segment Reporting

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:	Pakistan Made Foreign Liquor (PMFL), Beer, Bigg Apple, Cindy, Malt-79
Glass Division:	Glass bottles and jars
Tops Division:	Food products and juices

3.21 New accounting standards and IFRIC interpretations 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 2008:

- Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.
- Revised IAS 23 - Borrowing costs (effective from 01 January 2009). Revised IAS 23 removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on Company's financial statements.
- IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The application of the standard is not likely to have an effect on the Company's financial statements.
- Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which become mandatory for the company’s financial statements, with retrospective application required, are not expected to have any impact on the financial statements.

- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective for periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The application of this standard is not likely to have any effect on company's financial statements.

- Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value and transaction costs other than share and debt issue costs to be expensed. The application of this standard is not likely to have an effect on company's financial statements.

- Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group looses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Company's financial statements.

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008). The application of the standard is not expected to have significant impact on the Company's financial statements other than increase in disclosures.

- IFRS 8 – Operating Segments (effective for annual periods beginning on or after 28 April 2008). The application of the standard is not likely to have an effect on the Company's financial statements.

- IFRIC 12 – Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008) IFRIC 12 provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private concession arrangements. IFIRC 12 is not relevant to the company's operations.

- IFRIC 13 - Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008). IFRIC 13 addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. The application of IFRIC 13 is not likely to have an effect on the Company's financial statements.

- IFRIC 14 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 01 January 2008). IFRIC 14 clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements (MFR) for such asset. IFRIC 14 is not expected to have any material impact on the Company's financial statements.

- IFRIC 15- Agreement for the Construction of Real Estate. (effective for annual period beginning on or after 1 October 2009). The amendment clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Company.
- IFRIC 16- Hedge of Net Investment in a Foreign Operation. (effective for annual period beginning on or after 1 October 2008).IFRIC clarifies what risk in foreign operation can be hedged and which entity in the group can hold hedge instrument. The amendment is not relevant to the Company.

30 ADDITIONAL INFORMATION ON DIVISIONS

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

		Liquor Division	Glass Division	Tops Division	Unallocated	Total
				(Rs.'000)		
Assets	**2008**	**3,095,694**	**214,330**	**395,916**	**201,271**	**3,907,211**
	2007	1,002,066	162,213	258,023	186,967	1,609,269
Liabilities	**2008**	**288,152**	**23,734**	**39,238**	**155,762**	**506,886**
	2007	233,990	19,616	81,317	97,169	432,092
Capital expenditures	**2008**	**118,497**	**2,500**	**5,061**	-	**126,058**
	2007	40,182	11,560	11,538	-	63,280
Depreciation	**2008**	**24,217**	**28,911**	**20,382**	-	**73,510**
	2007	31,393	37,900	21,910	-	91,203

31 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in the year for remuneration, including benefits and perquisites, were

	2008		2007	
	Chief Executive	**Directors**	Chief Executive	Directors
		(Rs.'000)		
Managerial remuneration	**920**	**1,681**	960	1,085
Re-imbursable expenses	**145**	**242**	162	135
Provident fund contributions	**-**	**6**	-	6
Other perquisites and benefits in cash or in kind:				
Pension	**223**	**173**	223	173
Bonus	**108**	**375**	248	185
Travelling expense	**254**	**308**	293	596
Gratuity	**-**	**25**	-	28
Leave salary	**40**	**70**	41	52
	1,690	**2,880**	1,927	2,260
Numbers	**1**	2	**1**	2

31.1 In addition, free furnished accommodation is provided to the Chief Executive and one Director and semi-furnished accommodation to one Director. Company maintained cars are provided to the Chief Executive and one Director of the Company.

31.2 Meeting fee of Directors charged during the year is Rs. 25,000 (2007: Rs. 30,000), number of Directors: 4 (2007: 4).

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

4 SHARE CAPITAL

4.1 AUTHORISED SHARE CAPITAL

This represents 30,000,000 ordinary shares of Rs. 10 each (2007: 30,000,000 ordinary shares of Rs. 10 each).

4.2 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2008 Numbers	2007 Numbers		2008 (Rs.'000)	2007 (Rs.'000)
264,000	264,000	Ordinary shares of Rs. 10 each fully paid in cash	**2,640**	2,640
11,664,430	10,580,027	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**116,644**	105,800
11,928,430	10,844,027		**119,284**	108,440

4.3 M/s D.P. Edulji & Company (Pvt) Limited ("an associated undertaking") holds 1,580,888 (2007: 1,437,171) ordinary shares of Rs.10 each at the balance sheet date.

5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- net of tax

	2008	2007
Surplus on revaluation of property, plant and equipment as at 01 July	**342,224**	353,989
Surplus on revaluation during the year	**2,107,829**	-
	2,450,053	353,989
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	**(11,957)**	(7,647)
Related deferred tax liability	**(6,438)**	(4,118)
	(18,395)	(11,765)
Surplus on revaluation of fixed assets as at 30 June	**2,431,658**	342,224
Related deferred tax liability:		
On revaluation surplus as at 01 July	**(19,997)**	(24,115)
On revaluation surplus during the year	**(26,306)**	-
Incremental depreciation charged during the year	**6,438**	4,118
	(39,865)	(19,997)
	2,391,793	322,227

6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2008			2007		
	Minimum lease payments	**Financial charge for future periods**	**Principal outstanding**	Minimum lease payments	Financial charge for future periods	Principal outstanding
	Rs. (000)			Rs. (000)		
Not later than one year	**1,878**	**264**	**1,614**	2,382	495	1,887
Later than one year and not later than five years	**1,673**	**61**	**1,612**	3,781	341	3,440
	3,551	**325**	**3,226**	6,163	836	5,327

6.1 The Company has leased vehicles from Atlas Investment Bank Limited (an associated company) and Bank Alfalah Limited. The lease term for these arrangements is 3 years. All leases carry markup ranging from 8% to 13.43% per annum. The rentals are payable in thirty six monthly installments upto April 09, 2010. At the end of the lease term, the Company has the option to acquire the assets on payment of all installments. Minimum lease payments outstanding at the year end include Rs. 2.22 million (2007: Rs. 3.08 million) payable to an associated undertaking.

7 DEFERRED LIABILITIES - STAFF RETIREMENT BENEFITS

	2008 (Rs.'000)	2007 (Rs.'000)
Provision for gratuity	**14,494**	16,202
The amount recognized in the balance sheet is as follows:		
Present value of defined benefit obligation	**14,327**	16,035
Unrecognised actuarial gain	**167**	167
Net liability at end of the year	**14,494**	16,202
The movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation at beginning of the year	**16,202**	16,387
Charge for the year	**2,491**	2,368
Benefits paid during the year	**(4,199)**	(2,553)
Present value of defined benefit obligation at end of the year	**14,494**	16,202
Expense recognised in profit and loss account:		
Current service cost	**887**	933
Interest cost	**1,604**	1,435
	2,491	2,368

Comparison of present values of defined benefit obligation for five years is as follows:

	2008	2007	2006	2005	2004
	(Rs.'000)				
Present value of defined benefit obligation	14,327	16,035	15,948	15,999	18,955

8 DEFERRED TAXATION

	2008 (Rs.'000)	2007 (Rs.'000)
Taxable temporary differences:		
Surplus on revaluation of property plant and equipment	**39,865**	19,997
Accelerated depreciation	**72,971**	66,020
	112,836	86,017
Deductible temporary differences:		
Provision for employee benefits and finance leases	**(12,816)**	(11,152)
	100,020	74,865

MURREE BREWERY COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Liquor Division		Glass Division		Tops Division		Total	Total
		2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
SALES									
Third party sales-net	20	**1,878,022**	1,574,734	**29,662**	14,258	**633,599**	652,432	**2,541,283**	2,241,424
Inter divisional sales	20.1	**113,421**	117,389	**202,429**	176,800	**-**	-	**-**	-
		1,991,443	1,692,123	**232,091**	191,058	**633,599**	652,432	**2,541,283**	2,241,424
Duties and taxes	20.2	**(721,504)**	(601,866)	**(4,091)**	(1,860)	**(102,114)**	(94,987)	**(827,709)**	(698,713)
		1,269,939	1,090,257	**228,000**	189,198	**531,485**	557,445	**1,713,574**	1,542,711
COST OF SALES									
Third parties	21	**(643,933)**	(576,532)	**(243,052)**	(223,799)	**(319,864)**	(330,298)	**(1,206,849)**	(1,130,629)
Inter divisional		**(175,133)**	(138,652)	**-**	-	**(140,717)**	(155,537)	**-**	-
		(819,066)	(715,184)	**(243,052)**	(223,799)	**(460,581)**	(485,835)	**(1,206,849)**	(1,130,629)
GROSS PROFIT/(LOSS)		**450,873**	375,073	**(15,052)**	(34,601)	**70,904**	71,610	**506,725**	412,082
Distribution cost	22	**(76,216)**	(47,064)	**(1,127)**	(859)	**(43,623)**	(48,331)	**(120,966)**	(96,254)
Administrative expenses	23	**(69,654)**	(64,718)	**(12,239)**	(10,495)	**(20,472)**	(15,391)	**(102,365)**	(90,604)
Finance cost	24	**(163)**	(403)	**-**	-	**(544)**	(271)	**(707)**	(674)
		(146,033)	(112,185)	**(13,366)**	(11,354)	**(64,639)**	(63,993)	**(224,038)**	(187,532)
Other expenses	25							**(21,379)**	(14,058)
Other income	26							**35,308**	49,406
NET PROFIT / (LOSS) BEFORE TAXATION		**304,840**	262,888	**(28,418)**	(45,955)	**6,265**	7,617	**296,616**	259,898
Provision for taxation	27							**(100,771)**	(72,237)
NET PROFIT AFTER TAXATION								**195,845**	187,661
									(Restated)
EARNINGS PER SHARE - BASIC and DILUTED (RUPEES)	28							**16.42**	15.73

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

20 THIRD PARTY SALES - Net

		Note	Liquor Division 2008	Liquor Division 2007	Glass Division 2008	Glass Division 2007	Tops Division 2008	Tops Division 2007	Total 2008	Total 2007
			Rs.'000							
	Sales		**2,049,191**	1,698,078	**29,662**	14,258	**702,135**	709,620	**2,780,988**	2,421,956
	Less: Discounts		**(171,169)**	(123,344)	**-**	-	**(68,536)**	(57,188)	**(239,705)**	(180,532)
			1,878,022	1,574,734	**29,662**	14,258	**633,599**	652,432	**2,541,283**	2,241,424
20.1	Interdivisional sales are at normal selling prices.									
20.2	Duties and taxes									
	Sales tax		**452,701**	374,567	**4,091**	1,860	**95,748**	94,987	**552,540**	471,414
	Excise duty		**262,448**	227,299	**-**	-	**-**	-	**262,448**	227,299
	Special excise duty		**6,355**	-	**-**	-	**6,366**	-	**12,721**	-
			721,504	601,866	**4,091**	1,860	**102,114**	94,987	**827,709**	698,713
21	**COST OF SALES**									
	Raw materials consumed	21.1	**743,414**	640,278	**75,173**	58,810	**410,818**	439,545	**1,229,405**	1,138,633
	Stores and spares consumed		**7,856**	6,212	**20,987**	14,340	**109**	250	**28,952**	20,802
	Fuel and power		**40,855**	37,481	**81,130**	79,376	**7,286**	6,810	**129,271**	123,667
	Salaries, wages and other benefits		**32,078**	24,814	**22,597**	16,123	**13,219**	10,878	**67,894**	51,815
	Repairs and maintenance		**14,753**	15,885	**21,686**	14,281	**10,120**	11,846	**46,559**	42,012
	Other manufacturing expenses		**3,908**	4,594	**6,695**	4,877	**3,694**	3,777	**14,297**	13,248
	Depreciation	12.4	**18,570**	25,234	**28,731**	37,633	**14,734**	16,275	**62,035**	79,142
			861,434	754,498	**256,999**	225,440	**459,980**	489,381	**1,578,413**	1,469,319
	Work in process including stock under maturation									
	Opening stock as at 01 July		**139,180**	102,273	**529**	613	**2,997**	4,036	**142,706**	106,922
	Closing stock as at 30 June		**(183,056)**	(139,180)	**(585)**	(529)	**(3,918)**	(2,997)	**(187,559)**	(142,706)
			(43,876)	(36,907)	**(56)**	84	**(921)**	1,039	**(44,853)**	(35,784)
	Cost of goods manufactured		**817,558**	717,591	**256,943**	225,524	**459,059**	490,420	**1,533,560**	1,433,535
	Finished goods									
	Opening stock as at 01 July		**7,535**	5,128	**2,458**	733	**9,585**	5,000	**19,578**	10,861
	Closing stock as at 30 June		**(6,027)**	(7,535)	**(16,349)**	(2,458)	**(8,063)**	(9,585)	**(30,439)**	(19,578)
			1,508	(2,407)	**(13,891)**	(1,725)	**1,522**	(4,585)	**(10,861)**	(8,717)
			819,066	715,184	**243,052**	223,799	**460,581**	485,835	**1,522,699**	1,424,818
	Less: Inter divisional transfers		**(175,133)**	(138,652)	**-**	-	**(140,717)**	(155,537)	**(315,850)**	(294,189)
			643,933	576,532	**243,052**	223,799	**319,864**	330,298	**1,206,849**	1,130,629
21.1	**Raw materials consumed**									
	Opening stock as at 01 July		**115,471**	88,952	**7,177**	6,997	**62,708**	42,116	**185,356**	138,065
	Purchases		**833,223**	666,797	**72,551**	58,990	**412,941**	460,137	**1,318,715**	1,185,924
			948,694	755,749	**79,728**	65,987	**475,649**	502,253	**1,504,071**	1,323,989
	Closing stock as at 30 June		**(205,280)**	(115,471)	**(4,555)**	(7,177)	**(64,831)**	(62,708)	**(274,666)**	(185,356)
			743,414	640,278	**75,173**	58,810	**410,818**	439,545	**1,229,405**	1,138,633

VISION STATEMENT

To fulfill customer requirements & expectations through CARE

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 Mission & goals

Responsibility and respect of our jobs and each other

Educating one another