

Murree Brewery Company Limited

Statement of Profit or Loss

For the year ended 30 June 2018

	Note	Liquor Division		Glass Division		Tops Division		Total	
		2018 (Rs.'000)	2017 (Rs.'000)	2018 (Rs.'000)	2017 (Rs.'000)	2018 (Rs.'000)	2017 (Rs.'000)	2018 (Rs.'000)	2017 (Rs.'000)
TURNOVER									
Third party turnover - gross	28	10,314,637	7,722,452	219,456	478,433	3,304,785	2,856,162	13,838,878	11,057,047
Less: trade discounts		(198,818)	(145,116)	-	-	(126,160)	(117,814)	(324,978)	(262,930)
Third party turnover - net		10,115,819	7,577,336	219,456	478,433	3,178,625	2,738,348	13,513,900	10,794,117
Inter division sales	28.4	611,062	535,759	1,392,627	1,074,835	28,926	33,561	-	-
Sales tax and excise duty	28.1	10,726,881	8,113,095	1,612,083	1,553,268	3,207,551	2,771,909	13,513,900	10,794,117
Revenue		(3,892,478)	(2,959,076)	(31,887)	(69,553)	(727,666)	(625,887)	(4,652,031)	(3,654,516)
		6,834,403	5,154,019	1,580,196	1,483,715	2,479,885	2,146,022	8,861,869	7,139,601
COST OF SALES									
Third parties	29	(3,633,245)	(2,802,957)	(960,569)	(985,170)	(1,398,805)	(1,184,647)	(5,992,619)	(4,972,774)
Inter division cost		(1,308,445)	(1,028,626)	-	-	(724,170)	(615,529)	-	-
GROSS PROFIT		4,941,690	(3,831,583)	(960,569)	(985,170)	(2,122,975)	(1,800,176)	(5,992,619)	(4,972,774)
		1,892,713	1,322,436	619,627	498,545	356,910	345,846	2,869,250	2,166,827
Selling and distribution expenses	30	(398,382)	(317,236)	(5,796)	(6,630)	(352,533)	(271,413)	(756,711)	(595,279)
Administrative expenses	31	(280,912)	(235,544)	(34,998)	(31,033)	(109,882)	(69,638)	(425,792)	(336,215)
Other expenses	32	-	-	-	-	-	-	(121,212)	(94,629)
Other income	33	-	-	-	-	-	-	90,021	58,996
Operating profit		1,213,419	769,656	578,833	460,882	(105,505)	4,795	1,655,556	1,199,700
Finance costs	34	(18,732)	(14,901)	(395)	(814)	(1,007)	(975)	(20,134)	(16,690)
Finance income	35	-	-	-	-	-	-	192,446	167,933
Net finance (cost) / income		(18,732)	(14,901)	(395)	(814)	(1,007)	(975)	172,312	151,243
Profit before tax		1,194,687	754,755	578,438	460,068	(106,512)	3,820	1,827,868	1,350,943
Income tax expense	36	-	-	-	-	-	-	(531,507)	(430,136)
Profit for the year		-	-	-	-	-	-	1,296,361	920,807
Earnings per share - basic and diluted (Rupees)	37							56.23	39.94

The annexed notes 1 to 49 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Ch. Waqar A. Kahloon
Company Secretary
Murree Brewery Co. Ltd
3-National Park Road, Rawalpindi:

CHIEF FINANCIAL OFFICER

EXTRACT OF BOARD RESOLUTION ON ISSUE OF BONUS SHARES BY THE BOARD OF DIRECTORS OF MURREE BREWERY COMPANY LIMITED IN THEIR MEETING HELD ON SEPTEMBER 13, 2018

“RESOLVED THAT the Board hereby recommends issue of 20% fully paid bonus shares i.e. in proportion of one (1) ordinary share for every five (5) ordinary shares held by the members whose names appear in the Members’ Register as at the close of business on October 17, 2018 by capitalization of a sum of Rs. 46,106,050/- out of the free reserves of the Company for the issue of 4,610,605 ordinary shares of Rs. 10 each, as bonus shares, subject to approval of the shareholders in the Annual General Meeting.”

“FURTHER RESOLVED THAT the bonus shares shall rank pari passu in all respects with the existing shares of the Company as regards the future entitlements, however, these share shall not be eligible for any final dividend declared by the Company for the year ended June 30, 2018.”

FURTHER RESOLVED THAT in the event of any member holding shares which are not an exact multiple of his / her entitlement, the Directors of the Company be and are hereby authorized to sell in the Stock Market such fractional entitlement till date and pay the net proceeds of sale to a charitable institution as approved by the Directors.

“FURTHER RESOLVED THAT the Chief Executive and Company Secretary be and are hereby jointly and / or severally authorized to give effect to these resolutions and to do and cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares and the deposit of sale proceeds of the fractions into aforementioned account.”

CERTIFIED TO BE TRUE COPY
For MURREE BREWERY COMPANY LIMITED


WAQAR AHMED KAHLOON
COMPANY SECRETARY



MURREE BREWERY CO.LTD.

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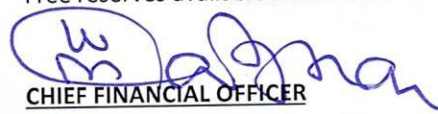
MURREE BREWERY CO.LTD.

ISO 9001, 14001, HACCP & OHSAS CERTIFIED COMPANY

Murree Brewery Company Limited
Statement of Free reserves (the Statement)
Based on audited financial statements for the year ended 30 June 2018
Date of Working: 13 September 2018

We certify that the Statement is prepared in accordance with the Rule 6 of Companies (issue of Capital) Rules, 1996.

	Number	Rs. '000
Authorized Share capital	30,000,000	300,000
Paid up Share Capital	23,053,025	230,530
Proposed issuance of 20% bonus share capital	4,610,605	46,106
Enhanced Capital	27,663,630	276,636
Reserves		30,681
Capital reserve		6,292,270
Revenue reserves		2,913,653
Revaluation surplus on property, plant and equipment - net of tax		9,236,604
Adjustments:		(46,106)
Proposed issuance of 20% bonus shares		(30,681)
Capital reserve		(2,913,653)
Revaluation surplus on property, plant and equipment - net of tax		(2,990,440)
Available reserves		6,246,164
Less; Contingencies		(2,339)
Intangible asset		(364,670)
Capex commitments		(160,000)
Letter of guarantee and shipping gurantee		(950,000)
Letter of credits		(167,060)
Gas Infrastructure Development Cess (GIDC)		(102,090)
Sui Northern Gas Pipelines Limited (SNGPL) tariff difference		(25,170)
Demand from Deputy Commissioner Large Tax Payers Unit		(115,265)
Proposed dividend 50%% on existing capital		(1,886,594)
Free reserves		4,359,570
Minimum reserves required (15% of enhanced capital)		(41,495)
Free reserves available after bonus issue		4,318,074

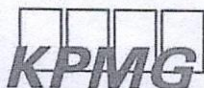

CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER

MURREE BREWERY CO.LTD.

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KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

Company Secretary
Murree Brewery Company Limited
Park Road
Rawalpindi

Our ref: I-195-2018

13 September 2018

Dear Sirs,

AUDITORS' CERTIFICATE ON FREE RESERVE AS REQUIRED UNDER COMPANIES (ISSUE OF CAPITAL) RULES, 1996

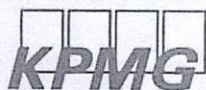
We have been requested to provide you with a certificate under the Rule 6 of the Companies (Issue of Capital) Rule, 1996 (the Rules) as amended by S.R.O 34(1) /2016 dated 19 January 2016 issued by the Securities and Exchange Commission of Pakistan (SECP) on statement of free reserves (the Statement) as at 30 June 2018 prepared by the management in accordance with requirement of Rule 6 of the Companies (Issue of Capital) Rules, 1996 (the Rules).

Scope of certificate

The certificate has been issued in accordance with the requirement of Rule 6(iii) of Companies (Issue of Capital) Rules, 1996. The certificate is provided on the Statement prepared by the management in compliance with the requirement of the Rule 6 of the Companies (Issue of Capital) Rules, 1996 as amended by S.R.O 34(1) /2016 dated 19 January 2016 issued by SECP for the purpose of issue of bonus shares to shareholders of the Company.

Management responsibility

It is the management responsibility to prepare the Statement in accordance with the Rule 6 of Companies (issue of Capital) Rules, 1996.



KPMG Taseer Hadi & Co.

Auditors' responsibility

Our responsibility is to certify the Company's compliance with the requirement of the Rule 6 of Companies (Issue of Capital) Rules, 1996 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- a) Obtained the Statement prepared by management detailing free reserves as at 30 June 2018 after issuance of bonus shares.
- b) Verified free reserves, before issuance of bonus shares, of the Company as at 30 June 2018 from the audited financial statements for the year ended 30 June 2018 and checked free reserves retained after the issuance of the bonus shares are not less than fifteen percent of the issued and paid up capital of the Company as required under Rule 6(ii) of the Rules.
- c) Verified the percentage of bonus issue from the extract of resolution from minutes of Board of Directors' meeting held on 13 September 2018.
- d) Checked the calculation of free reserves is as per Rule 6(ii) of Companies (Issue of Capital) Rules, 1996.

Certificate

Based on procedures mentioned above, we certify that the Company's residual free reserves in terms of the meaning given to free reserves in the Companies (Issue of Capital) Rules, 1996 after the proposed issue of bonus shares would not be less than fifteen percent of the enhances paid up capital.

Restriction on use and distribution

This certificate is issued to the Company in compliance with the requirements of Rule 6 of the Companies (Issue of Capital) Rules, 1996 as amended by S.R.O 34(1)/2016 dated 19 January 2016 in respect of Issue of bonus shares by listed companies and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Yours faithfully

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad