

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

7.1 The Company has leased vehicles from Standered Chartered Leasing, Bank Alfalah Limited and Askari Leasing Limited. The lease term for these arrangements is 3 years. All leases carry markup ranging from 14.5% to 21% (2011: 14% to 21%) per annum. The rentals are payable in thirty six monthly installments upto 11 May 2015 (2011: 19 June 2014). At the end of the lease term, the Company has the option to acquire the assets on payment of all installments and adjustment of lease key money.

		2012 (Rs.'000)	2011 (Rs.'000)			
8 DEFERRED LIABILITIES - STAFF RETIREMENT BENEFITS	Note					
Provision for gratuity	8.1	<u><u>36,307</u></u>	<u>29,619</u>			
8.1 Reconciliation of payable to defined benefit plan						
Present value of defined benefit obligation		53,252	30,460			
Unrecognized actuarial loss		(4,802)	(841)			
Non vested past service cost		(12,143)	-			
Net liability at end of the year	8.2	<u><u>36,307</u></u>	<u>29,619</u>			
8.2 Movement in the present value of defined benefit obligation is as follows:						
Present value of defined benefit obligation at beginning of the year		29,619	23,713			
Charge for the year		9,978	6,791			
Benefits paid during the year		(3,290)	(885)			
Present value of defined benefit obligation at end of the year	8.3	<u><u>36,307</u></u>	<u>29,619</u>			
8.3 Movement in net liability recognized						
Opening net liability		29,619	23,713			
Expense for the year	8.4	9,978	6,791			
Benefit paid during the year		(3,290)	(885)			
Closing net liability		<u><u>36,307</u></u>	<u>29,619</u>			
8.4 Expense recognized in profit and loss account is as follows:						
Current service cost		5,944	3,220			
Interest cost		4,034	3,454			
Non vested past service cost		-	117			
	8.5	<u><u>9,978</u></u>	<u>6,791</u>			
8.5 Expense is recognized in the following line items in profit and loss account:						
Cost of sales		6,968	4,071			
Administrative expenses		3,010	2,720			
	26.1	<u><u>9,978</u></u>	<u>6,791</u>			
8.6 Key actuarial assumptions						
Discount rate		12.50%	14%			
Increase in salary		12.50%	14%			
Mortality rate		EFU 61-66	EFU 61-66			
8.7 Comparison of present values of defined benefit obligation for five years is as follows:						
		2012 (Rs.'000)	2011 (Rs.'000)	2010 (Rs.'000)	2009 (Rs.'000)	2008 (Rs.'000)
Present value of defined benefit obligation		<u><u>36,307</u></u>	<u>29,619</u>	<u>23,713</u>	<u>15,769</u>	<u>14,327</u>