

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

- 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