Question One

GH operates a defined benefit pension plan for its employees. At 1 April 2012 the fair value of the pension plan assets was $2,700,000 and the present value of the pension plan obligations was $3,000,000.

The service cost for the year ended 31 March 2013 was $650,000. On 1 April 2012 the pension plan was amended to offer additional benefits to members resulting in past service costs of $200,000. The relevant discount rate for the year ended 31 March 2013 was estimated at 5% and GH paid $950,000 in contributions to the plan. The pension plan paid $320,000 to retired members in the year to 31 March 2013.

At 31 March 2013 the fair value of the pension plan assets was $3,600,000 and the present value of the pension plan obligations was $3,800,000.

The directors of GH have chosen early adoption of the revised provisions of IAS 19 (revised) *Employee Benefits* and are applying the revised standard from 1 April 2012.

Required:

Calculate, in accordance with IAS 19 (revised) *Employee Benefits,* the following in respect of GH's pension plan:

(a) The expense in the income statement for the year ended 31 March 2013.

(3 marks)

(b) The amounts that will be included in other comprehensive income for the year ended 31 March 2013.

(5 marks)

(c) The net pension asset or obligation (stating which) that will be included in the statement of financial position as at 31 March 2013.

(2 marks)

Total for Question One = 10 marks