

PAS (Grantham) Limited 1568027

Directors' report and financial statements  
for the financial year ended 30 June 2011

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# PAS (Grantham) Limited

## Directors' report and financial statements for the financial year ended 30 June 2011

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# **PAS (Grantham) Limited**

## **Directors' report for the financial year ended 30 June 2011**

The directors present their report and the audited financial statements of the company for the financial year ended 30 June 2011

### **Principal activities**

The principal activity of the company is the manufacture and sale of frozen french fries and potato products

### **Results and dividends**

The profit and loss account for the financial year is set out on page 6 and profit for the financial year of £196,000 (2010 £4,388,000) has been added to reserves

The directors paid a dividend of £Nil in the financial year (2010 £Nil)

### **Business environment**

The company supplies products for the retail grocery trade, the frozen potato sector which is worth £450m at retail selling prices. The market continues to be highly concentrated with the top 4 retailers accounting for 70% of total food sales in a very competitive environment with resultant pressure on margins

### **Strategy**

The company aims to achieve profitable growth and the necessary shareholder returns required by meeting customer requirements at the lowest cost

### **Future outlook**

The commercial environment is expected to remain competitive with continued pressure on prices and margins but the directors remain confident that the strategy employed will continue to meet the company's objectives

### **Principal risks and uncertainties**

Risks are formally reviewed by the Board and appropriate processes are put in place to monitor and mitigate them

The key risks and uncertainties affecting the company relate to price competition from other manufacturers and raw material procurement. These are considered and mitigated by matching pricing and cost strategies to customer needs

### **Financial risk management**

The company's operations expose it to a variety of financial risks. McCain Foods Group Inc, the company's ultimate parent undertaking, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company (and the group) by monitoring levels of debt finance and the related finance costs for the group as a whole

# **PAS (Grantham) Limited**

## **Directors' report for the financial year ended 30 June 2011 (continued)**

### **Charitable and political contributions**

The contributions made by the company during the financial year for charitable purposes amounted to £1,150 (2010 £1,709) There were no political contributions (2010 £nil)

### **Directors**

The directors who held office during the financial year and up to the date of signing of the financial statements are given below

A D McCain  
S S Chelley  
T Steele  
J Legard

In accordance with the articles of association, S S Chelley and J Legard retire by rotation and, being eligible, offer themselves for re-election

### **Insurance of directors**

The group to which the company belongs maintains insurance for the directors in respect of their duties as directors

### **Employment of disabled persons**

The company's policy is to support the employment of disabled persons where suitable jobs are available, to retain wherever possible those who become disabled during their employment and to assist with the training and career development of disabled persons

### **Employee involvement**

The company operates consultative committees at which employees are provided with information on matters of concern to them. A briefing system is also used to inform employees of matters which affect them directly in their own place of work. All employees are informed of developments in McCain group companies around the world through a group newspaper

### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

# **PAS (Grantham) Limited**

## **Directors' report for the financial year ended 30 June 2011 (continued)**

### **Statement of directors' responsibilities (continued)**

In preparing those financial statements the directors are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

Each director has taken all the steps that he ought to have taken in his duty as a director (such as making enquiries of other directors and the auditors and any other steps required by the directors' duty to exercise due care, skill and diligence) in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

In the absence of any notice proposing to terminate their appointment, PricewaterhouseCoopers LLP will be deemed to be reappointed for the next financial year. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

**By order of the Board**



J Legard  
Company secretary

22/12/11

## **PAS (Grantham) Limited**

### **Independent auditors' report to the members of PAS (Grantham) Limited**

We have audited the financial statements of PAS (Grantham) Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 & 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **PAS (Grantham) Limited**

### **Independent auditors' report to the members of PAS (Grantham) Limited (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Richard Bunter (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Hull

22 December 2011

## PAS (Grantham) Limited

### Profit and loss account for the financial year ended 30 June 2011

	Note	2011 £'000	2010 £'000
<b>Turnover</b>	1	<b>74,466</b>	72,839
Cost of sales		(71,557)	(64,282)
Gross profit		<b>2,909</b>	8,557
Other operating expenses	2	(2,743)	(2,418)
<b>Operating profit</b>	8	<b>166</b>	6,139
Interest receivable and similar income	6	15	6
Interest payable and similar charges	7	(3)	(8)
<b>Profit on ordinary activities before taxation</b>		<b>178</b>	6,137
Tax on profit on ordinary activities	9	18	(1,749)
<b>Profit for the financial year</b>	16	<b>196</b>	4,388

All of the company's activities are continuing

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents



# PAS (Grantham) Limited

## Balance sheet as at 30 June 2011

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Tangible assets	10	10,690	10,707
<b>Current assets</b>			
Stocks	11	3,725	5,490
Debtors	12	17,501	15,073
Cash at bank and in hand		645	216
		21,871	20,779
<b>Creditors: amounts falling due within one year</b>	13	(9,337)	(8,407)
<b>Net current assets</b>		12,534	12,372
<b>Total assets less current liabilities</b>		23,224	23,079
<b>Provisions for liabilities</b>	14	(1,137)	(1,188)
<b>Net assets</b>		22,087	21,891
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Profit and loss account	16	22,087	21,891
<b>Total shareholders' funds</b>	17	22,087	21,891

The financial statements on pages 6 to 21 were approved by the Board of directors on 22 December 2011 and were signed on its behalf by



S S Chelley  
Director



J Legard  
Director

# PAS (Grantham) Limited

## Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards in the United Kingdom. The principal accounting policies are set out below.

### Cash flow

The cash flows of the company are included in the consolidated cash flow statement of McCain Europa BV. Consequently, the company is exempt under the terms of Financial Reporting Standard Number 1 'Cash flow statements (Revised 1996)' from the requirement to publish a cash flow statement.

### Research and development expenditure

All expenditure relating to research and development activities is written off to the profit and loss account as incurred.

### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned.

The annual depreciation rates used for this purpose are

	Annual rate %
Freehold buildings	2.5-10
Plant, equipment and motor vehicles	6.67-50

Freehold land and capital work in progress are not depreciated.

### Stocks

Stocks are stated at the lower of cost and net realisable value. The cost of manufactured products comprises all direct expenditure and production overheads based on the normal level of activity. The cost of goods purchased for resale and engineering spares is determined on a first in first out basis. Net realisable value is the price at which the stock can be sold in the normal course of business after allowing for the costs of realisation. Where necessary, provision is made for obsolete, slow moving and defective stocks.

# **PAS (Grantham) Limited**

## **Accounting policies (continued)**

### **Government grants**

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets' useful lives. Other grants are credited to the profit and loss account when received.

### **Foreign currencies**

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial year. Transactions during the year denominated in foreign currencies are translated at the exchange rate ruling at the transaction date. Differences on translation are included in the profit and loss account.

### **Turnover**

Turnover is recognised when transfer of title of the goods takes place and represents the invoiced value of goods supplied net of trade discounts and value added tax.

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### **Pension costs**

The company is a member of the McCain Foods (GB) Limited Pension and Life Assurance Scheme. This scheme is of the defined benefit, final salary type. It is self-administered and funded to cover future pension liabilities (including expected future earnings and pension increases) in respect of service up to the balance sheet date. It is subject to independent actuarial valuations at least every three years, on the basis of which the qualified actuary certifies the rates of the employer's contributions which, together with the specified contributions payable by the employees and proceeds from the scheme's assets, are sufficient to fund the benefits payable under the scheme.

Contributions paid by the company to the defined benefit scheme are accounted for as though it is a defined contribution scheme. This arises since the share of assets and liabilities relating to the company cannot be separately identified.

### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the term of the lease.

# **PAS (Grantham) Limited**

## **Notes to the financial statements for the financial year ended 30 June 2011**

### **1 Turnover**

The analysis by geographical area of the company's turnover by destination is set out below

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Turnover by destination</b>		
United Kingdom	<b>71,112</b>	69,184
Rest of Europe	<b>3,354</b>	3,655
	<b>74,466</b>	72,839

All of the company's turnover originates in the United Kingdom

### **2 Other operating expenses**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Selling and distribution costs	<b>325</b>	353
Administrative expenses	<b>2,418</b>	2,065
	<b>2,743</b>	2,418

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011(continued)**

#### **3 Directors' emoluments**

The emoluments of Mr A D McCain are paid by the ultimate parent company, McCain Foods Group Inc (Canadian), and are disclosed in the financial statements of that company. They do not relate to his services as a director to this company.

The emoluments paid to the remaining directors were

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments (including benefits in kind and annual incentive payments)	<b>424</b>	<b>466</b>

Aggregate emoluments disclosed above include amounts paid to the highest paid director, as follows

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<b>204</b>	<b>220</b>
Defined benefit pension schemes		
Accrued pension at end of year	<b>86</b>	<b>73</b>

All directors except Mr A D McCain are members of a group defined benefit pension scheme

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011 (continued)**

#### **4 Employee information**

The average monthly number of persons (including executive directors) employed by the company during the financial year was

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Production	<b>289</b>	<b>287</b>
Selling and distribution	<b>6</b>	<b>6</b>
Administration	<b>14</b>	<b>12</b>
	<b>309</b>	<b>305</b>

#### **5 Employee costs**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>7,817</b>	<b>8,199</b>
Social security costs	<b>663</b>	<b>662</b>
Other pensions costs	<b>547</b>	<b>564</b>
	<b>9,027</b>	<b>9,425</b>

#### **6 Interest receivable and similar income**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest received	<b>7</b>	<b>-</b>
Group interest	<b>8</b>	<b>6</b>
	<b>15</b>	<b>6</b>

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011 (continued)**

#### **7 Interest payable and similar charges**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans and overdrafts	<b>3</b>	<b>4</b>
On amounts owed to group undertakings	<b>-</b>	<b>4</b>
	<b>3</b>	<b>8</b>

#### **8 Operating profit**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of owned tangible fixed assets	<b>1,392</b>	<b>1,619</b>
Auditors' remuneration for		
- Audit	<b>21</b>	<b>20</b>
Loss/(Profit) on disposal of tangible fixed assets	<b>4</b>	<b>(3)</b>
Hire of plant and machinery - operating leases	<b>58</b>	<b>2</b>

## PAS (Grantham) Limited

### Notes to the financial statements for the financial year ended 30 June 2011 (continued)

#### 9 Tax on profit on ordinary activities

	2011 £'000	2010 £'000
<b>Current tax</b>		
UK corporation tax	98	1,865
Adjustment in respect of previous periods	(65)	2
Total current tax	33	1,867
<b>Deferred tax</b>		
Origination and reversal of timing differences	(28)	(118)
Effect of reduction in future tax rate	(88)	-
Adjustment in respect of previous periods	65	-
Total deferred tax	(51)	(118)
<b>Tax on profit on ordinary activities</b>	<b>(18)</b>	<b>1,749</b>

The differences between total current tax assessed and the standard rate of corporation tax in the UK are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	178	6,137
Profit on ordinary activities before taxation multiplied by the effective rate of UK tax of 27.5% (2010 standard rate of 28%)	49	1,718
Adjustment to current tax charge in respect of previous period	(65)	2
Accelerated capital allowances and other timing differences	28	118
Expenses not deductible for tax purposes	21	29
Total current tax charge	33	1,867

The standard tax rate changed on 1 April 2011 from 28% to 26% giving an effective tax rate of 27.5% for the financial year

Deferred tax balances at the balance sheet date have been re-measured at 26% within these financial statements (note 14)



## PAS (Grantham) Limited

### Notes to the financial statements for the financial year ended 30 June 2011 (continued)

#### 10 Tangible fixed assets

	Freehold land and buildings	Plant, equipment and motor vehicles	Capital work in progress	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 30 June 2010	4,399	32,314	425	37,138
Additions	-	49	1,332	1,381
Transfers	-	437	(437)	-
Disposals	-	(88)	-	(88)
<b>At 30 June 2011</b>	<b>4,399</b>	<b>32,712</b>	<b>1,320</b>	<b>38,431</b>
<b>Accumulated depreciation</b>				
At 30 June 2010	2,072	24,359	-	26,431
Charge for the financial year	136	1,256	-	1,392
Disposals	-	(82)	-	(82)
<b>At 30 June 2011</b>	<b>2,208</b>	<b>25,533</b>	<b>-</b>	<b>27,741</b>
<b>Net book value</b>				
<b>At 30 June 2011</b>	<b>2,191</b>	<b>7,179</b>	<b>1,320</b>	<b>10,690</b>
At 30 June 2010	2,327	7,955	425	10,707

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011 (continued)**

#### **11 Stocks**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	<b>1,241</b>	1,228
Finished goods	<b>2,484</b>	4,262
	<b>3,725</b>	5,490

#### **12 Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	<b>8,722</b>	6,783
Amounts owed by parent undertaking	<b>2,102</b>	2,223
Amounts owed by group undertakings	<b>6,019</b>	5,500
Corporation tax	<b>28</b>	-
Other debtors	<b>579</b>	502
Prepayments and accrued income	<b>51</b>	65
	<b>17,501</b>	15,073

Amounts owed by parent undertaking are unsecured, interest free and repayable on demand

Amounts owed by group undertakings are unsecured and repayable on demand £5,567,000 (2010 £4,952,000) of the amounts owed bear interest at 0.2% per annum

## PAS (Grantham) Limited

### Notes to the financial statements for the financial year ended 30 June 2011 (continued)

#### 13 Creditors: Amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	6,166	4,350
Corporation tax	-	1,288
Other taxation and social security	278	274
Other creditors	471	641
Accruals and deferred income	2,422	1,854
	9,337	8,407

#### 14 Provisions for liabilities

	Deferred tax £'000
At 30 June 2010	1,188
Profit and loss account (note 9)	(51)
At 30 June 2011	1,137

##### Deferred taxation

Provision for deferred taxation is made in the financial statements as follows

	Amount provided 2011 £'000	Amount provided 2010 £'000
Tax effect of timing differences because of		
Excess of capital allowances over depreciation	1,120	1,169
Other timing differences	17	19
	1,137	1,188

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011 (continued)**

#### **14 Provisions for liabilities (continued)**

Deferred taxation is based on a corporation tax rate of 26% (2010 28%)

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement and Finance Act (No 2) 2010. Legislation introduced at the March 2011 Budget reduced the main rate of corporation tax from 28% to 26% as from 1 April 2011.

A further reduction in the main rate of corporation tax from 26% to 25%, as from 1 April 2012, was substantively enacted on 5 July 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

If the reduction in the main rate from 26% to 25% as from 1 April 2012 had been substantively enacted at the balance sheet date, the effect of the changes would be to reduce the deferred tax liability at 30 June 2011 by £44,000. This decrease in the deferred tax liability would increase profit for the financial year by £44,000.

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year.

#### **15 Called up share capital**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 (2010 100) ordinary shares of £1 each	<b>100</b>	100
<b>Allotted, called up and fully paid</b>		
100 (2010 100) ordinary shares of £1 each	<b>100</b>	100

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011 (continued)**

#### **16 Profit and loss account**

	<b>£'000</b>
At 30 June 2010	21,891
Profit for the financial year	196
<b>At 30 June 2011</b>	<b>22,087</b>

#### **17 Reconciliation of movements in shareholders' funds**

	<b>2011 £'000</b>	<b>2010 £'000</b>
Profit for the financial year	<b>196</b>	4,388
Net increase in shareholders' funds	<b>196</b>	4,388
Opening shareholders' funds	<b>21,891</b>	17,503
<b>Closing shareholders' funds</b>	<b>22,087</b>	21,891

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011 (continued)**

#### **18 Financial commitments**

At 30 June 2011, the company had annual commitments under non-cancellable operating leases as follows

	<b>2011 £'000</b>	<b>2010 £'000</b>
Expiring within one year	-	-
Expiring between two and five years	<b>58</b>	<b>2</b>
	<b>58</b>	<b>2</b>

The company is also committed under contracts in the normal course of business for the forward purchase of potatoes

#### **19 Pension and similar obligations**

The company is a member of a defined benefit, funded pension scheme in the United Kingdom operated by the parent company McCain Foods (GB) Limited

For the purposes of Financial Reporting Standard No 17 "Retirement benefits", the contributions paid by the company to the above scheme are accounted for as though to a defined contribution scheme. This arises since the share of assets and liabilities relating to the company cannot be separately identified.

Full details of the scheme are given within the financial statements of the parent company. As at 30 June 2011, the surplus within the scheme, net of deferred tax, amounted to £27,725,000 (2010 £9,867,000).

The pension cost for the financial year represents contributions payable by the company to the scheme and amounted to £547,000 (2010 £564,000).

## **PAS (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2011 (continued)**

#### **20 Contingent liabilities**

The company has given an unlimited composite cross guarantee to The Royal Bank of Scotland plc in respect of all monies owed to the bank by the company's immediate parent company and fellow trading subsidiaries. At 30 June 2011 the maximum liability under this arrangement amounted to £9,000 (2010 £2,421,000)

#### **21 Capital commitments**

	<b>2011 £'000</b>	<b>2010 £'000</b>
Capital expenditure that has been contracted for but not provided for in the financial statements	<b>1,992</b>	-

#### **22 Related party disclosures**

The company has taken advantage of the exemption allowed by Financial Reporting Standard Number 8 'Related party disclosures' not to disclose details of transactions with McCain Group companies

#### **23 Ultimate and immediate parent undertakings**

The directors regard McCain Foods Group Inc, a company registered in Canada, as the ultimate parent undertaking and the ultimate controlling party

According to the register kept by the company, McCain Foods (GB) Limited, a company registered in England and Wales, has a 100% interest in the equity share capital of the company as at 30 June 2011

McCain Europa BV a company registered in The Netherlands, is the company heading the smallest group of which the company is a member and for which consolidated financial statements are drawn up. Copies of this company's consolidated financial statements may be obtained from McCain Europa BV, Oraanjeplaatweg 4A, 4456 ZA Lewedorp, The Netherlands