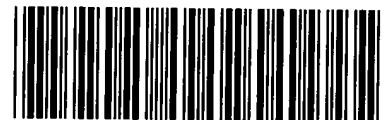


**P A S (Grantham) Limited**  
**Annual Report and Financial Statements for the**  
**financial year ended 30 June 2015**

**Registered Number 1568027 (England and Wales)**

WEDNESDAY



\*A53DDH61\*

A07

23/03/2016

#214

COMPANIES HOUSE

# P A S (Grantham) Limited

## Strategic report, Directors' report and financial statements for the financial year ended 30 June 2015

### Contents

	<b>Page</b>
Strategic report for the financial year ended 30 June 2015.....	1
Directors' report for the financial year ended 30 June 2015 .....	3
Independent auditors' report to the members of P A S (Grantham) Limited.....	5
Profit and loss account for the financial year ended 30 June 2015.....	7
Balance sheet as at 30 June 2015 .....	8
Accounting policies for the financial year ended 30 June 2015 .....	9
Notes to the financial statements for the financial year ended 30 June 2015 .....	11

# P A S (Grantham) Limited

## Strategic report for the financial year ended 30 June 2015

The directors present their strategic report of the company for the financial year ended 30 June 2015.

### Review of the business

The company's profit for the financial year ended 30 June 2015 is £1,860,000 (2014: loss £1,033,000).

### Business environment

The company supplies products principally into the frozen retail grocery trade. This is a very competitive market with resultant pressure on margins, and the company aims to differentiate itself through a focused offering with innovative product introductions.

The directors are satisfied with the financial position of the company at the end of the year.

### Strategy

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

### Key performance indicators (KPI's)

The Board monitors the progress we are making overall by reference to three KPI's. Performance during the financial year, together with historical trend data, is set out in the table below:

	2015	2014	
Growth/(Decline) in sales %	0.7	(11.0)	Year on year sales growth expressed as a percentage.
Operating profit/(loss) %	3.7	(2.2)	Operating profit is profit before tax, investment income and interest expressed as a percentage of sales.
Return on net assets %	8.7	(4.8)	Return on net assets (RONA) is profit after tax but before interest expressed as a percentage of average net assets in the year

The improvement in the 2015 KPI's reflects the previous measures put in place to recover profitability, and the directors believe that the company continues to have the strategies in place to promote profitable growth.

### 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.

# **P A S (Grantham) Limited**

## **Strategic report for the financial year ended 30 June 2015 (continued)**

### **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.

On behalf of the Board



J Legard  
**Director**

2 October 2015

# **P A S (Grantham) Limited**

## **Directors' report for the financial year ended 30 June 2015**

The directors present their report and the audited financial statements of the company for the financial year ended 30 June 2015.

### **Principal activities**

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

### **Dividends**

The directors do not propose a payment of a final dividend (2014: £nil).

### **Charitable and political contributions**

The contributions made by the company during the financial year for charitable purposes amounted to £785 (2014: £245). There were no political contributions (2014: £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

J Legard

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

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its 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. Employees are consulted on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

### **Future developments**

As disclosed within the Strategic Report, 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.

# **P A S (Grantham) Limited**

## **Directors' report for the financial year ended 30 June 2015 (continued)**

### **Financial risk management**

The company's management of financial risk is detailed within the Strategic Report.

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

The directors are responsible for preparing the Strategic Report, Directors' Report and the 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 that 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.

In preparing these 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 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**

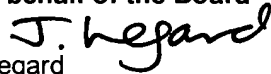
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

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.

### **On behalf of the Board**

  
J Legard

**Director**

2 October 2015

***Independent auditors' report to the members of P A S (Grantham) Limited***

**Report on the financial statements**

---

**Our opinion**

In our opinion, P A S (Grantham) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2015 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.
- 

**What we have audited**

The financial statements comprise:

- the balance sheet as at 30 June 2015;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements; which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

---

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

---

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

---

**Other matters on which we are required to report by exception**

---

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

---

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

***Independent auditors' report to the members of P A S (Grantham) Limited***

---

**Responsibilities for the financial statements and the audit**

---

**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

---

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

02 October 2015



## P A S (Grantham) Limited

### Profit and loss account for the financial year ended 30 June 2015

	Note	2015 £'000	2014 £'000
<b>Turnover</b>	1	<b>66,149</b>	65,667
Cost of sales		<b>(60,426)</b>	(63,514)
Gross profit		<b>5,723</b>	2,153
Administrative expenses	2	<b>(3,294)</b>	(3,594)
<b>Operating profit/(loss)</b>	7	<b>2,429</b>	(1,441)
Interest payable and similar charges	6	<b>(24)</b>	(61)
<b>Profit/(Loss) on ordinary activities before taxation</b>		<b>2,405</b>	(1,502)
Tax on profit/(loss) on ordinary activities	8	<b>(545)</b>	469
<b>Profit/(Loss) for the financial year</b>	15	<b>1,860</b>	(1,033)

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/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above and their historical cost equivalents.

# P A S (Grantham) Limited

## Balance sheet as at 30 June 2015

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	9	17,268	18,605
<b>Current assets</b>			
Stocks	10	3,676	5,542
Debtors	11	13,168	10,769
Cash at bank and in hand		1,202	299
		18,046	16,610
<b>Creditors: amounts falling due within one year</b>	12	(11,726)	(13,456)
<b>Net current assets</b>		6,320	3,154
<b>Total assets less current liabilities</b>		23,588	21,759
<b>Provisions for liabilities</b>	13	(1,087)	(1,118)
<b>Net assets</b>		22,501	20,641
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss account	15	22,501	20,641
<b>Total shareholders' funds</b>	16	22,501	20,641

The financial statements on pages 7 to 21 were approved by the Board of directors on 2 October 2015 and were signed on its behalf by:

*J. Legard*

J Legard  
Director

P A S (Grantham) Limited – Registered Number 1568027

# **P A S (Grantham) Limited**

## **Accounting policies for the financial year ended 30 June 2015**

### **Basis of preparation of financial statements**

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 have been applied consistently and are set out below.

### **Cash flow**

The cash flows of the company are included in the consolidated cash flow statement of McCain Luxembourg Holdings Sarl. 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:

	<b>Annual rate</b> %
Freehold buildings	2.5 - 5
Plant, equipment and motor vehicles	4 - 33

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.

### **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.

# **P A S (Grantham) Limited**

## **Accounting policies for the financial year ended 30 June 2015 (continued)**

### **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 which relates entirely to the principal activity of the entity 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 (G.B.) 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.

# **P A S (Grantham) Limited**

## **Notes to the financial statements for the financial year ended 30 June 2015**

### **1 Turnover**

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Turnover by destination</b>		
United Kingdom	<b>60,682</b>	60,532
Rest of Europe	<b>5,467</b>	5,135
	<b>66,149</b>	65,667

All of the company's turnover originates in the United Kingdom and is wholly attributable to the principal activity of the company.

### **2 Other operating expenses**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Distribution costs	<b>694</b>	679
Administrative expenses	<b>2,600</b>	2,915
	<b>3,294</b>	3,594

Administrative expenses include £34,000 (2014: £36,000) in respect of fees payable to the auditors for the audit of the annual financial statements.

# **P A S (Grantham) Limited**

## **Notes to the financial statements for the financial year ended 30 June 2015 (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>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments (including benefits in kind and annual incentive payments)	<b>347</b>	<b>299</b>

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<b>238</b>	<b>189</b>
Defined benefit pension schemes:		
Accrued pension at end of year	-	-

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

# **P A S (Grantham) Limited**

## **Notes to the financial statements for the financial year ended 30 June 2015 (continued)**

### **4 Employee information**

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

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Production	<b>287</b>	299
Selling and distribution	<b>8</b>	8
Administration	<b>11</b>	12
	<b>306</b>	319

### **5 Employee costs**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>8,805</b>	8,655
Social security costs	<b>751</b>	772
Other pension costs	<b>667</b>	650
	<b>10,223</b>	10,077

## **P A S (Grantham) Limited**

### **Notes to the financial statements for the financial year ended 30 June 2015 (continued)**

#### **6 Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
On amounts owed to group undertakings	<b>24</b>	<b>61</b>
	<b>24</b>	<b>61</b>

#### **7 Operating profit/(loss)**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating profit/(loss) is stated after charging:</b>		
Depreciation of owned tangible fixed assets	<b>2,655</b>	<b>2,670</b>
Auditors' remuneration for		
- Audit	<b>34</b>	<b>36</b>
(Profit)/Loss on disposal of tangible fixed assets	<b>(3)</b>	<b>1</b>
Hire of plant and machinery - operating leases	<b>41</b>	<b>49</b>



# P A S (Grantham) Limited

## Notes to the financial statements for the financial year ended 30 June 2015 (continued)

### 8 Tax on profit/(loss) on ordinary activities

	2015 £'000	2014 £'000
<b>Current tax</b>		
UK corporation tax	597	(283)
Adjustment in respect of prior years	(21)	-
Total current tax	576	(283)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(49)	(20)
Effect of reduction in future tax rate	-	(166)
Adjustment in respect of prior years	18	-
Total deferred tax	(31)	(186)
<b>Tax on profit/(loss) on ordinary activities</b>	<b>545</b>	<b>(469)</b>

The tax assessed for the year differs to (2014: differs to) the standard rate of corporation tax in the UK 20.75% (2014: 22.5%).

	2015 £'000	2014 £'000
Profit/(Loss) on ordinary activities before taxation	2,405	(1,502)
Profit/(Loss) Loss on ordinary activities before taxation multiplied by the effective rate of UK tax of 20.75% (2014 effective rate of 22.5%)	499	(338)
Adjustment in respect of prior years	(21)	-
Accelerated capital allowances and other timing differences	50	20
Expenses not deductible for tax purposes	48	35
Total current tax charge/(credit)	576	(283)

The standard rate of UK corporation tax changed on 1 April 2015 from 21% to 20% giving an effective tax rate of 20.75% for the financial year.

Deferred tax balances have been measured at 20% within these financial statements (note 13).

# P A S (Grantham) Limited

## Notes to the financial statements for the financial year ended 30 June 2015 (continued)

### 9. Tangible assets

	Freehold land and buildings	Plant, equipment and motor vehicles	Capital work in progress	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 July 2014	8,939	43,089	746	52,774
Additions	642	255	466	1,363
Disposals	-	(40)	-	(40)
<b>At 30 June 2015</b>	<b>9,581</b>	<b>43,304</b>	<b>1,212</b>	<b>54,097</b>
<b>Accumulated depreciation</b>				
At 1 July 2014	2,532	31,637	-	34,169
Charge for the financial year	371	2,284	-	2,655
Disposals	-	5	-	5
<b>At 30 June 2015</b>	<b>2,903</b>	<b>33,926</b>	<b>-</b>	<b>36,829</b>
<b>Net book value</b>				
<b>At 30 June 2015</b>	<b>6,678</b>	<b>9,378</b>	<b>1,212</b>	<b>17,268</b>
At 30 June 2014	6,407	11,452	746	18,605

### 10. Stocks

	2015	2014
	£'000	£'000
Raw materials and consumables	1,574	1,676
Work in progress	664	527
Finished goods	1,438	3,339
	<b>3,676</b>	<b>5,542</b>

# **P A S (Grantham) Limited**

## **Notes to the financial statements for the financial year ended 30 June 2015 (continued)**

### **11 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	<b>6,201</b>	5,836
Amounts owed by parent undertaking	<b>3,142</b>	3,521
Amounts owed by group undertakings	<b>3,223</b>	485
Corporation tax	<b>-</b>	325
Other debtors	<b>411</b>	400
Prepayments and accrued income	<b>191</b>	202
	<b>13,168</b>	10,769

Amounts owed by group and parent undertakings are unsecured, interest free and repayable on commercial terms.

### **12 Creditors: Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>7,741</b>	7,672
Amounts owed to parent undertaking	<b>819</b>	788
Amounts owed to group undertakings	<b>-</b>	2,179
Corporation tax	<b>389</b>	-
Taxation and social security	<b>198</b>	207
Other creditors	<b>250</b>	420
Accruals and deferred income	<b>2,329</b>	2,190
	<b>11,726</b>	13,456

Amounts owed to the parent undertaking are unsecured, interest free and payable on commercial terms.

Amounts owed to group undertakings are unsecured and bear interest at a commercial rate.

# P A S (Grantham) Limited

## Notes to the financial statements for the financial year ended 30 June 2015 (continued)

### 13 Provisions for liabilities

	Deferred tax  £'000
At 1 July 2014	1,118
Profit and loss account (note 8)	(31)
<b>At 30 June 2015</b>	<b>1,087</b>

#### Deferred taxation

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

	Amount provided  2015  £'000	Amount provided  2014  £'000
Tax effect of timing differences because of:		
Excess of capital allowances over depreciation	1,055	1,110
Other timing differences	32	8
	<b>1,087</b>	<b>1,118</b>

Deferred taxation is based on a corporation tax rate of 20% (2014: 20%).

# P A S (Grantham) Limited

## Notes to the financial statements for the financial year ended 30 June 2015 (continued)

### 14 Called up share capital

	2015 £	2014 £
<b>Authorised</b>		
100 (2014: 100) ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
100 (2014: 100) ordinary shares of £1 each	100	100

### 15 Profit and loss account

	£'000
At 1 July 2014	20,641
Profit for the financial year	1,860
<b>At 30 June 2015</b>	<b>22,501</b>

### 16 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Profit/(Loss) for the financial year	1,860	(1,033)
Net decrease in shareholders' funds	1,860	(1,033)
Opening shareholders' funds	20,641	21,674
<b>Closing shareholders' funds</b>	<b>22,501</b>	<b>20,641</b>

## P A S (Grantham) Limited

### Notes to the financial statements for the financial year ended 30 June 2015 (continued)

#### 17 Financial commitments

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

	2015	2015	2014	2014
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Expiring within one year	-	-	-	-
Expiring between two and five years	-	41	-	49
Expiring in more than five years	-	-	-	-
	-	41	-	49

The company is also committed under contracts in the normal course of business for the forward purchase of potatoes of £7,900,000 (2014: £6,300,000).

#### 18 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 (G.B.) 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 2015, the surplus within the scheme, net of deferred tax, amounted to £1.5million (2014: £5.4million).

The pension cost for the financial year represents contributions payable by the company to the scheme and amounted to £667,000 (2014: £650,000).

# **P A S (Grantham) Limited**

## **Notes to the financial statements for the financial year ended 30 June 2015 (continued)**

### **19 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, McCain Foods (G.B.) Limited. At 30 June 2015 the maximum liability under this arrangement amounted to £nil (2014: £3,000).

### **20 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.

### **21 Ultimate and immediate parent undertakings**

The immediate parent undertaking is McCain Foods (G.B.) Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is McCain Foods Group Inc., a company incorporated in Canada.

McCain Foods Group Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 June 2015. The consolidated financial statements of McCain Foods Group Inc. are available from 107 Main Street, Florenceville, New Brunswick, E7L 1B2, Canada.

McCain Luxembourg Holdings Sarl is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of McCain Luxembourg Holdings Sarl can be obtained from 46A Avenue J.F. Kennedy, Luxembourg, Luxembourg – L1855.