

MERRYCHEF LIMITED

Report and Financial Statements

Year Ended 30 September 2000

**Deloitte & Touche
Columbia Centre
Market Street
Bracknell
Berkshire
RG12 1PA**



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A R Airey
K I Bray
R G Gale
D R Hooper
J R Keywood
N Thorneywork
R A Toner
G P B Veal
M A Whiteling

SECRETARY

D R Hooper

REGISTERED OFFICE

Station Road West
Ash Vale
Aldershot
Hampshire
GU12 5XA

BANKERS

Bank of Scotland plc
144-148 High Street
Southampton
SO14 2JF

SOLICITORS

Osborne Clarke
Apex Plaza
Forbury Road
Reading
RG1 1AX

AUDITORS

Deloitte & Touche
Chartered Accountants
Columbia Centre
Market Street
Bracknell
Berkshire
RG12 1PA

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 30 September 2000.

PRINCIPAL ACTIVITIES

The company's principal activity is the manufacture, supply and service of commercial microwave and microwave combination ovens.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Directors are pleased to report that the company has grown in revenue for another successive year for the year to 30 September 2000.

During the period covered by the accounts the Management Team has continued to invest strongly in the development of all aspects of the Business, in staff, in products and in market development. We are confident that this inward investment will show benefits in the immediate future.

On 14 June 2000 Enodis Plc acquired the entire issued share capital of Merrychef Holdings Limited, the ultimate holding company for Merrychef Limited.

RESEARCH AND DEVELOPMENT

As in previous years our commitment to product development and innovation resulted in continuing strong sales for the Merrychef range.

We continue with strong investment in R & D.

DIRECTORS AND THEIR INTERESTS

The current directors are shown on page 1.

A R Airey	(appointed 14 June 2000)
K I Bray	(appointed 14 June 2000)
D R Hooper	(appointed 14 June 2000)
R A Toner	(appointed 14 June 2000)
M A Whiting	(appointed 14 June 2000)
J P Findler	(appointed 14 June 2000, resigned 03 July 2000)
R Houghton	(resigned 20 April 2000)
G G Woodhead	(resigned 14 June 2000)
S C Barker	(resigned 30 September 2000)

No director had any interest in the shares of any group company at any time during the year, except the parent company Merrychef Holdings Limited and the ultimate parent company Enodis Plc. The holdings of the directors in the share capital of Merrychef Holdings Limited are shown in the financial statements of Merrychef Holdings Ltd.

DIRECTORS' REPORT

The following directors serving at the year-end held shares in Enodis Plc as follows:

	As at 30 September 2000	As at 01 October 1999
	Ordinary shares No.	Ordinary shares No.
R G Gale	-	-
J R Keywood	-	-
N Thorneywork	-	-
G P B Veal	-	-
A R Airey	5,000	-
K I Bray	4,027	2,286
D R Hooper	20,000	20,000
R A Toner	5,457	-
M A Whiteling	3,000	3,000

The following directors serving at the year-end have shares in an Employee Share Ownership Scheme in Enodis Plc as follows:

	As at 1 October 1999	Granted	Exercised	As at 30 September 2000	Exercise Price (£)	Date from which exercisable	Latest expiry date
R G Gale	-	-	-	-			
J R Keywood	-	-	-	-			
N Thorneywork	-	-	-	-			
G P B Veal	-	-	-	-			
A R Airey	20,833	-	-	20,833	1.44	01.07.00	01.07.07
	36,167	-	-	36,167	1.44	01.07.00	01.07.07
	34,782	-	-	34,782	2.30	26.06.01	26.06.08
	37,450	-	-	37,450	2.629	28.07.02	28.07.09
		20,000	-	20,000	3.22	03.07.03	03.07.10
K I Bray	54,881	-	-	54,881	2.23	14.02.97	14.02.04
	44,000	-	-	44,000	1.86	22.07.99	22.07.06
	50,000	-	-	50,000	1.44	01.07.00	01.07.07
	18,700	-	-	18,700	2.629	28.07.02	28.07.09
		20,000	-	20,000	3.22	03.07.03	03.07.10
D R Hooper	64,572	-	-	64,572	0.61	05.02.95	05.02.02
	61,989	-	-	61,989	0.951	03.02.96	03.02.03
	18,080	-	-	18,080	2.305	31.03.98	31.03.05
	54,000	-	-	54,000	1.44	01.07.00	01.07.07
	10,000	-	-	10,000	3.015	03.09.02	03.09.09
		20,000	-	20,000	3.22	03.07.03	03.07.10
R A Toner	-	9,316	-	9,316	3.22	03.07.03	03.07.10
	-	21,740	-	21,740	3.22	03.07.03	03.07.10
M A Whiteling	20,833	-	-	20,833	1.44	01.07.00	01.07.07
	38,194	-	-	38,194	1.44	01.07.00	01.07.07
	38,043	-	-	38,043	2.30	26.06.01	26.06.08
	35,500	-	-	35,500	2.629	28.07.02	28.07.09
	-	20,000	-	20,000	3.22	03.07.03	03.07.10

DIRECTORS' REPORT

The following directors serving at the year-end have shares in a Save As You Earn Scheme in Enodis Plc as follows:

	As at 1 October 1999	Granted	Exercised	As at 30 September 2000	Exercise Price (£)	Date from which exercisable	Latest expiry date
R G Gale	-	-	-	-			
J R Keywood	-	-	-	-			
N Thorneywork	-	-	-	-			
G P B Veal	-	-	-	-			
A R Airey	-	1,496	-	1,496	25.89	01.09.03	01.03.04
K I Bray	1,702	-	-	1,702	20.27	01.09.03	01.03.04
	1,005	-	-	1,005	19.27	01.09.02	01.03.03
	1,741	-	-	1,741	1.12	01.09.00	01.03.01
D R Hooper	6,160	-	-	6,160	1.12	01.09.02	01.03.03
		2,607	-	2,607	25.89	01.09.05	01.03.06
R A Toner	-	-	-	-			
M A Whiteling	8,757	-	-	8,757	19.27	01.09.04	01.03.05

EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 22 March 2001 Enodis Plc announced that the majority of the operations of the Merrychef group will be transferred into another operating group.

AUDITORS

Deloitte & Touche were appointed as auditors for the year. Deloitte & Touche have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J R Keywood
Director 23 April 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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 proper accounting records which 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 1985. 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.

AUDITORS' REPORT TO THE MEMBERS OF MERRYCHEF LIMITED

We have audited the financial statements on pages 7 to 16 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

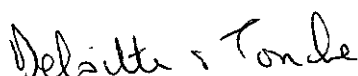
Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE

Chartered Accountants and
Registered Auditors

Columbia Centre
Market Street
Bracknell
Berkshire
RG12 1PA
23 April 2001

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2000

	Note	2000 £	1999 £
TURNOVER	2	8,182,484	7,709,333
Cost of sales		(4,136,881)	(3,369,562)
Gross profit		4,045,603	4,339,771
Administrative expenses		(3,187,816)	(2,326,298)
OPERATING PROFIT		857,787	2,013,473
Interest receivable and similar income		39,996	58,098
Amounts written off investments		(14,003)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	883,780	2,071,571
Tax on profit on ordinary activities	5	14,528	(595,858)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		898,308	1,475,713
Equity dividends proposed		-	(2,602,000)
RETAINED PROFIT/(LOSS) FOR THE YEAR	14	898,308	(1,126,287)

All amounts derive from continuing operations.

There are no recognised gains and losses for the current financial year and the preceding financial year other than as stated in the profit and loss account.

BALANCE SHEET
30 September 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Intangible assets	6	-	57,800
Tangible assets	7	254,930	249,308
Investments	8	-	14,003
		<u>254,930</u>	<u>321,111</u>
CURRENT ASSETS			
Stocks	9	624,432	484,502
Debtors	10	4,705,788	3,419,393
Cash at bank and in hand		71,680	665,109
		<u>5,401,900</u>	<u>4,569,004</u>
CREDITORS: amounts falling due within one year	11	<u>(2,728,191)</u>	<u>(2,859,784)</u>
NET CURRENT ASSETS		<u>2,673,709</u>	<u>1,709,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,928,639</u>	<u>2,030,331</u>
CREDITORS: amounts falling due after more than one year	12	<u>(509,739)</u>	<u>(509,739)</u>
		<u>2,418,900</u>	<u>1,520,592</u>
CAPITAL AND RESERVES			
Called up share capital	13	44,800	44,800
Capital redemption reserve		11,200	11,200
Profit and loss account	14	2,362,900	1,464,592
Equity shareholders' funds		<u>2,418,900</u>	<u>1,520,592</u>

These financial statements were approved by the Board of Directors on 23 April 2001

Signed on behalf of the Board of Directors



J Keywood

Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Year ended 30 September 2000**

	2000 £	1999 £
Profit/(loss) for the financial year	898,308	(1,126,287)
Net increase/(decrease) in shareholders' funds	898,308	(1,126,287)
Opening shareholders' funds	1,520,592	2,646,879
Closing shareholders' funds	<u>2,418,900</u>	<u>1,520,592</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2000**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets over their estimated useful lives, at the following rates:

Fixtures, fittings, tools and equipment	-	between 15% and 33.33%
Plant and machinery	-	between 10% and 50%

Leases

Operating lease costs are charged to the profit and loss account in the period in which they are incurred.

Turnover

Turnover represents the value of sales invoiced to customers, less value added tax. Income from the hire of plant and equipment is accounted for over the rental period.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost consists of direct material, labour and, where appropriate, works overheads.

Research and development

Expenditure on research and development is written off as incurred through the profit and loss account.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

The company provides pensions through two defined contribution schemes. Contributions are made to the group personal pension plan by the company at rates specified by the company. All members receive their own individual benefit statements. Payments to the fund are charged to the profit and loss account as they are made.

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, and is attributable to the continuing activities. Income from the hire of plant and equipment is accounted for over the rental period.

Geographical analysis of turnover

	2000	1999
	£	£
United Kingdom	7,954,295	7,380,740
Rest of the World	228,189	328,593
	<u>8,182,484</u>	<u>7,709,333</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000	1999
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	97,164	61,631
Hire of plant and machinery	20,134	18,661
Loss on sale of fixed assets	3,390	1,529
Operating lease rentals - other	118,991	129,021
Auditors' remuneration - audit fees	15,000	13,600
- other services	9,020	6,350
	<u>273,699</u>	<u>331,792</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs during the year (including directors)		
Wages and salaries	1,959,599	1,684,874
Social security costs	210,607	160,933
Other pension costs	56,213	52,382
	<u>2,226,419</u>	<u>1,898,189</u>
	No.	No.
The average number of employees during the year was as follows:		
Production	28	26
Office management	55	54
	<u>83</u>	<u>80</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2000 £	1999 £
Directors		
Emoluments	613,723	396,511
Compensation for loss of office	95,000	-
Contributions to money purchase pension schemes	35,767	33,800
	<u> </u>	<u> </u>
	No.	No.
Number of directors who are members of a money purchase pension scheme	5	6
	<u> </u>	<u> </u>
	£	£
Highest paid director's remuneration		
Emoluments	157,677	89,169
Contributions to money purchase pension schemes	5,017	7,800
	<u> </u>	<u> </u>

Emoluments for the highest paid director include £95,000 in respect of loss of office.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
UK corporation tax at 30% (1999 - 30%)	-	(241,467)
Group relief	-	(382,838)
	<u> </u>	<u> </u>
	-	(624,305)
Adjustments in respect of prior years	14,528	28,447
	<u> </u>	<u> </u>
	14,528	(595,858)

There is no tax charge for the current year due to the availability of losses for surrender by other group companies for nil consideration.

6. INTANGIBLE FIXED ASSETS

	Development costs
	£
Cost	
At 1 October 1999	57,800
Charged to profit and loss account	(57,800)
	<u> </u>
At 30 September 2000	-
	<u> </u>
Net book value	
At 30 September 2000	-
	<u> </u>
At 30 September 1999	57,800
	<u> </u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost			
At 1 October 1999	208,507	283,976	492,483
Additions	34,268	91,258	125,526
Disposals	-	(30,320)	(30,320)
At 30 September 2000	242,775	344,914	587,689
Depreciation			
At 1 October 1999	99,714	143,461	243,175
Charge for the year	32,379	64,785	97,164
Disposals	-	(7,580)	(7,580)
At 30 September 2000	132,093	200,666	332,759
Net book value			
At 30 September 2000	110,682	144,248	254,930
At 30 September 1999	108,793	140,515	249,308

8. INVESTMENTS HELD AS FIXED ASSETS

	£
Cost	
At 1 October 1999 and 30 September 2000	14,003
Provision	
At 1 October 1999	-
Charge for the year	14,003
At 30 September 2000	14,003
Net book value	
At 30 September 2000	-
At 30 September 1999	14,003

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

8. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)

The following information relates to subsidiary undertakings, all of which are registered in England and Wales and are dormant.

	Portion of ordinary Shares held %
Merrychef Projects Limited	100
Mealstream (UK) Limited	100
Pumpcroft Limited	100
Twilight Band Limited	100

The shares in Merrychef Projects Limited are held by Pumpcroft Limited.

These financial statements present information about Merrychef Limited as an individual undertaking. The subsidiaries are not consolidated on the grounds that the results of the whole group are included within the financial statements of Enodis Plc, the ultimate parent company.

9. STOCKS

	2000 £	1999 £
Raw materials and consumables	345,329	241,835
Work in progress	44,176	77,252
Finished goods and goods held for resale	234,927	165,415
	<u>624,432</u>	<u>484,502</u>

10. DEBTORS

	2000 £	1999 £
Trade debtors	1,597,698	1,747,986
Other debtors	7,508	95,552
ACT recoverable	-	159,954
Amounts due from parent company	3,010,469	1,302,142
Prepayments and accrued income	90,113	113,759
	<u>4,705,788</u>	<u>3,419,393</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	764,617	688,557
Corporation tax	1,454	263,653
Other taxes and social security costs	248,566	264,965
Accruals and deferred income	566,544	495,599
Group relief	1,147,010	1,147,010
	<u>2,728,191</u>	<u>2,859,784</u>

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Amounts owed to other group companies	509,739	509,739

There are no set dates for repayment. The group companies have confirmed that repayment will not be sought for at least twelve months from the date of signing of the financial statements.

13. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised, called up, allotted and fully paid ordinary shares of £1 each	44,800	44,800

14. PROFIT AND LOSS ACCOUNT

	£
At 1 October 1999	1,464,592
Retained profit for the year	898,308
At 30 September 2000	2,362,900

15. OPERATING LEASE COMMITMENTS

At 30 September 2000 the company was committed to making the following payments during the next year in respect of operating leases.

	2000 Land & Buildings £	2000 Other £	1999 Land & Buildings £	1999 Other £
Leases which expire:				
Within one year	-	19,273	-	13,829
Within two to five years	-	70,668	-	99,762
After five years	150,000	-	150,000	-
	150,000	89,941	150,000	113,591

16. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other group undertakings within, and investee related parties of, the Enodis Plc group have not been disclosed in these financial statements.

17. ULTIMATE PARENT COMPANY

The immediate parent company and controlling party is Elvadene Limited. The ultimate parent company and controlling party is Enodis Plc, a company registered in England and Wales. The group financial statements of Enodis Plc, which consolidate the results of Merrychef Limited, can be obtained from Enodis Plc, Washington House, 40 - 41 Conduit Street, London W1R 9FB.

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

18. EVENTS OCCURING AFTER BALANCE SHEET DATE

On 22 March 2001 Enodis Plc announced that the majority of the operations of the Merrychef group will be transferred into another operating group.