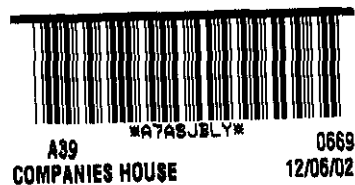


MERRYCHEF LIMITED

Report and Financial Statements

Year Ended 30 September 2001

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



REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R G Gale
D R Hooper
J Rolt
N Thorneywork
R A Toner
G P B Veal

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 2001.

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 maintained the same level of revenue for the year to 30 September 2001.

Despite no increase in turnover this year, the company has managed to increase its profitability. During the period covered by the accounts the Management Team has continued in the development of all aspects of the Business, in staff, in products and in market development. This investment in the company will continue into next year and should bring immediate benefits.

The directors have declared a dividend of £500,000 for the year (2000 - £nil).

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; looking to improve existing product lines and introduce new ones to the Merrychef range. We have completed food safety and electrical safety approvals for the sale of our mealstream ovens in North America and will expand this to include additional models in 2002. Significant export sales growth is expected in North America, Europe and Asia in the coming year.

DIRECTORS AND THEIR INTERESTS

The current directors are shown on page 1. Changes in the membership of the Board during the year are as follows:

J Rolt	(appointed 11 October 2000)
A Airey	(resigned 12 October 2001)
K I Bray	(resigned 17 January 2002)
J Keywood	(resigned 11 May 2001)
M Whiteling	(resigned 5 October 2001)

No director had any interest in the shares of any group company at any time during the year, except the ultimate parent company Enodis Plc.

The following directors serving at the year-end held shares in Enodis Plc.

	As at 30 September 2001	*As at 30 September 2000
	Ordinary shares No.	Ordinary shares No.
A R Airey	-	5,000
K I Bray	4,027	4,027
D R Hooper	20,000	20,000
J C Rolt	6,000	-
R A Toner	8,168	5,457
M A Whiteling	3,000	3,000

* or date of appointment if later

DIRECTORS' REPORT

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 2000	Granted	Exercised	As at 30 September 2001	Exercise Price (£)	Date from which exercisable	Latest expiry date
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
	-	20,000	-	20,000	2.10	21.12.03	21.12.10
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
	-	69,060	-	69,060	1.81	22.01.04	22.01.11
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
	-	20,000	-	20,000	2.10	21.12.03	21.12.10

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 2000	Granted	Exercised	Lapsed	As at 30 September 2001	Exercise Price (£)	Date from which exercisable	Latest expiry date
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
J C Rolt	962	-	-	962	-	2.207	01.09.98	31.08.01
	748	-	-	748	-	2.589	01.09.00	31.08.03
M A Whiteling	8,757	-	-	8,757	-	19.27	01.09.04	01.03.05

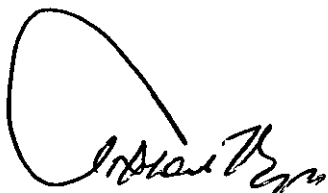
No share options were exercised during the year. The mid-market price at 30 September was £0.78 and the range during the year was £2.06 to £0.78.

DIRECTORS' REPORT (continued)

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

A handwritten signature in black ink, appearing to read 'G Veal', written over a large, loopy circular flourish.

G Veal

Director

31 May 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERRYCHEF LIMITED

We have audited the financial statements of Merry Chef Limited for the year ended 30 September 2001 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

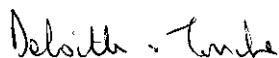
Basis of audit opinion

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 as at 30 September 2001 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

31 May 2002

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2001

	Note	2001 £	2000 £
TURNOVER	2	8,074,727	8,182,484
Cost of sales		<u>(4,214,734)</u>	<u>(4,136,881)</u>
Gross profit		3,859,993	4,045,603
Administrative expenses		<u>(2,509,854)</u>	<u>(3,187,816)</u>
OPERATING PROFIT		1,350,139	857,787
Interest receivable and similar income		23,512	39,996
Amounts written off investments		-	(14,003)
Restructuring costs		<u>(188,000)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,185,651	883,780
Tax on profit on ordinary activities	5	<u>-</u>	<u>14,528</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,185,651	898,308
Equity dividends proposed	6	<u>(500,000)</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR	14	<u><u>685,651</u></u>	<u><u>898,308</u></u>

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 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	7	169,017	254,930
		<u>169,017</u>	<u>254,930</u>
CURRENT ASSETS			
Stocks	9	722,193	624,432
Debtors	10	4,977,056	4,705,788
Cash at bank and in hand		443,507	71,680
		<u>6,142,756</u>	<u>5,401,900</u>
CREDITORS: amounts falling due within one year	11	<u>(2,697,483)</u>	<u>(2,728,191)</u>
NET CURRENT ASSETS		<u>3,445,273</u>	<u>2,673,709</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,614,290</u>	<u>2,928,639</u>
CREDITORS: amounts falling due after more than one year	12	<u>(509,739)</u>	<u>(509,739)</u>
		<u>3,104,551</u>	<u>2,418,900</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	3,048,551	2,362,900
		<u>3,104,551</u>	<u>2,418,900</u>
Equity shareholders' funds		<u>3,104,551</u>	<u>2,418,900</u>

These financial statements were approved by the Board of Directors on 31 May 2002

Signed on behalf of the Board of Directors


G Veal

Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year ended 30 September 2001

	2001 £	2000 £
Profit for the financial year	685,651	898,308
Net increase in shareholders' funds	685,651	898,308
Opening shareholders' funds	2,418,900	1,520,592
Closing shareholders' funds	3,104,551	2,418,900

NOTES TO THE ACCOUNTS
Year ended 30 September 2001**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 2001

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	2001 £	2000 £
United Kingdom	7,744,133	7,954,295
Rest of the World	330,594	228,189
	<u>8,074,727</u>	<u>8,182,484</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £	2000 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	84,754	97,164
Hire of plant and machinery	16,736	20,134
Loss on sale of fixed assets	446	3,390
Operating lease rentals - other	109,897	118,991
Auditors' remuneration - audit fees	13,900	15,000
- other services	-	9,020
	<u>1,968,449</u>	<u>2,226,419</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001 £	2000 £
Staff costs during the year (including directors)		
Wages and salaries	1,752,940	1,959,599
Social security costs	169,109	210,607
Other pension costs	46,400	56,213
	<u>1,968,449</u>	<u>2,226,419</u>

	No.	No.
The average number of employees during the year was as follows:		
Production	28	28
Office management	49	55
	<u>77</u>	<u>83</u>

NOTES TO THE ACCOUNTS

Year ended 30 September 2001

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2001 £	2000 £
Directors		
Emoluments	341,528	613,723
Compensation for loss of office	61,073	95,000
Contributions to money purchase pension schemes	33,905	35,767
	<u>No.</u>	<u>No.</u>
Number of directors who are members of a money purchase pension scheme	5	5
	<u>£</u>	<u>£</u>
Highest paid director's remuneration		
Emoluments	116,005	157,677
Contributions to money purchase pension schemes	10,411	5,017

Emoluments for the highest paid director include £61,073 in respect of loss of office.

Disclosures on directors' share options required by the Companies Act 1985 are shown within the Directors Report and form part of these audited financial statements.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Adjustments in respect of prior years	-	14,528

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. DIVIDENDS

	2001 £	2000 £
Final proposed - £11.16 per ordinary share (2000 : £nil)	500,000	-

NOTES TO THE ACCOUNTS
Year ended 30 September 2001

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost			
At 1 October 2000	242,775	344,914	587,689
Additions	-	11,283	11,283
Disposals	-	(34,069)	(34,069)
At 30 September 2001	242,775	322,128	564,903
Depreciation			
At 1 October 2000	132,093	200,666	332,759
Charge for the year	28,499	56,255	84,754
Disposals	-	(21,627)	(21,627)
At 30 September 2001	160,592	235,294	395,886
Net book value			
At 30 September 2001	82,183	86,834	169,017
At 30 September 2000	110,682	144,248	254,930

8. INVESTMENTS HELD AS FIXED ASSETS

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

	2000 £
Cost	
At 1 October 2000 and 30 September 2001	14,003
Provision	
At 1 October 2000 and 30 September 2001	14,003
Net book value	
At 30 September 2000 and 30 September 2001	-

NOTES TO THE ACCOUNTS
Year ended 30 September 2001

8. INVESTMENTS HELD AS FIXED ASSETS (continued)

	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

	2001 £	2000 £
Raw materials and consumables	370,413	345,329
Work in progress	59,547	44,176
Finished goods and goods held for resale	292,233	234,927
	<u>722,193</u>	<u>624,432</u>

10. DEBTORS

	2001 £	2000 £
Trade debtors	1,632,794	1,597,698
Other debtors	42,114	7,508
Amounts due from parent company	3,197,903	3,010,469
Prepayments and accrued income	104,245	90,113
	<u>4,977,056</u>	<u>4,705,788</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2001 £
Trade creditors	760,564	764,617
Corporation tax	1,453	1,454
Other taxes and social security costs	223,304	248,566
Accruals and deferred income	565,152	566,544
Group relief	1,147,010	1,147,010
	<u>2,697,483</u>	<u>2,728,191</u>

NOTES TO THE ACCOUNTS

Year ended 30 September 2001

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

	2001 £	2000 £
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

	2001 £	2000 £
Authorised, called up, allotted and fully paid 44,800 ordinary shares of £1 each	44,800	44,800

14. PROFIT AND LOSS ACCOUNT

	£
At 1 October 2000	2,362,900
Retained profit for the year	685,651
At 30 September 2001	3,048,551

15. OPERATING LEASE COMMITMENTS

At 30 September 2001 the company was committed to making the following payments during the next year in respect of operating leases.

	2001 Land & Buildings £	2001 Other £	2000 Land & Buildings £	2000 Other £
Leases which expire:				
Within one year	-	24,509	-	19,273
Within two to five years	-	24,158	-	70,668
After five years	158,340	-	150,000	-
	158,340	48,667	150,000	89,941

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.