

Merrychef Limited

Report and Financial Statements

Year Ended

31 December 2010

Company Number 00487712

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Merrychef Limited

Report and financial statements for the year ended 31 December 2010

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Directors

A D Gray
G P B Veal
J D Hobbs
M D Jones

Secretary and registered office

Prima Secretary Limited, St Ann's Wharf, 112 Quayside, Newcastle Upon Tyne, NE1 3DX

Company number

00487712

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Merrychef Limited

Report of the directors for the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Results and dividends

The profit and loss account is set out on page 7 and shows the loss for the year

Principal activities, trading review and future developments

The company's principal activity during the year was the supply and service of commercial microwave and microwave combination ovens

The company continued to grow its sales of both equipment and services and its results were in line with expectations

Consequent upon a reorganisation of the UK activities of The Manitowoc Company Inc, at close of business on 31 December 2010, the net assets of the company, together with the right to trade in any of its brands and the beneficial title in any of its contracts, was transferred to Viscount Catering Limited (reg no 2656967) at book value and the company ceased to trade at that date. Henceforward, the company will be considered to be dormant within the meaning of Section 1169 of the Companies Act 2006

The directors have not declared a dividend for the year and do not propose a final dividend (2009 - £Nil)

Principal risks and uncertainties

During the year, the company identifies and reviews potential risk and uncertainty that could have a material impact on performance and has put in place internal processes and controls designed to mitigate these risks. Group risks are dealt with in the annual report of The Manitowoc Company Inc, the ultimate parent organisation. Following the restructuring, noted above, the company is exposed to limited risks.

Going concern

The company has net assets of £5,801,000. Notwithstanding that the company will henceforth become dormant, by reason of the reorganisation of activities noted above, the directors have considered the company's financial position and future prospects and have concluded that it remains appropriate to prepare the accounts on the going concern basis.

Merrychef Limited

Report of the directors for the year ended 31 December 2010 (continued)

Financial Instruments

Following the transfer of trade and net assets on 31 December 2010, the company has no exposure to interest rate or liquidity risk. The company's exposure to credit risk is limited to the amounts due from fellow subsidiaries.

Employees

Details of the number of employees and related costs can be found in note 3 to the financial statements on page 10. Applications for employment from disabled persons are considered on their merits and regard is paid only to the ability of an applicant to carry out satisfactorily the functions required. The same policy is adopted when considering career development and promotion, while in the field of training, a distinction would be made only in order to meet the particular requirements of the disabled person. If an employee becomes disabled whilst in employment, all due consideration would be given to continued employment whether in the same or in an alternative capacity and training would be given where necessary.

Creditor payment policy

The company pays all invoices to the terms set out by the supplier, subject to authorisation by company management. It is the company's policy in respect of all suppliers to agree payment terms in advance of supply of goods.

Merrychef Limited

Report of the directors for the year ended 31 December 2010 (continued)

Directors

The directors of the company during the year and to the date of this report were

A D Gray
K N Blades (resigned 30 09 10)
G P B Veal
R M Arthey (resigned 15 05 11)
J D Hobbs
M D Jones

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and exist at the date of this report

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 year.

In preparing these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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.

Merrychef Limited

Report of the directors for the year ended 31 December 2010 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



A D Gray

Director

Date 08/02/12

Merrychef Limited

Independent auditor's report

TO THE MEMBERS OF MERRYCHEF LIMITED

We have audited the financial statements of Merrychef Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 December 2010 and of its loss 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 matters 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.

Merrychef Limited

Independent auditor's report (*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



Marc Reinecke, (*Senior Statutory Auditor*)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

8 February 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Merrychef Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Turnover	2	25,098	19,672
Cost of sales		(19,339)	(13,054)
Gross profit		5,759	6,618
Exceptional restructuring expenses	18	-	(499)
Administrative expenses		(7,739)	(5,798)
Total administrative expenses		(7,739)	(6,297)
Operating (loss)/profit	5	(1,980)	321
Exceptional costs of fundamental reorganisation	18	(853)	-
(Loss)/profit on ordinary activities before interest		(2,833)	321
Interest payable and similar charges		(295)	(277)
(Loss)/profit on ordinary activities before taxation		(3,128)	44
Taxation on (loss)/profit from ordinary activities	6	98	-
Retained (loss)/profit for the financial year transferred to reserves	16	(3,030)	44

All amounts relate to discontinued activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 9 to 17 form part of these financial statements

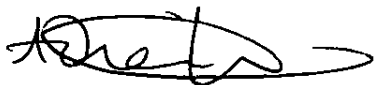
Merrychef Limited

Balance sheet at 31 December 2010

<i>Company number 00487712</i>	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Fixed assets					
Tangible assets	7		-		1,485
Current assets					
Stocks	9	-		2,545	
Debtors	10	5,801		9,828	
Cash at bank and in hand		-		350	
		<u>5,801</u>		<u>12,723</u>	
Creditors amounts falling due within one year	11	-		4,867	
		<u>-</u>		<u>4,867</u>	
Net current assets			5,801		7,856
Total assets less current liabilities			<u>5,801</u>		<u>9,341</u>
Creditors: amounts falling due after more than one year	12		-		510
Provisions for liabilities	13		-		-
			<u>-</u>		<u>-</u>
Net assets			<u>5,801</u>		<u>8,831</u>
Capital and reserves					
Called up share capital	14		45		45
Capital redemption reserve			11		11
Share based payment reserve			-		72
Profit and loss account	15		5,745		8,703
			<u>5,801</u>		<u>8,831</u>
Shareholders' funds	16		<u>5,801</u>		<u>8,831</u>

The financial statements were approved by the Board of Directors and authorised for issue on

08/02/12



A D Gray
Director

The notes on pages 9 to 17 form part of these financial statements

Merrychef Limited

Notes forming part of the financial statements for the year ended 31 December 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Going concern

The company has net assets of £5,801,000. Notwithstanding that the company will henceforth become dormant, by reason of the reorganisation of activities noted above, the directors have considered the company's financial position and future prospects and have concluded that it remains appropriate to prepare the accounts on the going concern basis

Turnover

Turnover represents the value of sales invoiced to customers in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which risk and reward substantially pass to the customer

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows

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

Cash flow statement

Under Financial Reporting Standard 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a parent which prepares a consolidated cash flow statement which is publicly available

Leases

Rentals under operating leases are charged on a straight line basis over the lease term

Pensions

Pension costs charged against profit represent the contributions payable in the year

Investments

Investments are stated at cost less provision for impairment

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. Provision is made for obsolete, slow-moving or defective items where appropriate

Research and development

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

Merrychef Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

Provision for leases

A provision for onerous lease obligations is recognised if expected future costs exceed the expected future economic benefit. The provision is discounted if material.

Share options

Following the acquisition of the company's former parent, Enodis plc, by The Manitowoc Company Inc, in October 2008, and the voiding of any shares at that time in which certain employees of the company had previously held options, there are no share option schemes.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Geographical analysis of turnover	2010 £'000	2009 £'000
United Kingdom	14,372	11,027
Rest of the world	10,726	8,645
	<u>25,098</u>	<u>19,672</u>

3 Employees

	2010 £'000	2009 £'000
Staff costs consist of		
Wages and salaries	3,735	4,200
Social security costs	325	390
Other pension costs	150	173
	<u>4,210</u>	<u>4,763</u>

There were no employees at the year end. The average number of employees, including directors, during the year was

	Number	Number
Production	2	31
Office management	91	93
	<u>93</u>	<u>124</u>

Merrychef Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

4 Directors

	2010 £'000	2009 £'000
Directors' remuneration consist of		
Salary and benefits	232	213
Contributions to money purchase pension schemes	8	8
Contributions to defined benefit pension schemes	35	34
	<hr/>	<hr/>
	275	255
	<hr/>	<hr/>

During the year, there was 1 (2009 - 1) director in the company's defined contribution pension scheme and 1 (2009 -1) director in the company's defined benefit pension scheme

The highest paid director received a salary of £133,986 (2009 £122,383) and pension contributions of £35,289 (2009 £33,696)

5 Operating (loss)/profit

	2010 £'000	2009 £'000
This has been arrived at after charging/(crediting)		
Depreciation of tangible fixed assets - owned assets	368	351
Auditors' remuneration - audit fees	38	28
Foreign exchange loss / (gain)	172	(67)
Operating lease rentals		
- land and buildings	160	160
- others	301	268
Research and development	410	341
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Merrychef Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

6 Taxation on (loss)/profit from ordinary activities

	2010 £'000	2009 £'000
<i>Current tax</i>		
UK corporation tax on (loss)/profits of the year	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	98	-
Tax credit	98	-
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below		
	2010 £'000	2009 £'000
(Loss)/profit on ordinary activities before tax	(3,083)	44
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(875)	12
Effects of		
Expenses not deductible for tax purposes	89	16
Capital allowances for year in excess of depreciation	102	97
Movement in provisions	-	10
Transfer pricing adjustment	157	165
Group relief claimed for nil consideration	-	(301)
Current year trading losses carried forward	527	-
Current tax charge for year	-	-

A deferred tax asset of £147,000 (2009 £Nil) in respect of tax losses available to the company has not been recognised as there is not sufficient evidence that the asset will not be recovered within the foreseeable future

Merrychef Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

7 Tangible assets

	Plant and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost</i>			
At 1 January 2010	1,579	1,217	2,796
Additions	193	48	241
Disposals	(1,772)	(1,265)	(3,037)
	<hr/>	<hr/>	<hr/>
At 31 December 2010	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2010	804	507	1,311
Charge for the year	187	181	368
Disposals	(991)	(688)	(1,679)
	<hr/>	<hr/>	<hr/>
At 31 December 2010	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2010	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2009	775	710	1,485
	<hr/>	<hr/>	<hr/>

8 Investments

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

	Nature of business	Country of incorporation	Portion of ordinary shares held %
Mealstream (UK) Limited	Dormant	UK	100
Pumpcroft Limited	Dormant	UK	100
Twilight Band Limited	Dormant	UK	100

Pumpcroft Limited holds 100% of the ordinary share in Merrychef Projects Limited. Merrychef Projects Limited incorporated in the UK and is a dormant company.

These financial statements present information about Merrychef Limited as an individual undertaking and not as a group. The company has taken advantage of the exemption from the requirement to produce consolidated financial statements in accordance with Section 400 of Companies Act 2006 since the company is a wholly owned subsidiary undertaking of the Manitowoc Company, Inc, which itself prepares publicly available consolidated financial statements.

Merrychef Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

9 Stocks

	2010 £'000	2009 £'000
Raw materials and consumables	-	1,377
Work in progress	-	13
Finished goods and goods for resale	-	1,155
	<hr/>	<hr/>
	-	2,545
	<hr/>	<hr/>

10 Debtors

	2010 £'000	2009 £'000
Trade debtors	-	1,979
Amounts due from parent company	-	5,487
Amounts due from fellow subsidiaries	5,801	1,867
Other debtors	-	21
Deferred tax asset (see note 13)	-	98
Prepayments and accrued income	-	376
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	5,801	9,828
	<hr/>	<hr/>

11 Creditors amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	-	2,159
Amounts owed to fellow subsidiaries	-	405
Amounts owed to parent company	-	1,147
Other taxes and social security costs	-	111
Accruals and deferred income	-	711
Warranty provision	-	334
	<hr/>	<hr/>
	-	4,867
	<hr/>	<hr/>

Warranty provision:

	£'000
Brought forward 1 January	334
Created during the year	142
Utilised	(2)
Transferred	(474)
	<hr/>
Carried forward 31 December	-
	<hr/>

Merrychef Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

12 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Amounts owed to fellow subsidiaries	-	510

13 Deferred tax asset

The amounts of deferred taxation asset provided in the financial statements are as follows

	2010 £'000	2009 £'000
Short term timing differences	-	98
<i>Reconciliation on movement on deferred taxation asset in the year</i>		
At the beginning of the year	98	98
Written off	(98)	-
	<hr/>	<hr/>
At the end of the year	-	98
	<hr/>	<hr/>

14 Share capital

	Authorised, called up, allotted and fully paid			
	2010 Number	2009 Number	2010 £'000	2009 £'000
Ordinary shares of £1 each	44,800	44,800	45	45

15 Profit and loss account

	£'000
At 1 January 2010	8,703
Retained loss for the year	(3,030)
Transfer from Share Based Payment reserve	72
	<hr/>
At 31 December 2010	5,745
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Merrychef Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

16 Shareholders' Funds

	Called up Share Capital £'000	Capital Redemption Reserve £'000	ShareBased Payment Reserve £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2010	45	11	72	8,703	8,831
Transfer	-	-	(72)	72	-
Loss for the year	-	-	-	(3,030)	(3,030)
At 31 December 2010	45	11	-	5,745	5,801

The movement on the share based payment reserve refers to share options which lapsed following the acquisition of the company by The Manitowoc Company Inc in 2008

17 Commitments under operating leases

As a consequence of the business reorganisation, as at 31 December 2010, the company had no annual commitments under non-cancellable operating leases. The commitments as at 31 December 2009 were as set out below

	Land and buildings 2010 £'000	Other 2010 £'000	Land and buildings 2009 £'000	Other 2009 £'000
Operating leases which expire				
Within one year	-	-	-	157
In two to five years	-	-	173	143
	-	-	173	91

18 Exceptional costs

During the year the company incurred exceptional costs relating to the fundamental reorganisation of the business as set out below

	2010 £'000	2009 £'000
Redundancy	271	-
Fixed asset impairment	220	-
Onerous lease obligations	252	-
Dilapidations	110	-
	853	-

Exceptional costs incurred in the year ended 31 December 2009, which did not qualify as FRS 3 non-operating exceptional costs, referred to £499,000 of redundancy costs and associated costs incurred as part of the transfer of production to Viscount Catering Limited, a fellow subsidiary

Merrychef Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

19 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
(Loss)/profit for the financial year	(3,030)	44
Net (decrease)/increase in shareholders' funds	(3,030)	44
Opening shareholders' funds	8,831	8,787
Closing shareholders' funds	5,801	8,831

20 Pension scheme

During the year, the company operated a defined contribution pension scheme. The pension charge represents contributions payable to the funds and amounted to £111 (2009 - £105) in the year. There were no outstanding contributions at 31 December 2010 (2009 - £Nil).

21 Related party transactions

The company has taken advantage of the exemption conferred by FRS8 Related Parties not to disclose related party transactions with companies which are wholly owned by the Manitowoc Company, Inc.

22 Ultimate parent company

The directors regard the Manitowoc Company, Inc., a company incorporated in Wisconsin, USA as the ultimate parent company and controlling entity. Manitowoc Company, Inc. is also the smallest and largest group which prepares consolidated results and of which the company is a member. Copies of the Financial Statements of The Manitowoc Company, Inc. can be obtained from the Secretary at 2400 South 44th Street, P O Box 66, Manitowoc, WI 54221-0066.