

Company Registration No 00487712

**MERRYCHEF LIMITED**

**Report and Financial Statements**

**Year ended 31 December 2009**

TUESDAY



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# **MERRYCHEF LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

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# **MERRYCHEF LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

K N Blades	
D R Hooper	(resigned on 30 January 2009)
G P B Veal	
R M Arthey	
D J Eaton	(resigned on 30 January 2009)
T Doerr	(appointed on 30 January 2009)
J D Hobbs	
M D Jones	(appointed on 30 January 2009)

#### **SECRETARY**

D R Hooper	(resigned on 30 January 2009)
Prima Secretary Limited	(appointed on 20 March 2009)

#### **REGISTERED OFFICE**

St Ann's Wharf  
112 Quayside  
Newcastle Upon Tyne  
NE1 3DX

#### **BANKERS**

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

#### **SOLICITORS**

Charles Russell  
Buryfields House  
Bury Fields  
Guildford  
Surrey  
GU2 4AZ

#### **AUDITORS**

BDO LLP  
Chartered Accountants and Registered Auditors  
55 Baker Street  
London  
W1U 7EU

## **MERRYCHEF LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009. The comparative information represents the 15 month period to 31 December 2008.

#### **PRINCIPAL ACTIVITIES**

The company's principal activity during the year was the manufacture, supply and service of commercial microwave and microwave combination ovens. During 2009 the manufacture of ovens was transferred to Viscount Catering Limited. Assets with a net book value of £74,810 were transferred for consideration of an equal amount satisfied in cash. The company has retained all other functions such as sales, and aftermarket support.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The directors report that revenue increased in the period compared with the previous 12 months on a like for like basis. Whilst the UK market was challenging, with a number of customers choosing to defer expenditure, our overseas markets compensated for this. This enabled the company to invest in the development of a new range of ovens to be introduced during 2010. This new range, entitled eikon, will replace the majority of current products. The directors are committed to continue this growth pattern. The sales growth noted above, combined with a structured investment programme to drive further growth and increase margins should enable the company to return to the earnings pattern of previous years. Exceptional costs relating to the transfer of manufacturing were £499,451 (2008 £nil).

The directors have not declared a dividend for the year (2008 £nil).

#### **GOING CONCERN**

The current economic conditions create uncertainty over the level of demand for the company's products. The company has net assets, net current assets and a positive cash balance as set out in the balance sheet on page 9. After making enquiries, and having considered cash flow forecasts, the directors have a reasonable expectation that despite the current economic uncertainty the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **EVENTS AFTER THE BALANCE SHEET DATE**

These are detailed in note 19 of the financial statements.

#### **RESEARCH AND DEVELOPMENT**

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

## **MERRYCHEF LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FINANCIAL RISK MANAGEMENT**

The company does not use derivatives to manage its financial risks. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Given the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the only financial risk the directors consider significant to the company is credit risk. This risk is mitigated by the company's credit control policies. The company has no external loans and borrowings and has limited exposure to foreign exchange prospectively.

#### **ENVIRONMENT REPORT**

As the company is involved in importing and distributing commercial catering equipment, the Board recognises the impact it can have on the environment and therefore have adopted an environmental policy which has the following main features:

- Meet the statutory requirements which are placed on the company in its various countries of operation,
- Recycle as much of the company's waste products as is possible, recognising that office-based environments produce waste paper,
- Dispose of any hazardous resources employed by the company in an environmentally friendly manner,
- Apply good environmental practice in outsourcing and managed services businesses, both to the level and beyond that required by contractual obligations, and
- Encourage staff to adopt environmentally friendly practices in their employment with the company.

#### **DISABLED EMPLOYEES**

The policy of the company is to offer the same opportunity to disabled people as to others in respect of recruitment and career advancement, provided that their disability does not prevent them from carrying out their required duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and retrained.

#### **EMPLOYEE CONSULTATION**

The company recognises and respects the statutory requirements to consult with employees and aims to:

- Begin consultation as early as possible,
- Allow for longer than the statutory period of consultation wherever practicable, and
- Utilise the knowledge of employee representatives to make better decisions.

#### **POLICY AND PRACTICE ON PAYMENT OF SUPPLIERS**

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**

## **DIRECTORS' REPORT (CONTINUED)**

### **DIRECTORS**

The directors who served the company during the period and to the date of signing these financial statements are as shown on page 1

### **STATEMENT OF 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 period. 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 period. 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
- 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.

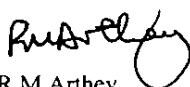
### **DISCLOSURE OF RELEVANT INFORMATION TO AUDITORS**

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.

### **AUDITORS**

At a meeting held on 18<sup>th</sup> November 2009, an ordinary resolution was passed to appoint BDO LLP as auditors of the company in accordance with section 485 (4) of the Companies Act 2006. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

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



R M Arthey

Director

12<sup>th</sup> November 2010

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERRYCHEF LIMITED**

We have audited the financial statements of Merrychef Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds 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 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**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERRYCHEF LIMITED (CONTINUED)**

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

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

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



Marc Reinecke (Senior Statutory Auditor)

**For and on behalf of BDO LLP, statutory auditor**

London United Kingdom

12<sup>th</sup> November 2010

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



# MERRYCHEF LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2009

	Note	Year ended 31 December 2009 £	15 month period ended 31 December 2008 £
<b>TURNOVER</b>	2	19,672,151	22,274,017
Cost of sales		(13,053,835)	(13,233,226)
<b>GROSS PROFIT</b>		<b>6,618,316</b>	<b>9,040,791</b>
Exceptional restructuring costs	3	(499,451)	-
Other administrative expenses		(5,797,805)	-
Total administrative expenses		(6,297,256)	(9,139,610)
<b>OPERATING PROFIT/(LOSS)</b>	3	<b>321,060</b>	<b>(98,819)</b>
Interest (payable)/receivable and similar (charges)/income		(276,616)	62,594
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>44,444</b>	<b>(36,225)</b>
Tax credit on profit/(loss) on ordinary activities	5	-	89,493
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR / PERIOD TRANSFERRED TO RESERVES</b>	15	<b>44,444</b>	<b>53,268</b>

All amounts derive from continuing operations. There is no difference between historical cost profit and the profit stated above. There are no gains or losses other than those stated above.

The notes on pages 11 to 21 form part of these financial statements.

# MERRYCHEF LIMITED

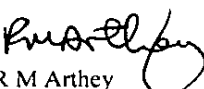
## BALANCE SHEET 31 December 2009

	Note	As at 31 December 2009 £	As at 31 December 2008 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,485,130	1,691,018
<b>CURRENT ASSETS</b>			
Stocks	8	2,545,473	2,331,550
Debtors	9	9,828,300	8,839,055
Cash at bank and in hand		349,879	1,042,955
		<u>12,723,652</u>	<u>12,213,560</u>
<b>CREDITORS amounts falling due within one year</b>	10	<u>(4,533,553)</u>	<u>(4,138,028)</u>
<b>NET CURRENT ASSETS</b>		<u>8,190,099</u>	<u>8,075,532</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,675,229</u>	<u>9,766,550</u>
<b>CREDITORS amounts falling due after more than one year</b>	11	<u>(509,638)</u>	<u>(509,638)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	<u>(334,609)</u>	<u>(470,374)</u>
<b>NET ASSETS</b>		<u>8,830,982</u>	<u>8,786,538</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	44,800	44,800
Capital redemption reserve		11,200	11,200
Capital contribution reserve		71,498	71,498
Profit and loss account	15	<u>8,703,484</u>	<u>8,659,040</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>8,830,982</u>	<u>8,786,538</u>

The notes on pages 11 to 21 form part of these financial statements

The financial statements of Merrychef Limited, registered number 00487712 were approved by the Board of Directors and authorised for issue on 12<sup>th</sup> November 2010

Signed on behalf of the Board of Directors



R M Arthey

Director

## MERRYCHEF LIMITED

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year ended 31 December 2009

	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
Profit for the financial year	44,444	53,268
Net increase in shareholders' funds	44,444	53,268
Opening shareholders' funds	8,786,538	8,708,463
Share options recognised directly in equity	-	24,807
Closing shareholders' funds	8,830,982	8,786,538

The notes on pages 11 to 21 form part of these financial statements

# **MERRYCHEF LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2009**

### **1 ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards. The principal accounting policies adopted by the company are given below. They have been applied consistently throughout the current and preceding period.

#### **Going concern**

The current economic conditions create uncertainty over the level of demand for the company's products. The company has net assets, net current assets and a positive cash balance as set out in the balance sheet on page 9. After making enquiries, and considering the company's cash flow forecasts, the directors have a reasonable expectation that despite the current economic uncertainty the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Report and financial statements.

#### **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.

#### **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%

#### **Leases**

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

#### **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. 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. 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.

#### **Share options**

The company's directors and employees were granted share options in Enodis plc prior to its acquisition by the Manitowoc Company, Inc. Share options in respect of equity of the parent granted to the company's employees are initially recognised at fair value. A corresponding capital contribution is recognised.

The company adopted FRS 20 'Share-based Payment' in 2007 and the comparatives for 2006 were restated for the change in accounting policy. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006.

## **MERRYCHEF LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 December 2009**

#### **1 ACCOUNTING POLICIES (CONTINUED)**

Incentives in the form of share-based payments are provided to employees under the Group's share option plan

Incentives in the form of share based payments were historically provided to employees under the Enodis plc share option plan

Options and Performance Shares granted after 7 November 2002 were measured at fair value on the date of grant. Fair value of share options granted were calculated using the Black-Scholes pricing model, as well as incorporating a discount for the scheme's market based performance conditions. The fair value of the company's share-based payments were charged to the income statement on a straight line basis over the related vesting period.

Following the acquisition of Enodis plc by the Manitowoc Company, Inc during the period ended 31 December 2008 all outstanding share options vested or lapsed.

##### **Taxation**

Current tax including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws enacted or substantially enacted.

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. The tax is measured at the tax rates expected to apply when the timing difference reverses, based on tax laws enacted or substantially enacted at the balance sheet date. Timing differences are differences between the group's taxable 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 deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, 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.

##### **Investments**

Investments are held at cost less provision for permanent diminution in value.

##### **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 recognised in the profit and loss account.

##### **Pension costs**

The company provides pensions through two defined contribution schemes and one defined benefit scheme. Contributions are made to the group personal pension plan (a defined contribution scheme) 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.

Only one director of the company is a member of the group defined benefit scheme. The defined benefit scheme in the UK is the Berisford (1948) Pension Scheme (the Berisford Scheme). A full actuarial valuation was carried out by a qualified independent actuary at 31 March 2007 using the projected unit method and was updated as at 31 December 2009. Following the full actuarial valuation it was agreed that the employer would pay contributions at the rate of 30% of pensionable salaries. The particulars of the actuarial valuation are contained within the accounts of Enodis Group Limited, the ultimate parent company.

# MERRYCHEF LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2009

### 1 ACCOUNTING POLICIES (CONTINUED)

The Company pays contributions to defined benefit pension schemes where more than one employer participates and is therefore unable to identify its share of the underlying assets and liabilities of those schemes. Taking advantage of the provision in FRS 17 (Retirement Benefits), which allows the company to account for it as a defined contribution scheme, the pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. The net deficit in the scheme as a whole amounted to £4.5m at the balance sheet date (2008 - surplus £1.6m). The company may be required to make proportionate contributions to, or receive the proportionate benefit of, any deficits or surpluses that may arise in these schemes over time. The company's contributions in the year are shown in note 4.

### 2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, and is attributable to the continuing activities.

Geographical analysis of turnover

	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
United Kingdom	11,026,907	12,898,580
Rest of the world	8,645,244	9,375,437
	<u>19,672,151</u>	<u>22,274,017</u>

### 3 OPERATING PROFIT/(LOSS)

	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
<b>Operating profit/(loss) is stated after (crediting)/charging.</b>		
Depreciation of tangible fixed assets – owned assets	350,875	297,035
Auditors' remuneration - audit fees	28,000	50,053
Foreign exchange (gain)/loss	(67,395)	50,915
Operating lease rentals – land & buildings	160,000	200,000
– others	268,254	350,245
Research and development	<u>341,313</u>	<u>188,969</u>

Exceptional costs of £499,451 (2008: nil) related to redundancy costs and other associated costs with the transfer of production to Viscount Limited.

Non audit remuneration is paid centrally at a group level, the directors' consider that the cost attributable would be £7,000 (2008: £5,000) for Merrychef Limited.

# MERRYCHEF LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2009

### 4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
Staff costs during the period (including directors)		
Wages and salaries	4,199,878	4,997,213
Social security costs	389,905	515,083
Charge in respect of share-based payments	-	24,807
Other pension costs	173,320	201,868
	<u>4 763,103</u>	<u>5,738,971</u>
	Year ended 31 December 2009 No.	15 months ended 31 December 2008 No.
The average number of employees (including directors) during the period was as follows		
Production	31	32
Office management	93	100
	<u>124</u>	<u>132</u>
	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
<b>Directors</b>		
Salary and benefits	212,700	588,011
Contributions to money purchase pension schemes	8,280	26,898
Contributions to defined benefit pension schemes	33,696	39,375
	<u></u>	<u></u>
	Year ended 31 December 2009 No	15 months ended 31 December 2008 No
Number of directors who are members of a money purchase pension scheme	1	1
Number of directors who are members of a defined benefit pension scheme	1	1
	<u></u>	<u></u>
	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
<b>Highest paid director's remuneration</b>		
Salary and benefits	122,383	198,371
Contributions to defined benefit pension schemes	33,696	39,375
	<u></u>	<u></u>

# MERRYCHEF LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2009

### 5 TAX CREDIT ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
Current tax		
UK Corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	(89,493)
Tax credit	-	(89,493)
Factors affecting the current tax charge		
	Year ended 31 December 2009 £	15 months ended 31 December 2008 £
Profit/(loss) on ordinary activities before tax	44,444	(36,225)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.8%)	12,444	(10,433)
Effects of:		
Expenses not deductible for tax purposes	16,035	(20,822)
Capital allowances in excess of depreciation	97,230	85,546
Movement in provisions	10,335	95,731
Transfer pricing adjustment	165,478	178,470
Utilisation of unrecognised brought forward losses	-	(3,681)
Group relief claimed for nil consideration	(301,523)	(324,811)
Current tax charge	-	-



# MERRYCHEF LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2009

### 6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
<b>Cost 1 January 2009</b>			
At 30 September 2008	1,582,263	1,366,514	2,948,777
Additions	95,752	49,235	144,987
Disposals	(99,031)	(198,332)	(297,363)
At 31 December 2009	1,578,984	1,217,417	2,796,401
<b>Accumulated Depreciation</b>			
At 30 September 2008	737,225	520,534	1,257,759
Charge for the period	165,875	185,000	350,875
Disposals	(99,031)	(198,332)	(297,363)
At 31 December 2009	804,069	507,202	1,311,271
<b>Net book value</b>			
At 31 December 2009	774,915	710,215	1,485,130
At 29 September 2008	845,038	845,980	1,691,018

### 7 INVESTMENTS HELD AS FIXED ASSETS

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 shares in Merrychef Projects Limited. Merrychef Projects Limited is 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 TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2009

### 8 STOCKS

	31 December 2009 £	31 December 2008 £
Raw materials and consumables	1,377,697	1,685,058
Work in progress	12,643	1,858
Finished goods and goods held for resale	1,155,133	644,634
	<u>2,545,473</u>	<u>2,331,550</u>

In the opinion of the directors, there was no significant difference between the replacement cost of stocks and the carrying value shown above

### 9 DEBTORS

#### Amounts due within one year

	31 December 2009 £	31 December 2008 £
Trade debtors	1,979,492	1,924,468
Amounts due from parent company	5,486,631	5,085,750
Amounts due from other group companies	1,867,223	1,316,591
Other debtors	20,757	11,573
Deferred tax asset (see note 13)	97,800	97,800
Prepayments and accrued income	376,397	402,873
	<u>9,828,300</u>	<u>8 839,055</u>

The amounts due from the parent company bear interest at varying rates linked to LIBOR The amounts due from other group companies bear interest at varying rates linked to LIBOR

### 10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2009 £	31 December 2008 £
Trade creditors	2,158,627	1,747,699
Amounts owed to other group companies	404,979	157,178
Amounts owed to parent company	1,147,010	1,147,010
Other taxes and social security costs	111,892	56,385
Accruals and deferred income	711,045	1,029,756
	<u>4,533,553</u>	<u>4,138,028</u>

The amounts payable to the parent company bear interest at varying rates linked to LIBOR The amounts due from other group companies bear interest at varying rates linked to LIBOR

# MERRYCHEF LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2009

### 11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2009 £	31 December 2008 £
Amounts owed to other group companies	509,638	509,638

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. The loans are not interest bearing.

### 12. PROVISIONS FOR LIABILITIES AND CHARGES

	Warranty Provision £
At 1 January 2009	470,374
Released in the period	(280,483)
Created in the period	176,625
Utilised in the period	(31,907)
At 31 December 2009	334,609

The warranty provision relates to expected warranty claims on products up to a period of 36 months.

### 13 DEFERRED TAX ASSET

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

	31 December 2009 £	31 December 2008 £
Short term timing differences	97,800	97,800
Reconciliation on movement on deferred taxation asset in the period		
At the beginning of the period	97,800	8,307
Credit for the period	-	89,493
At the end of the period	97,800	97,800

There is also an unrecognised deferred tax asset of £359,655 relating to capital allowances in excess of depreciation carried forward at 31 December 2009 (31 December 2008: £248,544). The directors do not consider that there is sufficient certainty of the amounts being utilised in the foreseeable future.

# MERRYCHEF LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2009

### 14. CALLED UP SHARE CAPITAL

	31 December 2009 £	31 December 2008 £
Authorised, called up, allotted and fully paid 44,800 ordinary shares of £1 each	44,800	44,800

### 15. PROFIT AND LOSS ACCOUNT

	2009 £
At 30 September 2007	8,659,040
Retained profit for the period	44,444
At 31 December 2008	8,703,484

### 16. MOVEMENT ON RESERVES

	Called up share capital £	Capital redemption reserve £	Capital contribution reserve £	Profit and loss account £	Total £
At 31 December 2008	44,800	11,200	71,498	8,659,040	8,786,538
Share based payments	-	-	-	-	-
Profit for the period	-	-	-	44,444	44,444
At 31 December 2009	44,800	11,200	71,498	8,703,484	8,830,982

### 17. OPERATING LEASE COMMITMENTS

At 31 December 2009, the company was committed to making the following annual payments in respect of operating leases

	31 December 2009		31 December 2008	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire:				
Within one year	-	156,506	-	21,744
Within two to five years	173,000	142,932	173,000	69,486
	173,000	91,230	173,000	91,230

## **MERRYCHEF LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 December 2009**

#### **18 RELATED PARTY TRANSACTIONS**

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

#### **19 POST BALANCE SHEET EVENTS**

In June 2010 Manitowoc announced a strategic review of operations in Europe. In October 2010 it announced a proposal to consolidate the UK operation into one legal entity, with the operations at Ash Vale relocating to Guildford and Sheffield in 2011. The Merrychef legal entity would become dormant and the trade and assets transferred under this proposal. Consultations with employees have commenced at Merrychef. An estimate of the financial effect cannot be made at this point in time.

#### **20 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.

#### **21 SHARE BASED PAYMENTS**

In the prior period, the Company participated in share option schemes established by Enodis Limited (formerly Enodis plc), whereby Enodis Limited granted share options to employees of the Company.

The share option schemes in which the Company participated for certain employees are as follows:

Executive Share Scheme (2001), and

Performance Share Plan ("PSP")

Under the executive option scheme rules, options were exercisable at a price being the higher of the closing quoted market price of Enodis Limited's shares on the dealing day prior to the date of grant and on the date of grant itself. The PSP delivered an award of shares, at no cost, provided that prescribed performance conditions over the vesting period had been met.

The above plans had a three year vesting period and were subject to prescribed Total Shareholder Return ("TSR") thresholds being met. Additionally, no options or performance shares could vest unless the Remuneration Committee was satisfied that there had been a sustained improvement in the underlying financial performance of Enodis Limited and its subsidiaries ("the Group").

If options and performance shares remained unexercised after a period of ten years from the date of grant, the awards expired. In most cases, the awards were forfeited if the employee left the Group before they vested.

On 28 October 2008, the Manitowoc Company, Inc ("Manitowoc") completed its acquisition of Enodis Limited ("the Transaction") at a price of £3.28 per share. As a result, all outstanding options vested in accordance with the option schemes' rules and the shares were acquired by Manitowoc and to the extent not already recognised, the Company charged the remaining share option charge to the income statement in the period in accordance with the requirements of FRS20 "Share-based payments". In respect of the PSPs, shares vested on a time apportioned basis in accordance with the performance conditions, all other shares lapsed. As part of the Transaction, Manitowoc paid PSP shareholders an amount equivalent to the lapsed shares at a price per share of £3.28. As a result, the Company has recognised the full charge in respect of the PSPs as if all the shares had vested.

The Company has recognised a total charge in the period of £nil (2008: £24,807).

# MERRYCHEF LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2009

### 21 SHARE BASED PAYMENTS (CONTINUED)

Details of share-based payments in issue over the last two years are as follows

	Executive (2001)	Share Scheme	Performance Share Plan
	Number of share options	Weighted average exercise price £	Number of Performance Shares
Outstanding at 29 September 2007	79,000	1.47	-
Granted in the period	-	-	19,500
Exercised in the period	(79,000)	1.47	(5,236)
Expired in the period	-	-	(14,264)
Outstanding at 31 December 2008	-	-	-
Granted in the period	-	-	-
Exercised in the period	-	-	-
Expired in the period	-	-	-
Outstanding at 31 December 2009	-	-	-
Weighted average remaining contractual life (years)			
as at 31 December 2009	-	-	-
Exercisable as at			
31 December 2008	-	-	-
31 December 2009	-	-	-

The weighted average share price at the date of exercise during the 15 months to 31 December 2008 was £1.47

No options were granted during the current or prior financial periods

No performance shares were issued during the current financial year. In the prior financial period, 19,500 performance shares with a fair value per share of £0.67 were granted on 7 January 2008.

The fair value of the performance shares granted during the prior period was determined using a stochastic valuation model which takes account of the schemes' market based performance conditions. The main assumptions used to value the performance shares were as follows:

	2008
Weighted average share price £	1.53
Weighted average expected volatility	22.6%
Expected life (years)	3
Risk free interest rate	4.3%
Expected dividend yield	0%

## **MERRYCHEF LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 December 2009**

#### **21 SHARE BASED PAYMENTS (CONTINUED)**

Expected volatility has been determined by reference to the historical volatility of Enodis Limited's share price over the preceding three year period, which was considered a suitable estimate for the future volatility over the three year vesting period of the Performance Shares. Management assessed at the end of each reporting period its estimates in relation to forfeitures. Over recent years the Group's forfeiture rate has been low.