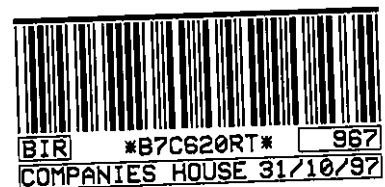


# ARTHUR ANDERSEN

## Whitlenge Acquisition Limited

Accounts 31 December 1996  
together with directors' and auditors' reports

Registered number: 2669979



## Directors' report

For the year ended 31 December 1996

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1996.

### Principal activities

The principal activity of the company continues to be that of an investment holding company.

### Results and dividends

Results and dividends (paid and proposed) are as follows:

	£'000
Retained profit, beginning of year	3,455
Profit for the financial year	1,511
6% preference dividend - paid	(15)
- proposed	(105)
Retained profit, end of year	<u>4,846</u>

### Directors and their interests

The directors who served during the year are as shown below:

R C Osborne (Chairman) (US Citizen)  
M J de St Paer  
G F Cook  
J Rushton (resigned 31 January 1996)  
D Holmes (US Citizen)

R C Osborne, M J de St Paer, G F Cook and D Holmes are directors of the company's immediate parent company, Scotsman Drink Limited.

The directors who held office at 31 December 1996 had no interests (including options) required to be disclosed under Schedule 7 of the Companies Act 1985.

## Directors' report (continued)

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 enable them to ensure that the accounts 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

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Chancel Way  
Halesowen Industrial Park  
Halesowen  
West Midlands  
B62 8SE

By order of the Board,



G F Cook

Director

24 October 1997

## Auditors' report

---

Birmingham

### To the Shareholders of Whitlenge Acquisition Limited:

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

#### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Arthur Andersen*

Arthur Andersen  
Chartered Accountants and Registered Auditors

1 Victoria Square  
Birmingham  
B1 1BD

24 October 1997

## Profit and loss account

For the year ended 31 December 1996

	Notes	1996 £'000	1995 £'000
Operating expenses (net)	2	(8)	(6)
<b>Operating loss</b>		<b>(8)</b>	<b>(6)</b>
Investment income	3	1,472	1,385
Interest payable and similar charges	4	-	(78)
<b>Profit on ordinary activities before taxation</b>	5	<b>1,464</b>	<b>1,301</b>
Tax on profit on ordinary activities	7	47	28
<b>Profit for the financial year</b>		<b>1,511</b>	<b>1,329</b>
<b>Dividends paid and proposed on non-equity shares</b>	8	<b>(120)</b>	<b>(120)</b>
<b>Retained profit for the year</b>		<b>1,391</b>	<b>1,209</b>
<b>Retained profit, beginning of year</b>		<b>3,455</b>	<b>2,246</b>
<b>Retained profit, end of year</b>		<b>4,846</b>	<b>3,455</b>

There are no recognised gains or losses in either year other than the profit for each year.

The accompanying notes are an integral part of this profit and loss account.

# Balance sheet

31 December 1996

	Notes	1996 £'000	1995 £'000
<b>Fixed assets</b>			
Investments	9	<u>8,728</u>	<u>8,728</u>
<b>Current assets</b>			
Debtors	10	268	43
Cash at bank and in hand		<u>1</u>	<u>1</u>
		269	44
<b>Creditors: Amounts falling due within one year</b>	11	<u>(106)</u>	<u>(192)</u>
<b>Net current assets (liabilities)</b>		<u>163</u>	<u>(148)</u>
Total assets less current liabilities		8,891	8,580
<b>Creditors: Amounts falling due after more than one year</b>	12	<u>(1,045)</u>	<u>(2,125)</u>
<b>Net assets</b>		<u>7,846</u>	<u>6,455</u>
<b>Capital and reserves</b>			
Called-up share capital	13	3,000	3,000
Profit and loss account		<u>4,846</u>	<u>3,455</u>
<b>Shareholders' funds</b>		<u>7,846</u>	<u>6,455</u>
<b>Analysis of shareholders' funds</b>			
Equity interests		5,846	4,455
Non-equity interests		<u>2,000</u>	<u>2,000</u>
<b>Total capital and reserves</b>	14	<u>7,846</u>	<u>6,455</u>

Signed on behalf of the Board:



M J de St Paer

Director

24 October 1997

The accompanying notes are an integral part of this balance sheet.

## Notes to accounts (continued)

### 1 Statement of accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

#### *a) Basis of accounting*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirements of FRS 1 to include a cash flow statement as part of its accounts because consolidated accounts in which Whitlence Acquisition Limited is included are publicly available.

Group accounts have not been prepared since the company is a wholly owned subsidiary of another UK company which prepares consolidated accounts that include the accounts of the company.

#### *b) Investments*

Fixed asset investments are shown at cost. Income is included in the profit and loss account in the year in which it is receivable.

#### *c) Taxation*

Corporation tax payable is provided on taxable profits at the current rate, full payment is made for group relief.

Advance corporation tax payable on dividends paid or provided for in the year is written off, except when recoverability against corporation tax payable is considered to be reasonably assured. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated using the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

### 2 Operating expenses (net)

	1996 £'000	1995 £'000
Administrative expenses	<u>8</u>	<u>6</u>

## Notes to accounts (continued)

### 3 Investment income

	1996 £'000	1995 £'000
Dividends and interest receivable from subsidiary undertaking	1,472	1,384
Other investment income	-	1
	<u>1,472</u>	<u>1,385</u>

### 4 Interest payable and similar charges

	1996 £'000	1995 £'000
Interest payable to parent undertaking	<u>-</u>	<u>78</u>

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1996 £'000	1995 £'000
Auditors' remuneration		
- audit fees	1	1
- other	1	-
Staff costs (see note 6)	<u>5</u>	<u>5</u>

### 6 Staff costs

The company had 5 (1995 - 5) employees (including executive directors) at the year end.

Directors' remuneration was as follows:

	1996 £'000	1995 £'000
Fees as directors	<u>5</u>	<u>5</u>

Aggregate emoluments, excluding pensions and pension contributions include the following:

	1996 £'000	1995 £'000
Highest paid director	<u>5</u>	<u>5</u>

The chairman received no emoluments during either year.



## Notes to accounts (continued)

### 6 Staff costs (continued)

Directors who wholly or mainly carried out their duties within the United Kingdom received emoluments (excluding pensions and pension contributions) in the following ranges:

	1996 Number	1995 Number
Up to £5,000	<u>3</u>	<u>3</u>

### 7 Tax on profit on ordinary activities

The tax credit comprises:

	1996 £'000	1995 £'000
Corporation tax at 33%	28	-
- payment for group relief	<u>28</u>	<u>-</u>
Adjustments in respect of prior years	19	28
	<u>47</u>	<u>28</u>

No tax is payable on the income derived from the company's subsidiary undertaking.

### 8 Dividends paid and proposed on non-equity shares

	1996 £'000	1995 £'000
Preference dividend	15	15
- paid	105	105
- proposed	<u>120</u>	<u>120</u>

## Notes to accounts (continued)

### 9 Fixed asset investments

Fixed asset investments comprise a wholly-owned subsidiary undertaking at cost and other trade investments as follows:

	Description and proportion of shares held	Country of registration and operation	1996 £'000	1995 £'000
Whitlence Drink Equipment Limited	100% 1p ordinary 100% £1 deferred	England and Wales	8,727	8,727
Other trade investments	-	-	1	1
			<u>8,728</u>	<u>8,728</u>

The principal activities of Whitlence Drink Equipment Limited are the factoring and manufacturing of drink dispense equipment.

### 10 Debtors

	1996 £'000	1995 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	210	-
Other debtors	43	43
Corporation tax	15	-
	<u>268</u>	<u>43</u>

### 11 Creditors: Amounts falling due within one year

	1996 £'000	1995 £'000
Amounts owed to group undertakings	-	83
Corporation tax	-	3
Other creditors	1	1
Proposed dividends	105	105
	<u>106</u>	<u>192</u>

## Notes to accounts (continued)

### 12 Creditors: Amounts falling due after more than one year

	1996 £'000	1995 £'000
Amounts owed to group undertakings	<u>1,045</u>	<u>2,125</u>

### 13 Called-up share capital

	1996 £'000	1995 £'000
<i>Authorised, allotted, called-up and fully-paid</i>		
150,000 A ordinary shares of £1 each	150	150
775,000 B ordinary shares of £1 each	775	775
75,000 C ordinary shares of £1 each	75	75
20,000 redeemable preference shares of £100 each	<u>2,000</u>	<u>2,000</u>
	<u>3,000</u>	<u>3,000</u>

The A, B and C ordinary shares rank parri passu in all respects.

#### *Redeemable preference shares*

The redeemable preference shares carry a fixed cumulative preferential dividend of 6% per annum on the nominal value, payable on 15 February in each year.

The preference shares must be redeemed, at par, on 15 February 2002, or prior to a sale of the company or a listing on the London Stock Exchange.

The company may, at any time after 1 April 1993, redeem all or any part of the shares at par provided 30 days notice is given to the holders of the shares.

The shares have no voting rights, except at a meeting to vary their class rights, and receive preferential return of capital on a winding up of the company.

### 14 Reconciliation of movements in shareholders' funds

	1996 £'000	1995 £'000
Profit for the financial year	1,511	1,329
Dividends paid and proposed on non-equity shares	<u>(120)</u>	<u>(120)</u>
Net addition to shareholders' funds	1,391	1,209
Opening shareholders' funds	<u>6,455</u>	<u>5,246</u>
Closing shareholders' funds	<u>7,846</u>	<u>6,455</u>

## Notes to accounts (continued)

### 15 Ultimate parent company

The largest group of which Whitlence Acquisition Limited is a member and for which group accounts are drawn up is that headed by Scotsman Industries Inc., incorporated in the United States of America, whose principal place of business is at 775 Corporate Woods Parkway, Vernon Hills, Illinois 60061. The consolidated accounts of the group are available to the public and may be obtained from that address. The smallest such group is that headed by Scotsman Drink Limited, a company incorporated in England and Wales. The consolidated accounts of this group are available to the public and may be obtained from Chancel Way, Halesowen Industrial Park, Halesowen, West Midlands, B62 8SE.

### 16 Related party transactions

Related party transactions with group members are not disclosed as 100% of the voting rights are controlled within the group and consolidated accounts are publicly available.

### 17 Controlling party

The ultimate controlling party of the company is Scotsman Industries Inc..