

Enodis International Limited

Report and Financial Statements

Year ended

31 December 2017

Company Number 2992272

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Enodis International Limited

**Report and financial statements
for the year ended 31 December 2017**

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Directors

A D Gray
J A J Rourke

Secretary and registered office

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

Company number

2992272

Enodis International Limited

Strategic report for the year ended 31 December 2017

The directors present their strategic report together with the financial statements for the year ended 31 December 2017. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Business review and principal activities

The Company serves as an investment holding company. No change to this activity is envisaged.

The statement of comprehensive income is set out on page 4 and shows a profit before tax of £0.9m (2016 – profit of £1.2m).

In early 2015 The Manitowoc Company Inc announced its intention to split itself into two separate publicly quoted entities, namely The Manitowoc Company Inc (the Cranes business) and Welbilt Inc (formerly known as Manitowoc Foodservice Inc) (the Foodservice business). This was effected on 4th March 2016.

The separation process involved a number of organizational changes to allow the business to separate cleanly.

Some of these changes affected the prior year results of the Company as follows:

- Offset £75.6m between the amounts due from and due to a fellow group undertaking
- Capitalised £40m of amounts due to fellow group undertakings by issuing 40,000,000 £1 shares at par.

The Company has undertaken a review of the carrying amounts of loans due from its fellow group companies at year end and has recognised impairment provisions against such balances to reflect instances where there is a net equity deficit in the balance sheets of those counterparties and the directors' do not consider the loans to be recoverable. This has resulted in no requirement for an impairment in 2017 (2016: no impairment).

Principal risks and uncertainties

Throughout the year, the Company identifies and reviews potential risk and uncertainties that could have a material impact on performance and has put in place internal processes and controls designed to mitigate these risks. Detailed planning processes and contingency plans are in place for adverse change to macro-economic conditions. Appropriate review and development processes are followed for all employees including for succession. The principal risks the Company is exposed to are as follows

Liquidity and interest rate risk

The Company is a participant in the group treasury function which has the objective of maintaining a balance between continuity of funding and appropriately investing in the money markets. All cash management is performed centrally and the Company's cash position is monitored weekly. The Company's policy is also to maintain access to a mixture of long term and short term debt finance from group companies and to regularly review interest rates.

Approval

This strategic report was approved on behalf of the Board on 27 September 2018



A D Gray

Director

Enodis International Limited

Report of the directors for the year ended 31 December 2017

The directors present their report together with the financial statements for the year ended 31 December 2017.

Directors

The directors who held office during the year and to date were as follows:

M DeLon Jones – resigned 1 February 2017
A D Gray
J A J Rourke – appointed 30 November 2017
G P B Veal – resigned 30 November 2017

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 strategic report, the directors' report and the financial statements in accordance with applicable law 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 period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 presume 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

On behalf of the Board



A D Gray

Director

Date: 27 September 2018

Enodis International Limited

Statement of Comprehensive Income for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Total administrative expenses	3	-	-
Operating loss		-	-
Interest payable and similar charges	4	(1,560)	(1,824)
Interest receivable and similar income	4	2,485	3,002
Profit on ordinary activities before taxation		925	1,178
Taxation on profit on ordinary activities	5	-	-
Profit for the financial year		925	1,178
Comprehensive income for the year		925	1,178

The notes on pages 7 to 10 form part of these financial statements

Enodis International Limited

Balance sheet at 31 December 2017

<i>Company number: 2992272</i>	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Current assets					
Debtors	6	78,048		75,564	
		<u>78,048</u>		<u>75,564</u>	
Creditors: amounts falling due within one year	7	(50,596)		(49,037)	
Net current assets			27,452		26,527
Total assets less current liabilities			27,452		26,527
Net assets			27,452		26,527
Capital and reserves					
Called up share capital	8		40,000		40,000
Equity reserve			35,000		35,000
Profit and loss account			(47,548)		(48,473)
			<u>27,452</u>		<u>26,527</u>

For the year ended 31 December 2016 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2018



A Gray

Director

The notes on pages 7 to 10 form part of these financial statements.

Enodis International Limited

Statement of changes in equity For the year ended 31 December 2017

	Share capital £'000	Equity reserve £'000	Profit & loss account £'000	Total Equity £'000
1 January 2017	40,000	35,000	(48,473)	26,527
Comprehensive income for the year				
Profit for the year	-	-	925	925
Total comprehensive income for the year	-	-	925	925
Contributions by and distributions to owners				
Capital contribution	-	-	-	-
Total comprehensive income for the year	-	-	-	-
31 December 2017	40,000	35,000	(47,548)	27,452
1 January 2016	-	35,000	(49,651)	(14,651)
Comprehensive income for the year				
Profit for the year	-	-	1,178	1,178
Total comprehensive income for the year	-	-	1,178	1,178
Contributions by and distributions to owners				
Capital contribution	40,000	-	-	40,000
Total comprehensive income for the year	40,000	-	-	40,000
31 December 2016	40,000	35,000	(48,473)	26,527

The notes on pages 7 to 10 form part of these financial statements

Enodis International Limited

Notes forming part of the financial statements for the year ended 31 December 2017

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies

The following principal accounting policies have been applied

Consolidated Financial Statements

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the publicly available consolidated financial statements of Welbilt Inc. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash Flow

The Company has taken advantage of the exemption in FRS102 under paragraph 1.12 which allows exemption from the requirements of Section 7 Statement of cash flows and Section 3 Financial Statement Presentation paragraph 3.17(d) in relation to cash flows. The Company is included in the consolidated financial statements of Welbilt Inc. Refer to Note 11 for more information on where to obtain a copy of the consolidated financial statements.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Reserves

The Company's reserves include

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments

Enodis International Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements

Investments are held at cost less permanent diminution in value.

The Company has undertaken a review of the carrying amounts of loans due from its fellow group companies at year end and has recognised impairment provisions against such balances to reflect instances where there is a net equity deficit in the balance sheets of those counterparties and the directors' do not consider the loans to be recoverable.

3 Operating profit

The Company has undertaken a review of the carrying amounts of loans due from its fellow group companies at year end and has recognised impairment provisions against such balances to reflect instances where there is a net equity deficit in the balance sheets of those counterparties and the directors' do not consider the loans to be recoverable.

No Directors received any remuneration from the Company (2016: £nil) The Company has no employees other than the Directors (2016: none)

Enodis International Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 *(continued)*

4 Interest and similar charges/income

	2017 £'000	2016 £'000
Analysis of interest:		
Interest payable on amounts owed to group undertakings	(1,560)	(1,824)
Interest receivable on amounts owed by group undertakings	2,485	3,002
	<u>925</u>	<u>1,178</u>

5 Taxation on profit on ordinary activities

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	925	1,178
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	178	236
Effects of:		
Utilisation of tax losses brought forward	(178)	(236)
Total tax charge for period	<u>-</u>	<u>-</u>

6 Debtors

	2017 £'000	2016 £'000
Amounts owed by group undertakings	78,048	75,564
	<u>78,048</u>	<u>75,564</u>

For both the current and prior years the amounts owed by group undertakings bear interest at Bank of England base rate plus 300 basis points and are payable on demand

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Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

7 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings	50,596	49,037
	<u>50,596</u>	<u>49,037</u>

For both the current and prior years the amounts owed to group undertakings bear interest at Bank of England base rate plus 300 basis points and are payable on demand.

8 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
40,000,000 (2016: 40,000,000) ordinary shares of £1 each	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>

9 Related party disclosures

The Company is a wholly owned subsidiary of Welbilt Inc. and has taken advantage of the exemption conferred under FRS 102 not to disclose transactions with Welbilt Inc. or other wholly owned subsidiaries within the group.

10 Subsequent events

There are no events subsequent to the reporting date.

11 Ultimate parent company

The Company's immediate parent is Enodis Industrial Holdings Limited, a company incorporated in England and Wales. The Directors regard Welbilt Inc., a company incorporated in the US, as the ultimate parent company and controlling entity. At the reporting date the Company is part of the Enodis Group Limited consolidated group, which would be the smallest group in which the company forms a part. Welbilt Inc. is the largest group which prepares consolidated results and of which the Company forms a part. Copies of the financial statements of Welbilt Inc. for the period up to 31st December 2017 can be obtained from the Secretary at 2227 Welbilt Boulevard, New Port Richey, Florida 34655, USA.