

Manitowoc FSG UK Limited

Report and Financial Statements

Period ended

31 December 2018

Company Number 09836380

MONDAY



A8F4H5E3

A55

30/09/2019

#266

COMPANIES HOUSE

Manitowoc FSG UK Limited

**Report and financial statements
for the year ended 31 December 2018**

Contents

Page:

1	Strategic report
2	Report of the directors
3	Independent auditor's report
6	Statement of comprehensive income
7	Balance sheet
8	Statement of changes in equity
9	Notes forming part of the financial statements

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

09836380

Auditors

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

Manitowoc FSG UK Limited

Strategic report for the period ended 31 December 2018

The directors present their strategic report together with the financial statements for the year ended 31 December 2018. 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.

In February 2018 the Company entered negotiations to acquire the entire issued share capital of Avaj International AB, the parent company of the "Crem" group specialising in the manufacture and distribution of professional coffee machines. The acquisition completed on 19 April 2018 at a total cost of £167m. The investment was funded by way of a loan from a sister company.

The statement of comprehensive income is set out on page 6 and shows a loss before tax of £3,299k (2017: loss £374k).

The directors do not recommend payment of a dividend (2017: £nil.)

Principal risks and uncertainties

Throughout the period, 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 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.

Credit risk

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

Approval

This strategic report was approved on behalf of the Board on 27 September 2019



A D Gray

Director

Manitowoc FSG UK Limited

Report of the directors for the year ended 31 December 2018

The directors present their report together with the financial statements for the year ended 31 December 2018.

Directors

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

A D Gray
J A J Rourke

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period 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 2019

Manitowoc FSG UK Limited

Independent auditor's report

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MANITOWOC FSG UK LIMITED

Opinion

We have audited the financial statements of Manitowoc FSG UK Limited ("the Company") for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Manitowoc FSG UK Limited

Independent auditor's report (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Manitowoc FSG UK Limited

Independent auditor's report (continued)

Use of our report

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.



Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

30 September 2019

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

Manitowoc FSG UK Limited

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Foreign exchange losses		-	-
Other administrative expenses		(6)	(3)
Total administrative expenses		(6)	(3)
Operating loss	3	(6)	(3)
Interest payable	4	(3,293)	(371)
Loss on ordinary activities before taxation		(3,299)	(374)
Taxation on loss on ordinary activities	5	-	-
Loss for the year		(3,299)	(374)
Comprehensive income for the year		(3,299)	(374)

The notes on pages 9 to 13 form part of these financial statements.

Manitowoc FSG UK Limited

Balance sheet at 31 December 2018

Company number 09836380	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Investments	6		182,692		15,471
Current assets					
Cash at bank and in hand		-		-	
Creditors: amounts falling due within one year	7	(185,404)		(14,884)	
Net current liabilities			(185,404)		(14,884)
Total assets less current liabilities			(2,712)		587
Provision for liabilities			-		-
Net (liabilities) / assets			(2,712)		587
Capital and reserves					
Called up share capital	8		1,322		1,322
Profit and loss account			(4,034)		(735)
			(2,712)		587

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2019



A Gray

Director

The notes on pages 9 to 13 form part of these financial statements.

Manitowoc FSG UK Limited

Balance sheet at 31 December 2018

	Share capital £'000	Profit and loss account £'000	Total equity £'000
1 January 2018	1,322	(735)	587
Comprehensive income for the year			
Loss for the year	-	(3,299)	(3,299)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(3,299)	(3,299)
	<hr/>	<hr/>	<hr/>
31 December 2018	1,322	(4,034)	(2,712)
	<hr/>	<hr/>	<hr/>
1 January 2017	1,322	(361)	961
Comprehensive income for the period			
Loss for the period	-	(374)	(374)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(374)	(374)
	<hr/>	<hr/>	<hr/>
31 December 2017	1,322	(735)	587
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 13 form part of these financial statements.

Manitowoc FSG UK Limited

Notes forming part of the financial statements for the year ended 31 December 2018

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 Company was incorporated on 22 October 2015 and the comparative data in these statements cover the period from that date to 31 December 2016.

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 the Wellbilt 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 Wellbilt Inc. Refer to Note 11 for more information on where to obtain a copy of the consolidated financial statements.

Investments

Investments are held at cost less permanent diminution in value.

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.

Manitowoc FSG UK Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*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.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of future obligations under the lease.

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. Judgement has been applied by the directors in estimating the recoverability of loans and investments.

3 Operating loss

No auditors' remuneration has been charged in the financial statements in either year, as this is borne by Enodis Group Limited. Management believe that £5,000 (2017: £3,000) of the total audit fee disclosed by that company is attributable to the audit of the Company.

No Directors received any remuneration from the Company (2017: £nil). The Company has no employees other than the Directors (2017: none)

Manitowoc FSG UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

4	Interest payable	2018	2017
		£'000	£'000
	Analysis of interest:		
	Interest payable on amounts owed to group undertakings	3,293	371
		<u>3,293</u>	<u>371</u>
5	Taxation on profit on ordinary activities		
		2018	2017
		£'000	£'000
	Loss on ordinary activities before tax	(3,299)	(374)
		<u>(3,299)</u>	<u>(374)</u>
	Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	(627)	(73)
	Effects of:		
	Group relief surrendered for nil consideration	627	73
		<u>627</u>	<u>73</u>
	Total tax charge for period	-	-
		<u>-</u>	<u>-</u>
6	Investments		
		2018	2017
		£'000	£'000
	Cost:		
	At the beginning of the year	15,471	15,471
	Acquired during the year	167,221	-
		<u>167,221</u>	<u>-</u>
	At the end of the year	182,692	15,471
		<u>182,692</u>	<u>15,471</u>

On 19 April 2018 the Company acquired the entire share capital of Avaj International Holding AB, the parent company of the "Crem" group which manufacture and distribute coffee machines. The total cost of the acquisition was £167,220,853 and was funded by a loan from a sister company.

Manitowoc FSG UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

6 Investments (continued)

The subsidiaries of the Company at the end of the year are:

Company	Country of Incorporation	Proportion of voting rights and ordinary share capital held 2018/2017
<i>Direct</i>		
Avaj International Holding AB	Sweden	100% / -%
Enodis Holdings Limited	UK	30.1% / 30.1%
Enodis Nederland BV	Netherlands	100% / 100%
<i>Indirect</i>		
Crem international Holding AB	Sweden	100% / -%
Crem International AB	Sweden	100% / -%
Crem International AS	Norway	100% / -%
Crem International BV	Netherlands	100% / -%
Crem International GmbH	Germany	100% / -%
Crem International (Shanghai) Co Limited	China	100% / -%
Crem International Spain SLU	Spain	100% / -%
Crem International UK Limited	UK	100% / -%
Maas International (Deutschland) Verwaltungs-GmbH	Germany	100% / -%
Spengler GmbH & Co KG	Germany	100% / -%

Investments are held at cost less permanent diminution in value. Judgement has been applied by the directors in estimating the recoverability of loans and investments. The registered company addresses for the investments are as follows:

Avaj International Holding AB, Crem International Holding AB and Crem International AB: Viksgränd 2, Box 10, 670 40 Åmotfors, Sweden
Crem International AS: 2019 Skedsmokorset, Norway
Crem International BV: Science Park Eindhoven 5080, 5692 EA Son en Breugel, Netherlands
Crem International GmbH: Hogenkamp 16, 25421 Pinneberg, Germany
Crem International (Shanghai) Co Limited: Building A, No 521-551 Kangyi Road, Kangqiao Industrial Zone, Pudong New Area, 201315 Shanghai, China
Crem International Spain SL: C/Comercio 4, Pol. Ind. Alcodar, 46701 Gandia, Spain
Crem International UK Limited: Unit 3b Bridgewater Court, Bentley Wood Way, Newtwork 65 Business Park, Lancashire BB11 5ST, UK
Enodis Holdings Limited: St. Ann's Wharf, 112 Quayside, Newcastle upon Tyne NE1 3DX
Enodis Nederland BV: Prins Bernhardplein 200, 1097 JB, Amsterdam, Netherlands
Maas International (Deutschland) Verwaltungs-GmbH and Spengler GmbH & Co KG: Werner-von-Siemens-Strasse 2-6, Gebäude 5108, 766 46 Bruchsal, Germany

Manitowoc FSG UK Limited

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

7 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	185,346	14,884
Accruals and deferred income	58	-
	<u>185,404</u>	<u>14,884</u>

The amounts owed to group undertakings includes £185,130,861 that is interest bearing at variable rates and repayable on demand.

8 Share capital

	2018 £'000	2017 £'000
<i>Allotted, called up and fully paid</i>		
1,322,051 (2017: 1,322,051) ordinary share of £1 each	1,322	1,322
	<u>1,322</u>	<u>1,322</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 balance sheet date.

11 Ultimate parent company

The Company's immediate parent is Manitowoc FSG International Holdings, Inc, a company incorporated in Nevada, USA. The Directors regard Welbilt Inc., a company incorporated in the US, as the ultimate parent company and controlling entity. At reporting date Welbilt Inc. was the smallest and 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 31 December 2018 can be obtained from the Secretary at 2227 Welbilt Boulevard, New Port Richey, Florida 34655, USA.