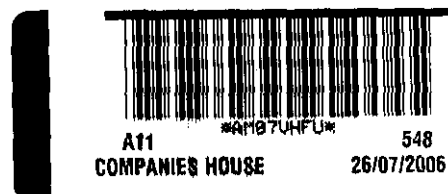


**VISCOUNT CATERING LIMITED**

**Report and Financial Statements**

**1 October 2005**

**Deloitte & Touche LLP**  
**Leeds**



# **VISCOUNT CATERING LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# **VISCOUNT CATERING LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P A Lee  
K N Blades  
D S McCulloch  
C Cammoile  
R W Adam  
D R Hooper  
I T Osborne  
P A Briggs

#### **SECRETARY**

D R Hooper

#### **REGISTERED OFFICE**

Washington House  
40-41 Conduit Street  
London  
W1S 2YQ

#### **BANKERS**

National Westminster Bank PLC  
Sheffield City Centre  
P O Box 120  
42 High Street  
Sheffield  
S1 1QG

#### **AUDITORS**

Deloitte & Touche LLP  
Leeds

# VISCOUNT CATERING LIMITED

## DIRECTORS' REPORT (continued)

The directors present their annual report and the audited financial statements for the period ended 1 October 2005.

### ACTIVITIES

The company is principally engaged in the manufacture of catering equipment.

### REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

To realign its continuing business activities and position itself for significant future manufacturing growth the company undertook a restructuring programme during the year. The programme involved the exit from certain product lines and sales channels together with significant investment in plant and equipment. The company recorded an operating loss of £ 2,028,833 (2004: £1,523,250) including restructuring costs of £785,000 (2004: £nil). The directors are confident that action plans in place will return the business to profitability.

### RESULTS AND DIVIDENDS

The directors do not recommend the payment of an ordinary dividend for the period (2004: £Nil). The loss for the period transferred from reserves is £2,028,833 (2004: loss of £1,523,250 transferred from reserves).

### DIRECTORS AND THEIR INTERESTS

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

G Pointon	Resigned 14.10.05
P A Lee	
K N Blades	
D S McCulloch	Resigned 03.02.06
D R Hooper	
C Cammoile	
R W Adam	
I T Osborne	Appointed 03.10.05
P A Briggs	Appointed 03.10.05

None of the directors who held office at the end of the financial period had any interest in the share capital of the company, or its fellow subsidiary companies.

None of the directors in office at the period end had any interests in the shares of the ultimate parent company, Enodis plc, with the exception of the following:-

	1 October 2005			2 October 2004		
	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares
G Pointon	120,349	-	3,200	107,699	-	3,200
P A Lee	313,077	-	26,222	334,826	-	26,222
K N Blades	226,049	-	-	186,049	-	-
R W Adam	4,000	-	-	3,000	-	-
C Cammoile	4,000	-	-	3,000	-	-
D R Hooper	342,192	-	23,000	408,127	3,219	23,000

The interests of D S McCulloch in the shares of the ultimate parent company, Enodis plc, at the period end are disclosed in the financial statements of Enodis plc.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political donations or contributions to UK charities during the period (2004: £nil).

### CREDITOR PAYMENT POLICY

The Company's current policy is that payments are made to suppliers in accordance with agreed terms. At 1 October 2005 trade creditors represented 71 (2004: 58) days purchases.

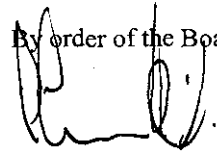
# VISCOUNT CATERING LIMITED

## DIRECTORS' REPORT (continued)

### AUDITORS

A resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board



C. Cammoile  
Director

17<sup>th</sup> July 2006

## **VISCOUNT CATERING LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those 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 accounting policies have been followed; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISCOUNT CATERING LIMITED

We have audited the financial statements of Viscount Catering Limited for the period ended 1 October 2005 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, 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 financial statements 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 financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 1 October 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte + Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and  
Registered Auditors  
Leeds

24 July 2006

# VISCOUNT CATERING LIMITED

## PROFIT AND LOSS ACCOUNT

Period ended 1 October 2005

	Note	Period ended 1 October 2005 £'000	53 weeks ended 2 October 2004 £'000
<b>TURNOVER - continuing operations</b>	2	9,730	10,739
Cost of sales		(8,789)	(9,841)
Gross profit		941	898
Selling and distribution expenses		(1,004)	(1,362)
Administrative expenses	7	(1,966)	(1,059)
<b>OPERATING LOSS – continuing operations</b>	3	(2,029)	(1,523)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,029)	(1,523)
Tax on profit on ordinary activities	6	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD TRANSFERRED FROM RESERVES</b>		(2,029)	(1,523)
Retained profit at beginning of period		458	1,981
Retained (loss)/profit at end of period		(1,571)	458

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses for the current and preceding financial period other than as stated in the profit and loss account. Therefore no separate statement of total recognised gains and losses has been presented.

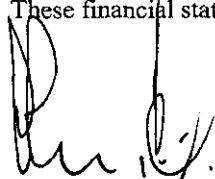


# VISCOUNT CATERING LIMITED

## BALANCE SHEET As at 1 October 2005

	Note	2005 £'000	2004 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	1,433	792
<b>CURRENT ASSETS</b>			
Stocks	9	1,507	1,392
Debtors	10	2,455	2,264
Cash at bank		90	703
<b>Creditors: amounts falling due within one year</b>	11	4,052 (5,556)	4,359 (3,193)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(1,504)	1,166
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(71)	1,958
<b>NET (LIABILITIES)/ASSETS</b>		(71)	1,958
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,500	1,500
Profit and loss account		(1,571)	458
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		(71)	1,958

These financial statements were approved by the Board of Directors on 17<sup>th</sup> July 2006



C. Cammoile

Director

# **VISCOUNT CATERING LIMITED**

## **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Period ended 1 October 2005**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loss for the financial period</b>	<u>(2,029)</u>	<u>(1,523)</u>
<b>Net reduction in shareholders' funds</b>	(2,029)	(1,523)
<b>Opening shareholders' funds</b>	<u>1,958</u>	<u>3,481</u>
<b>Closing shareholders' funds</b>	<u>(71)</u>	<u>1,958</u>

# VISCOUNT CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2005

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

#### Tangible fixed assets

Depreciation is provided by the company on a straight line basis to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Plant and machinery	-	10-20% per annum
Fixtures, fittings, tools and equipment	-	10-33% per annum
Motor vehicles	-	25-33% per annum

#### Stocks

Stocks are valued at the lower of cost and net realisable value of individual items of stock. Work in progress includes the relevant proportion of manufacturing overheads attributable to the stage of completion, as well as bought in components and parts. Finished stocks include manufacturing overheads but exclude selling, distribution and administrative overheads. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

#### Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the extent that it is probable that an actual liability will crystallise.

#### 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.

#### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised to the extent that it is considered more likely than not the asset will be recovered.

#### Investments

Investments are stated at cost less provision for impairment.

#### Operating leases

Rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease.

# VISCOUNT CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2005

### 2. TURNOVER

All turnover arises from the principal activity of the manufacture of catering equipment.

The geographical analysis of turnover is as follows:

	Period ended 1 October 2005 £'000	53 weeks ended 2 October 2004 £'000
United Kingdom	9,304	10,712
Rest of Europe	426	27
	<u>9,730</u>	<u>10,739</u>

### 3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	Period ended 1 October 2005 £'000	53 weeks ended 2 October 2004 £'000
Depreciation of tangible fixed assets	212	154
Auditor's remuneration		
- Audit services – Statutory audit	42	40
Plant and Machinery – operating lease rentals payable	98	105
Profit on disposal of fixed assets	-	(1)
	<u>-</u>	<u>(1)</u>

### 4. DIRECTORS' EMOLUMENTS

	Period ended 1 October 2005 £'000	53 weeks ended 2 October 2004 £'000
Directors' emoluments	258	279
Pension contributions	40	11
Compensation for loss of office	104	55
	<u>402</u>	<u>345</u>

The emoluments of the highest paid director were £201

Retirement benefits are accruing to the following number of directors under:

	Number of directors As at 1 October 2005 No	As at 2 October 2004 No
Defined contribution schemes	<u>3</u>	<u>4</u>

# VISCOUNT CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2005

### 5. INFORMATION REGARDING EMPLOYEES

Average number of persons employed in the period:

	Period ended 1 October 2005 No.	53 weeks ended 2 October 2004 No.
Management and administration	11	12
Production and service	94	113
Selling and distribution	23	34
	<u>128</u>	<u>159</u>

Staff costs incurred during the period in respect of employees were:

	Period ended 1 October 2005 £'000	53 weeks ended 2 October 2004 £'000
Wages and salaries	2,785	3,109
Social security costs	268	299
Other pension costs	164	124
	<u>3,217</u>	<u>3,532</u>

### 6. TAXATION

There is no corporation tax charge for this period, as the company made losses for which no credit is available.

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 30% (2004 : 30%).

	As at 1 October 2005 %	As at 2 October 2004 %
The differences are explained below:		
Standard tax rate for period as percentage of profits:	30	30
Effects of:		
Expenses not deductible for tax purposes	-	(1)
Capital allowances in excess of depreciation	(3)	3
Group relief for nil consideration	<u>(27)</u>	<u>(32)</u>
	<u>-</u>	<u>-</u>

### 7. NET EXCEPTIONAL COSTS

Administrative expenses are stated after charging:

	Period ended 1 October 2005 £'000	53 weeks ended 2 October 2004 £'000
Restructuring costs	<u>785</u>	<u>-</u>

# VISCOUNT CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2005

### 8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures, fittings tools and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 28 September 2004	874	1,289	11	2,174
Additions	767	95	-	862
Disposals	(79)	-	(11)	(90)
At 1 October 2005	1,562	1,384	-	2,946
<b>Depreciation</b>				
At 28 September 2004	678	693	11	1,382
Charge for the period	91	121	-	212
Disposals	(70)	-	(11)	(81)
At 1 October 2005	699	814	-	1,513
<b>Net book value</b>				
At 1 October 2005	863	570	-	1,433
At 27 September 2004	196	596	-	792

### 9. STOCKS

	As at 1 October 2005 £'000	As at 2 October 2004 £'000
Raw materials and consumables	24	24
Work in progress	745	843
Finished goods and goods for resale	738	525
	1,507	1,392

### 10. DEBTORS

	As at 1 October 2005 £'000	As at 2 October 2004 £'000
Trade debtors	2,216	1,937
Amounts owed by parent and fellow subsidiary undertakings	5	-
Prepayments	234	327
	2,455	2,264

# VISCOUNT CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2005

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 1 October 2005 £'000	As at 2 October 2004 £'000
Trade creditors	1,920	2,253
Amounts owed to parent and subsidiary undertakings	2,885	468
Other taxes and social security	260	280
Accruals and deferred income	491	192
	<u>5,556</u>	<u>3,193</u>

### 12. DEFERRED TAXATION

The unprovided deferred tax asset is as follows:

	As at 1 October 2005 £'000	As at 2 October 2004 £'000
Provisions	9	9
Losses made	1,027	630
Capital allowances in excess of depreciation	166	138
	<u>1,202</u>	<u>777</u>

The assets would only reverse if suitable future profits were to arise, against which these assets could be offset. In the opinion of the Directors and based on recent and forecast trading results it cannot be regarded as more likely than not that there will be suitable taxable profits against which the deferred tax asset will reverse in the foreseeable future and as such the asset has not been provided.

### 13. CALLED UP SHARE CAPITAL

	As at 1 October 2005 £'000	As at 2 October 2004 £'000
<b>Authorised</b>		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
<b>Allotted, called up and full paid</b>		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

# VISCOUNT CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2005

### 14. COMMITMENTS

- (i) Capital expenditure authorised and contracted for and not provided at 1 October 2005 amounted to £NIL (2 October 2004: £49,000).
- (ii) At 1 October 2005 the company had annual commitments under non-cancellable plant and machinery operating leases as follows:

Operating leases which expire:	As at 1 October 2005 £'000
Within one year	39
In two to five years inclusive	35
	<hr/>
	74
	<hr/>

### 15. PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension charge represents contributions payable to the funds and amounted to £113,992 in the period (2004: £123,930). There were outstanding contributions of £Nil at 1 October 2005 (2004: £nil).

### 16. CONTINGENT LIABILITIES

The company has entered into unlimited cross-guarantees with its bankers relating to the borrowings of other group companies. At 1 October 2005 the bank borrowings of other group companies amounted to £376,414 (2004: £1,765,409).

### 17. ULTIMATE PARENT COMPANY

The company's ultimate parent and controlling entity is Enodis plc, a company incorporated in England and Wales. The immediate controlling entity is Meliora Spectare Limited, a company incorporated in England and Wales.

The consolidated accounts of Enodis plc are available from the Secretary at Washington House, 40-41 Conduit Street, London, W1S 2YQ.

### 18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by paragraph 3(c) of Financial Reporting Standard 8 (Related Party Transactions) not to disclose transactions with entities which are part of Enodis plc, as the consolidated financial statements, in which the company is included, are publicly available.