

VISCOUNT CATERING LIMITED

Report and Financial Statements

2 October 2004



Deloitte & Touche LLP
Leeds

VISCOUNT CATERING LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Reconciliation of movements in shareholders' funds	8
Notes to the financial statements	9

VISCOUNT CATERING LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Pointon
P A Lee
K N Blades
D S McCulloch
C Cammoile
R W Adam
D R Hooper

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

The directors present their annual report and the audited financial statements for the period ended 2 October 2004.

ACTIVITIES

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

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Significant increases in material costs together with continuing depressed demand in the public sectors, the company was unable to maintain turnover at the level of the previous period and recorded an operating loss of £1,523,250 (2003: £717,485). The company has action plans in place to return the business to profitability.

RESULTS AND DIVIDENDS

The directors do not recommend the payment of an ordinary dividend for the period (2003: £Nil). The loss for the period transferred from reserves is £1,523,250 (2003: loss of £717,485 transferred from reserves).

DIRECTORS AND THEIR INTERESTS

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

G Pointon
P A Lee
L Richardson Resigned 30.06.04
K N Blades
D S McCulloch
D R Hooper
C Cammoile
R W Adam

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:-

	2 October 2004			27 September 2003		
	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares	Executive Share Option Scheme	SAYE Share Option Scheme	Ordinary Shares
G Pointon	107,699	-	3,200	32,699	-	3,200
P A Lee	334,826	-	26,222	209,826	-	26,222
-	-	-	-	-	-	-
K N Blades	186,049	-	-	61,049	-	-
R W Adam	3,000	-	-	2,000	-	-
C Cammoile	3,000	-	-	2,000	-	-
D R Hooper	408,127	3,219	23,000	308,127	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 (2003: £nil).

CREDITOR PAYMENT POLICY

The Company's current policy is that payments are made to suppliers in accordance with agreed terms. At 2 October 2004 trade creditors represented 58 (2003: 45) 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



For and on behalf of Viscount Catering Limited

G Pointon

Director

20th May 2005

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 2 October 2004 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 2 October 2004 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

27 May 2005

VISCOUNT CATERING LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 2 October 2004

	Note	53 weeks ended 2 October 2004 £'000	52 weeks ended 27 September 2003 £'000
TURNOVER - continuing operations	2	10,739	11,263
Cost of sales		(9,841)	(9,516)
Gross profit		898	1,747
Selling and distribution expenses		(1,362)	(1,341)
Administrative expenses	7	(1,059)	(1,123)
OPERATING LOSS – continuing operations	3	(1,523)	(717)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,523)	(717)
Tax on profit on ordinary activities	6	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD TRANSFERRED FROM RESERVES		(1,523)	(717)
Retained profit at beginning of period		1,981	2,698
Retained profit at end of period		458	1,981

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

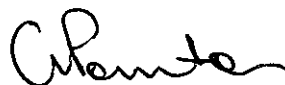
There are no recognised gains or losses for the current and preceding financial period other than as stated in the profit and loss account. Therefore no separate statement of total recognised gains and losses has been presented.

VISCOUNT CATERING LIMITED

BALANCE SHEET As at 2 October 2004

	Note	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	8	792	853
CURRENT ASSETS			
Stocks	9	1,392	1,109
Debtors	10	2,264	4,154
Cash at bank		703	3
		<u>4,359</u>	<u>5,266</u>
Creditors: amounts falling due within one year	11	<u>(3,193)</u>	<u>(2,638)</u>
NET CURRENT ASSETS		<u>1,166</u>	<u>2,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,958</u>	<u>3,481</u>
NET ASSETS		<u>1,958</u>	<u>3,481</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,500	1,500
Profit and loss account		458	1,981
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>1,958</u>	<u>3,481</u>

These financial statements were approved by the Board of Directors on ^{2nd} May 2005



For and on behalf of Viscount Catering Limited

G Pointon

Director

VISCOUNT CATERING LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Period ended 2 October 2004

	2004 £'000	2003 £'000
Loss for the financial period	(1,523)	(717)
Net reduction in shareholders' funds	(1,523)	(717)
Opening shareholders' funds	3,481	4,198
Closing shareholders' funds	1,958	3,481

VISCOUNT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2004

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 2 October 2004

2. TURNOVER

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

The geographical analysis of turnover is as follows:

	53 weeks ended 2 October 2004 £'000	52 weeks ended 27 September 2003 £'000
United Kingdom	10,712	11,192
Rest of Europe	27	71
	<u>10,739</u>	<u>11,263</u>

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	53 weeks ended 2 October 2004 £'000	52 weeks ended 27 September 2003 £'000
Depreciation of tangible fixed assets	154	150
Auditor's remuneration		
- Audit services – Statutory audit	40	30
Plant and Machinery – operating lease rentals payable	105	105
Profit on disposal of fixed assets	(1)	(6)
	<u></u>	<u></u>

4. DIRECTORS' EMOLUMENTS

	53 weeks ended 2 October 2004 £'000	52 weeks ended 27 September 2003 £'000
Directors' emoluments	279	258
Pension contributions	11	17
Compensation for loss of office	55	-
	<u>345</u>	<u>275</u>

The emoluments of the highest paid director were £97,655.

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

	Number of directors	
	As at 2 October 2004 No	As at 27 September 2003 No
Defined contribution schemes	<u>4</u>	<u>4</u>

VISCOUNT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2004

5. INFORMATION REGARDING EMPLOYEES

Average number of persons employed in the period:	53 weeks ended 2 October 2004 No	52 weeks ended 27 September 2003 No
Management and administration	12	11
Production and service	113	94
Selling and distribution	34	49
	<u>159</u>	<u>153</u>

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

	53 weeks ended 2 October 2004 £'000	52 weeks ended 27 September 2003 £'000
Wages and salaries	3,109	3,043
Social security costs	299	278
Other pension costs	124	124
	<u>3,532</u>	<u>3,445</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% (2003 : 30%).

	As at 2 October 2004 %	As at 27 September 2003 %
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)	(1)
Capital allowances in excess of depreciation	3	9
Movement in short term timing differences	-	(1)
Group relief for nil consideration	(32)	(37)
	<u>-</u>	<u>-</u>

7. NET EXCEPTIONAL COSTS

Administrative expenses are stated after charging:

	53 weeks ended 2 October 2004 £'000	52 weeks ended 27 September 2003 £'000
Restructuring costs	-	112

VISCOUNT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS Period ended 2 October 2004

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures, fittings tools and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 28 September 2003	853	1,217	23	2,093
Additions	21	72	-	93
Disposals	-	-	(12)	(12)
	<hr/>	<hr/>	<hr/>	<hr/>
At 2 October 2004	874	1,289	11	2,174
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 28 September 2003	631	586	23	1,240
Charge for the period	47	107	-	154
Disposals	-	-	(12)	(12)
	<hr/>	<hr/>	<hr/>	<hr/>
At 2 October 2004	678	693	11	1,382
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 2 October 2004	196	596	-	792
	<hr/>	<hr/>	<hr/>	<hr/>
At 27 September 2003	222	631	-	853
	<hr/>	<hr/>	<hr/>	<hr/>

9. STOCKS

	As at 2 October 2004 £'000	As at 27 September 2003 £'000
Raw materials and consumables	24	39
Work in progress	843	643
Finished goods and goods for resale	525	427
	<hr/>	<hr/>
	1,392	1,109
	<hr/>	<hr/>

VISCOUNT CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2004

10. DEBTORS

	As at 2 October 2004 £'000	As at 27 September 2003 £'000
Trade debtors	1,937	2,162
Amounts owed by parent and fellow subsidiary undertakings	-	1,826
Prepayments	327	166
	<u>2,264</u>	<u>4,154</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 2 October 2004 £'000	As at 27 September 2003 £'000
Bank overdraft	-	26
Trade creditors	2,253	1,729
Amounts owed to parent and subsidiary undertakings	468	255
Other taxes and social security	280	360
Accruals and deferred income	192	268
	<u>3,193</u>	<u>2,638</u>

12. DEFERRED TAXATION

The unprovided deferred tax asset is as follows:

	As at 2 October 2004 £'000	As at 27 September 2003 £'000
Provisions	9	9
Losses made	630	363
Capital allowances in excess of depreciation	138	96
	<u>777</u>	<u>468</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 2 October 2004 £'000	As at 27 September 2003 £'000
Authorised		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
Allotted, called up and full paid		
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 2 October 2004

14. COMMITMENTS

- (i) Capital expenditure authorised and contracted for and not provided at 2 October 2004 amounted to £49,000 (27 September 2003: £Nil).
- (ii) At 2 October 2004 the company had annual commitments under non-cancellable plant and machinery operating leases as follows:

Operating leases which expire:

Within one year

In two to five years inclusive

**As at 2
October
2004
£'000**

17

73

90

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 £123,930 in the period (2003: £123,959). There were outstanding contributions of £Nil at 2 October 2004 (2003: £12,561).

16. CONTINGENT LIABILITIES

The company has entered into unlimited cross-guarantees with its bankers relating to the borrowings of other group companies. At 2 October 2004 the bank borrowings of other group companies amounted to £1,765,409 (2003: £437,921).

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.