

## **Welbilt UK Limited**

(fka. Manitowoc Foodservice UK Limited)

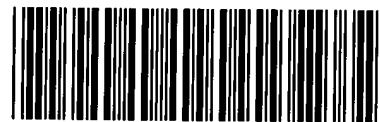
Report and Financial Statements

Year ended

31 December 2016

Company Number 2656967

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# **Welbilt UK Limited** (fka. Manitowoc Foodservice UK Limited)

## **Report and financial statements for the year ended 31 December 2016**

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### **Directors**

C Cammoile  
A D Gray  
G P B Veal

### **Secretary and registered office**

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

### **Company number**

2656967

### **Auditors**

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

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Strategic report for the year ended 31 December 2016

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2016.

### **Business review and principal activities**

Following the decision of its ultimate parent company, referred to in note 21 on page 20 of these accounts, the company changed its name to Welbilt UK Limited on 23<sup>rd</sup> March 2017.

The principal activity of the business continues to be the manufacture, sale and aftermarket support of commercial catering and food service equipment, including equipment brought in from other members of the worldwide Welbilt Foodservice Group (fka. the Manitowoc Foodservice Group).

The income statement is set out in page 7 and shows a profit before tax of £9.8m (2015 - £7.6m).

Turnover increased (2016 - £77.1m; 2015 - £69.2m) as the company benefited from both organic growth and roll-out expansion by major food chains together with continued investment in new products.

The business and financial climate remain uncertain in certain sectors and regions but the directors, having reviewed their business plan, are confident of continued progress.

### **Principal risks and uncertainties**

Throughout the year, the company identifies and reviews potential risks 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 changes 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.

#### *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.

#### *Price risk/competitive market risk*

The company is exposed to commodity price risk. The company does not manage locally its exposure to commodity price risk due to cost benefit considerations but benefits from such hedges as may from time to time be taken out at group level.

#### *Foreign exchange risk*

Foreign exchange risk is mitigated by taking forward cover through the corporate treasury function based in USA for any potential exposures.

Group risks are dealt with in the Annual Report of Enodis Group Limited, the ultimate UK parent organisation that prepares consolidated accounts.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Strategic report for the year ended 31 December 2016 (*continued*)

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### Going concern

The directors, having considered the uncertainties of the economic environment, the availability of finance, the restructuring of the balance sheet during the year together with their business plan have concluded that it is appropriate to prepare the accounts on a going concern basis.

### Key performance indicators

Financial key performance indicators are employed and the directors are satisfied that the following KPI's reflect the progress of the business:

	2016	2015
Growth of sales	11%	(4%)
Gross margin %	30%	26%
Operating margin	13%	11%
Inventory turns	6.5	6.4

### Approval

This strategic report was approved on behalf of the Board on



C Cammoile

Director

# **Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)**

## **Report of the directors for the year ended 31 December 2016**

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The directors present their report together with the audited financial statements for the year ended 31 December 2016.

### **Directors**

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

C Cammoile  
G P B Veal  
A D Gray

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; 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 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.

### **Employees**

It is the company's policy to give full and fair consideration to all applications from disabled persons, with due consideration being given to respective aptitudes and abilities. The same policy applies in the event of employees who become disabled during employment. Appropriate training is provided where applicable.

# **Welbilt UK Limited** (fka. Manitowoc Foodservice UK Limited)

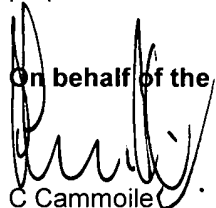
## **Report of the directors for the year ended 31 December 2016 (*continued*)**

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### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**On behalf of the Board**  
  
C Cammoile

**Director**

8<sup>th</sup> May 2017  
Date

# **Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)**

## **Independent auditor's report**

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### **TO THE MEMBER OF WELBILT UK LIMITED (fka. MANITOWOC FOODSERVICE UK LIMITED)**

We have audited the financial statements of Welbilt UK Limited (fka Manitowoc Foodservice UK Limited) for the year ended 31 December 2016 which comprises the Income Statement, Balance sheet, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

### **Opinion 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 or the directors' report.

We have nothing to report in respect of the following matters where 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.



Marc Reinecke (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date 9/5/2017

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



# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Income statement for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Turnover</b>	3	<b>77,060</b>	69,213
Cost of sales		(53,736)	(51,139)
<b>Gross profit</b>		<b>23,324</b>	18,074
Distribution costs		(8,496)	(8,646)
Administrative expenses		(5,189)	(1,888)
<b>Operating profit</b>	4	<b>9,639</b>	7,540
Interest payable and similar charges	5	(14)	-
Interest receivable and similar income		190	13
<b>Profit on ordinary activities before taxation</b>		<b>9,815</b>	7,553
Taxation on profit on ordinary activities	8	(119)	(430)
<b>Profit for the financial year</b>		<b>9,696</b>	7,123

All amounts relate to continuing activities.

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

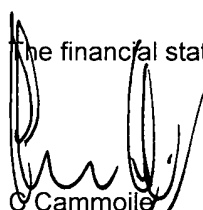
The notes on pages 10 to 20 form part of these financial statements.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Balance sheet at 31 December 2016

<i>Company number: 2656967</i>	<b>Note</b>	<b>2016 £'000</b>	<b>2016 £'000</b>	<b>2015 £'000</b>	<b>2015 £'000</b>
<b>Fixed assets</b>					
Tangible assets	10		<b>2,377</b>		1,698
<b>Current assets</b>					
Stocks	11	<b>5,839</b>		5,282	
Debtors	12	<b>32,116</b>		22,229	
Cash at bank and in hand		<b>238</b>		13	
		<b>38,193</b>		27,524	
<b>Creditors: amounts falling due within one year</b>	13	<b>(10,988)</b>		(10,749)	
<b>Net current assets</b>			<b>27,205</b>		16,775
<b>Total assets less current liabilities</b>			<b>29,582</b>		18,473
<b>Creditors: amounts falling due after more than one year</b>	14		<b>(777)</b>		(43)
<b>Provision for liabilities</b>	15		<b>(1,941)</b>		(1,749)
<b>Net assets</b>			<b>26,864</b>		16,681
<b>Capital and reserves</b>					
Called up share capital	18		<b>1,500</b>		1,500
Currency Translation Adjustment			<b>487</b>		0
Profit and loss account			<b>24,877</b>		15,181
			<b>26,864</b>		16,681

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

  
G Cammoile  
Director

The notes on pages 10 to 20 form part of these financial statements.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Statement of changes in equity For the year ended 31 December 2016

	Share capital £'000	Profit and loss account £'000	Total equity £'000
1 January 2016	1,500	15,181	16,681
<b>Comprehensive income for the year</b>			
Profit for the year	-	9,696	9,696
Currency Translation Adjustments	-	487	487
	<hr/>	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>			
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
<b>31 December 2016</b>	<b>1,500</b>	<b>25,364</b>	<b>26,864</b>
	<hr/>	<hr/>	<hr/>
1 January 2015	1,500	8,058	9,558
<b>Comprehensive income for the year</b>			
Profit for the year	-	7,123	7,123
	<hr/>	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>			
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
<b>31 December 2015</b>	<b>1,500</b>	<b>15,181</b>	<b>16,681</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 20 form part of these financial statements.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016

### 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.

In preparing these financial statements, the company has taken advantage of the following reduced disclosure exemptions available under FRS 102, on the basis that publicly available consolidated financial statements, in which it is included are prepared by the ultimate UK parent company, Enodis Group Limited:

- Disclosures in respect of financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- Disclosures in respect of transactions with fellow wholly group companies have been omitted where the results of these companies are fully consolidated by the parent; and
- No statement of cash flows has been presented within these financial statements as a consolidated statement of cash flows, in which the results of this company are included, is disclosed within the consolidated financial statements of the parent company.

The intention to apply these reduced disclosures has been communicated to all members holding more than 5% of the voting share capital of this company, with no objections to the application being received.

The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### *Depreciation*

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the income statement.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 1 Accounting policies (continued)

#### *Grants*

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Finished stocks include manufacturing overheads but exclude selling, distribution and administrative overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### *Foreign currency translation*

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *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.

#### *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 by the reporting date.

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

# **Welbilt UK Limited** (fka. Manitowoc Foodservice UK Limited)

## **Notes forming part of the financial statements for the year ended 31 December 2016 (continued)**

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### **1 Accounting policies (continued)**

#### *Leased assets*

Rentals under operating leases are charged to profit or loss on a straight-line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit and loss over their estimated useful life, using the straight line method.

#### *Pension costs*

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### *Dilapidations*

Provision for dilapidations is made in respect of the contractual requirement to restore properties at the end of their period of lease to their original state.

#### *Warranty*

A provision is made for the anticipated costs of meeting warranty obligations from the point of sale to the end of the warranty period.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 2 Estimates in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have applied the following judgements, where uncertainty over the amounts recognised exists.

#### *Stock provision (note 11)*

Management has estimated that historic sales and usage of products is an appropriate reflection of their future demand and that the provisions applied are sufficient to write the products down to the fair value.

#### *Warranty provision (note 15)*

In calculating the provision for warranty costs, management has judged that future failure rates will be no worse or better than prevailed during the year, and that the cost of these repairs will not differ to the historic cost of similar repairs.

### 3 Analysis of turnover

	2016 £'000	2015 £'000
Analysis of turnover by country of destination:		
United Kingdom	41,913	27,537
Europe, Middle East and Africa	18,526	17,264
Asia Pacific	2,344	1,393
Americas and Rest of the World	14,277	23,019
	<hr/>	<hr/>
	77,060	69,213
	<hr/>	<hr/>

### 4 Operating profit

	2016 £'000	2015 £'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	427	508
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	48	46
Taxation compliance services	14	14
Exchange differences	(720)	(55)
Defined contribution pension cost	391	348
Plant and machinery - operating lease rentals payable	710	699
Land and buildings - operating lease rentals payable	775	775
	<hr/>	<hr/>

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

<b>5</b>	<b>Interest payable</b>		
		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
	Analysis of interest paid:		
	Bank and other interest	<b>14</b>	-
		<b>14</b>	-
<b>6</b>	<b>Employees</b>		
		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
	Staff costs (including directors) consist of:		
	Wages and salaries	<b>12,052</b>	11,911
	Social security costs	<b>1,111</b>	1,074
	Cost of defined contribution scheme	<b>391</b>	348
		<b>13,554</b>	13,333
	The average number of employees (including directors) during the year was as follows:		
		<b>2016</b>	<b>2015</b>
		<b>Number</b>	<b>Number</b>
	Management and administration	<b>21</b>	22
	Production and service	<b>176</b>	171
	Selling and distribution	<b>87</b>	91
		<b>284</b>	284
<b>7</b>	<b>Directors' remuneration</b>		
		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
	Directors' emoluments	<b>276</b>	431
	Company contributions to money purchase pension schemes	<b>10</b>	10
		<b>286</b>	441

There were 2 (2015 - 1) directors in the company's defined contribution pension scheme during the year.

A defined benefit pension scheme operated by another Group company, and in which 2 directors had previously been members, was closed to future accruals on 31<sup>st</sup> December 2015. Consequently, there were no contributions to it during the year.

Emoluments of the highest paid director were £166 (2015 - £179) and pension contributions of £4 (2015 - £91).



# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

8 Taxation on profit on ordinary activities	2016 £'000	2015 £'000
<i>UK corporation tax</i>		
Current tax on profits of the year	-	-
Adjustment in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	124	(97)
Adjustments in respect of prior years	(5)	527
	<hr/>	<hr/>
Taxation on profit on ordinary activities	119	430
	<hr/>	<hr/>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	9,815	7,553
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	1,963	1,529
Effects of:		
Expenses not deductible for tax purposes	42	(59)
Profits on disposal of fixed assets	-	-
Group relief claimed	(1,953)	(1,580)
Adjustments in respect of prior years	(5)	380
Difference in deferred tax and current tax rates used	72	160
	<hr/>	<hr/>
Total tax charge for year	119	430
	<hr/>	<hr/>

For further information on deferred tax balances see note 16.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 9 Tangible fixed assets

	Leaseholds improvements £'000	Construction in progress £'000	Plant, machinery and motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>					
At 1 January 2016	1,208	19	3,177	2,939	7,343
Reclassification	-	(19)	-	19	-
Disposals	-	-	(209)	-	(209)
Additions	-	-	1,025	81	1,106
At 31 December 2016	<b>1,208</b>	-	<b>3,993</b>	<b>3,039</b>	<b>8,240</b>
<i>Depreciation</i>					
At 1 January 2016	703	-	2,332	2,610	5,645
Reclassification	-	-	-	-	-
Disposals	-	-	(209)	-	(209)
Charge for the year	101	-	204	122	427
At 31 December 2016	<b>804</b>	-	<b>2,327</b>	<b>2,732</b>	<b>5,863</b>
<i>Net book value</i>					
At 31 December 2016	<b>404</b>	-	<b>1,666</b>	<b>307</b>	<b>2,377</b>
At 31 December 2015	505	19	845	329	1,698

### Finance Leases

The net book value of plant, machinery and vehicles for the company includes an amount of £979 (2015 - £0) in respect of assets held under finance leases and hire purchase contracts.

### 10 Stocks

	2016 £'000	2015 £'000
Raw materials and consumables	2,708	2,748
Finished goods and goods for resale	3,131	2,534
	<b>5,839</b>	<b>5,282</b>

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement value.

Stocks recognised as an expense in the year were £40,075 (2015 - £37,451).

The charge recognised in the income statement for the period in respect of stock provisions was £81 (2015 - £114).

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 11 Debtors

	2016 £'000	2015 £'000
Amounts owed by parent and fellow subsidiary undertakings	29,323	19,723
Other debtors	24	44
Prepayments and accrued income	971	1,032
Deferred tax asset (note 17)	1,311	1,430
Derivatives and Financial Instruments	487	-
	<u>32,116</u>	<u>22,229</u>

All amounts shown under debtors are due or recoverable under one year except the deferred tax asset which is recoverable after more than one year.

The credit/charge recognised in the income statement for the period in respect of bad and doubtful trade debtors was 2016 - £14 (2015 - £29).

### 12 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
AR Securitisation	655	23
Trade creditors	5,327	5,112
Amounts owed to parent and subsidiary undertakings	964	2,477
Other taxes and social security	890	860
Accruals and deferred income	2,951	2,277
Obligations Under Finance Leases	201	-
	<u>10,988</u>	<u>10,749</u>

With other members of the Welbilt Inc. (fka. Manitowoc Foodservice Inc.) group of companies, the company participates in a programme of funding involving the securitisation of certain of its third party receivable ledgers. The balance on AR Securitisation represents the net payable/refundable position due under the funding line as at the balance sheet date.

### 13 Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Deferred Income	25	43
Obligations Under Finance Leases	752	-
	<u>777</u>	<u>43</u>

Included within creditors: amounts falling due within one year and creditors: amounts falling due after more than one year is deferred government grant income of £43 (2015 - £76). This relates to government grants for capital expenditure. Amounts recognised in the income statement during the year total £32 (2015 - £38).

Total of group future minimum lease payments under finance leases:

	2016	2015
	£'000	£'000
Not later than 1 year	201	-
Later than 1 year and not later than 5 years	752	-
Later than 5 years	-	-
	<u>953</u>	<u>-</u>
Total		

Obligations under finance leases are secured on the assets to which they relate.

#### 14 Provisions for liabilities

	Warranty £'000	Dilapidations £'000	Total £'000
At 1 January 2016	1,554	195	1,749
Charged to income statement	1,691	90	1,781
Utilised in year	(1,554)	(35)	(1,589)
	<u>1,691</u>	<u>250</u>	<u>1,941</u>
At 31 December 2016			

#### 15 Pensions

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 £391 in the year (2015 - £348). At 31 December 2016 outstanding contributions amounted to £1(2015 - £Nil).

In the UK, the Welbilt Group (fka. the Manitowoc Group) operated a defined benefit scheme, the Berisford (1948) Pension Scheme ("the scheme") until 31<sup>st</sup> December 2015 at which date the scheme closed for future accruals. The scheme provides retirement benefits based on final pensionable salary and years of service. The assets of the scheme are held in separable trustee administered funds.

The Directors, having taken actuarial advice, believe that it is not possible for each member of the group pension scheme to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and have therefore opted to account for the purposes of FRS 102 as though the scheme was a defined contribution scheme. Consequently the financial implications of any future surplus or deficit will be recognised as an asset or liability only in the balance sheet of Enodis Group Limited, the ultimate UK parent of the company and principal employer of the scheme.

The financial statements of Enodis Group Limited show a net pension liability for this scheme of £10.8m (2015 - £13.6m) under FRS 102. As an associated employer the company may become liable for part or the whole of the deficit in the scheme in the event of a winding up of the principal employer or other associated employer.

The latest full actuarial valuation was carried out at 31 March 2013 and was updated at 31 March 2016 by a qualified independent actuary on the basis of existing UK GAAP. The scheme having closed, contributions paid to Enodis Group Limited for the year were £Nil (2015 - £169).

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 16 Deferred taxation asset

	£'000
At 1 January 2016	1,430
Debited to profit and loss	(119)
	<hr/>
At 31 December 2016	1,311
	<hr/>

	Recognised		Unrecognised	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
The deferred tax asset is as follows:				
Losses carried forward	56	179	-	-
Depreciation in excess of capital allowances	1,255	1,251	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,311	1,430	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

### 17 Share capital

	2016	2015
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
1,500,000 Ordinary shares of £1 each	1,500	1,500
	<hr/>	<hr/>

The shares have full voting rights attached to them.

### Share Capital

Share capital represents the nominal value of the shares issued.

### Currency translation adjustment

Currency translation adjustment represents unrealised gains or losses on the translation of foreign currency assets and liabilities as at balance sheet date.

### Retained Earnings

Retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

# Welbilt UK Limited (fka. Manitowoc Foodservice UK Limited)

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 18 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £'000	Other 2016 £'000	Land and buildings 2015 £'000	Other 2015 £'000
Not later than 1 year	671	577	774	624
Later than 1 year and not later than 5 years	1,502	518	2,057	797
Later than 5 years	-	-	116	1
	<u>2,173</u>	<u>1,095</u>	<u>2,947</u>	<u>1,422</u>

### 19 Related party disclosures

The company has taken the available exemption under FRS 102 not to disclose transactions with any wholly owned members of the group.

Key management personnel comprise the directors of this company, with no other members of management having the authority, responsibility for planning, directing and controlling the activities of the company. Their total remuneration has been disclosed within note 7. No directors were remunerated by means not disclosed within that note.

### 20 Subsequent events

On 6<sup>th</sup> March 2017, the ultimate parent company of this company changed its name to Welbilt Inc. (from Manitowoc Foodservice Inc.).

On 23<sup>rd</sup> March 2017, the company changed its name to Welbilt UK Limited (from Manitowoc Foodservice UK Limited).

### 21 Ultimate parent company

The company's immediate parent is Welbilt (Halesowen) Limited (f.k.a. Manitowoc Beverage Systems Limited), a company incorporated in England and Wales.

On 4 March 2016 the former ultimate parent company, The Manitowoc Company Inc. was separated into two public traded companies - The Manitowoc Company Inc. and Manitowoc Foodservice, Inc. This had the effect of changing the ultimate parent company of this company, as disclosed below

The Directors regard Welbilt Inc. (fka. Manitowoc Foodservice Inc.) a company incorporated in Delaware, USA, as the ultimate parent company and controlling entity. Enodis Group Limited is the smallest group which prepares consolidated results and of which the company forms a part.

Welbilt Inc. (fka. Manitowoc Foodservice, 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. (fka. Manitowoc Foodservice Inc.) can be obtained from the VP Investor Relations at 2227 Welbilt Boulevard, New Port Richey, Florida 34655.