

Magnet Limited

Report and financial statements

for the 52 weeks ended 30 September 2000

Registered no: 2762625



Magnet Limited

1

Report and financial statements

For the 52 Weeks ended 30 September 2000

Contents	Page
Directors' report	2
Directors' responsibility statement	5
Auditors' report	6
Profit and loss account	7
Balance sheet	8
Accounting policies	9
Notes to the accounts	11

Directors report**1. Principal activities and business review**

The principal activities of the Company are the manufacture, merchanting and retailing of joinery, fitted kitchens, bedrooms, bathrooms and related products.

Operating review

The general market for Magnet products was favourable for the year under review but began to show signs of slow down in the second half as indicated by the key market drivers of volume housing transactions and new housing starts. For the year overall housing transactions grew by 6.8% but showed no growth in the second half of the year: housing starts declined by 1.5% in the second half and housing completions by 4%.

The Company's total sales for the year were £255M. On a like for like basis sales increased by 1.7 % due to good performance in retail kitchens offsetting a decline in joinery products.

Operating profit for the year amounted to £23.0M or 9% of sales, an increase of 13% over the prior year and a margin improvement of 1.0 percentage point. Higher volumes, particularly in kitchen sales, coupled with tight cost controls and further progress in efficiency improvement initiatives, led to a second half profit of £14.8M, equivalent to 11.7% on sales.

It is estimated that the kitchen, bedroom and bathroom market grew by 3% during the 12 months to September 2000. Magnet continued to outperform the market as sales increased by 11.5% over the prior year. Average order values continued their increasing trend with an improvement of 9.7%. Sales reflected the boost in consumer confidence around the Millennium, and the success of our strategy to provide higher quality products with high design content and accessorisation to Magnet's target consumers who attach value to these product features.

In the joinery segment, market conditions remain competitive with oversupply in both manufacturing and merchant channels and increased penetration of product from low cost overseas suppliers.

During the year, Magnet opened eight outlets in retail locations. This continues the evolution of the brand and the new store concept which presents the wider portfolio of bedrooms and bathrooms alongside kitchen products with a higher standard of merchandising and service. Significant investment has also been made in key retail branches to improve store environments to this new trading standard created within the concept stores.

Magnet has broadened the reach of its consumer products to include the younger affluent consumer who alongside the traditionally mature Magnet customer, similarly recognises and values the high design content, quality and appeal of the Magnet proposition. In key trade branches there was further expansion of the Big T concept providing higher service levels and customised joinery products to the small local builder. The trial of providing tool hire was extended in further branches and the synergy in terms of growth in customer footfall and business is being monitored.

Magnet has invested in and launched a trade transactional web site called MagnetExpress, which enables our trade customers to buy kitchens on-line and take delivery within forty-eight hours. Further development is ongoing to include the full range of joinery products. Our retail web site has seen increased visitor activity and Magnet is currently developing an interactive web based kitchen design facility.

The continued profitable growth of Magnet will be achieved from the extension of the brand footprint into new geographic locations, across product groups and to a wider target market of appropriate customers. The development of these growth opportunities will run in parallel with the continued focus on efficiency improvements and cost reductions across the entire business.

2. Results and dividends

The profit on ordinary activities of the Company before taxation amounted to £20,240,000 (1999 - £19,895,000). No dividends were proposed. (1999- Three dividends totalling £50,000,000 were declared in respect of the period and the previous period.)

3. Research and development

It is the policy of the Company to continually investigate and develop new and improved methods of manufacturing and to evaluate, manufacture and distribute new products complementary to the Company's existing range.

4. Board of directors

The Directors who held office during the period and to date are as follows:-

D W Williams	
G A Favell	
K I Bray	
J P Findler	(resigned 3 July 2000)
A R Airey	
M L Bertrand	(appointed 23 May 2000)
J A Bevan	(appointed 23 May 2000)
G C P Gratton	(appointed 23 May 2000)
P F Rowland	(appointed 23 May 2000)
D J Mulhall	(resigned 8 December 1999)

The Directors had no interests in the shares of the Company.

The interests of D W Williams, D J Mulhall and J P Findler in the shares of the ultimate parent company, Enodis plc, at the period end, are disclosed in the accounts of that company.

The interests of the remaining Directors in office at the period end in the ordinary shares of the ultimate parent company are as follows:-

Executive Share Option Scheme

<u>Director</u>	<u>At 2/10/99</u>	<u>Granted</u>	<u>Exercised</u>	<u>Lapsed</u>	<u>At 30/9/00</u>
A R Airey	129,232	20,000	Nil	Nil	149,232
K I Bray	167,581	20,000	Nil	Nil	187,581
G A Favell	136,290	40,000	Nil	Nil	176,290

SAYE Share Option Scheme

<u>Director</u>	<u>At 2/10/99</u>	<u>Granted</u>	<u>Exercised</u>	<u>Lapsed</u>	<u>At 30/9/00</u>
A R Airey	Nil	1,496	Nil	Nil	1,496
K I Bray	4,448	Nil	Nil	Nil	4,448
G A Favell	17,410	Nil	Nil	Nil	17,410

Ordinary Shares

<u>Director</u>	<u>At 2/10/99</u>	<u>At 30/9/00</u>
A R Airey	Nil	5,000
K I Bray	2,286	4,027
G A Favell	Nil	Nil

No other Directors have any interest in the ultimate parent Company.

No Director has a material interest in any contract with Enodis plc group companies other than service contracts.

6. Tangible fixed assets

The changes in the fixed tangible assets of the Company during the year are summarised in Note 9 to the accounts. The Directors believe there is no significant difference between the open market value and the balance sheet value of the Company's interest in land and buildings.

7. Charitable and political donations

The Company made charitable donations of £16,000 (1999: £8,000).

8. Auditors

A resolution proposing the reappointment of Deloitte & Touche as auditors to the Company will be put to the members at the Annual General Meeting.

9. Disabled employees

Applications for employment from disabled persons are considered on their merits and regard is paid only to the ability of an applicant to carry out satisfactorily the functions required. The same policy is adopted when considering career development and promotion, while in the field of training a distinction would only be made in order to meet the particular requirements of the disabled person. If an employee became disabled while in employment, all due consideration would be given to continued employment whether in the same or in an alternative capacity and training would be given where necessary.

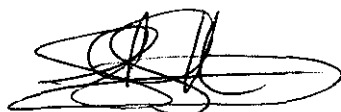
10. Employee consultation

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting performance of the Company. This is achieved through monthly team briefing and "Magnet Today" a quarterly magazine which is sent to all employees.

11. Creditor payment policy

Under normal circumstances suppliers of goods and services are paid within the period agreed with the suppliers. Creditor days at 30 September 2000 were 39 days (1999: 34 days).

By order of the Board



Director

St Mark

2001

Directors' responsibilities statement

Company law requires the Directors to prepare financial statements for each financial year which 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 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 standards have been followed;
- 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.

By order of the Board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above the word 'Director'.

Director

5th March 2001

Auditors' report to the members of Magnet Limited

We have audited the financial statements on pages 7 to 20 that have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 the Company's Directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on those statements and to report our opinion to you.

Basis of opinion

We conduct 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.

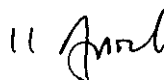
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs of the Company as at 30 September 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
10-12 East Parade
Leeds
LS1 2AJ



2001

Magnet Limited

7

Profit and loss account

		52 weeks ended 30 September 2000 £'000	53 weeks ended 2 October 1999 £'000
	Notes		
Turnover	1	254,744	247,989
Cost of Sales		162,240	159,501
Gross Profit		<u>92,504</u>	<u>88,488</u>
Operating Costs	2	69,604	68,049
Operating Profit	3	<u>22,900</u>	<u>20,439</u>
Profit/(Loss) on sale of fixed assets		165	(71)
Profit on ordinary activities before interest		<u>23,065</u>	<u>20,368</u>
Net interest payable	6	(2,825)	(473)
Profit on ordinary activities before taxation		<u>20,240</u>	<u>19,895</u>
Taxation	7	-	-
Profit on ordinary activities after taxation		<u>20,240</u>	<u>19,895</u>
Dividends	8	-	(50,000)
Retained profit/(loss) for the financial period	18	<u>20,240</u>	<u>(30,105)</u>

All trading during the period is in respect of continuing operations and is in respect of the business of Magnet Limited.

There were no recognised gains or losses in the period and the preceding period other than those reflected in the profit and loss account. Accordingly, a separate statement of recognised gains and losses has not been provided.

The accompanying notes form an integral part of these accounts.

Magnet Limited

8

Balance sheet

As at:		30 September 2000	2 October 1999
	Notes	£'000	£'000
Fixed assets			
Tangible assets	9	42,705	37,471
Investment	10	13,595	13,595
		<u>56,300</u>	<u>51,066</u>
Current assets			
Stocks	11	41,728	35,996
Debtors	12	34,264	32,372
Cash at bank and in hand		2,896	1,954
		<u>78,888</u>	<u>70,322</u>
Creditors: falling due within one year	13	82,407	88,570
		<u>(3,519)</u>	<u>(18,248)</u>
Net current liabilities			
		<u>(3,519)</u>	<u>(18,248)</u>
Total assets less current liabilities		<u>52,781</u>	<u>32,818</u>
Creditors: falling due after more than one year	14	896	1,173
		<u>51,885</u>	<u>31,645</u>
Net assets			
		<u>51,885</u>	<u>31,645</u>
Capital and reserves			
Called up share capital	17	15,510	15,510
Other reserve	18	5,900	5,900
Profit and loss account	18	30,475	10,235
		<u>51,885</u>	<u>31,645</u>
Equity shareholders' funds	19	<u>51,885</u>	<u>31,645</u>

Approved by the Board on *5th March* 2001

Director

The accompanying notes form an integral part of these accounts.

Accounting policies**Basis of accounting**

The accounts have been prepared under the historical cost convention and comply in all respects with applicable accounting standards.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at annual rates calculated to write off the cost of each asset on a straight line basis over its expected useful life as follows:-

Freehold and long leasehold land	nil
Freehold and long leasehold buildings	2% to 10%
Short leasehold buildings	10%
Plant, equipment and vehicles	10% to 33 1/3%

Leases

Finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding. Operating lease rentals are charged to the profit and loss account as incurred.

Stocks

Stocks are stated at the lower of the cost and net realisable value. The cost of work-in-progress and finished goods includes an appropriate portion of manufacturing and distribution overheads. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Turnover

Turnover represents the invoiced value of goods sold and services provided, excluding value added tax and trade discounts.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation is provided using the liability method to the extent that it is probable that a liability will crystallise.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling using forward exchange contract rates where applicable and the differences arising are included in trading profit, together with exchange differences arising from settled transactions.

Pension costs

The Company operates a defined benefit pension scheme. Benefits payable to members are determined by the Trust Deed and rules. The scheme has been closed to new members joining since 1st November 1999. The fund is valued on a regular basis by a professionally qualified independent actuary, the rates of contribution payable by the company being determined by the actuary. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Company benefits from the employees' services. The effects of variations from regular costs are spread over the expected average remaining service lives of members of the scheme. Any difference between amounts charged in the profit and loss account and paid to the pension scheme is shown on the balance sheet as an asset or a liability.

The company also operates a defined contributions scheme for existing and new employees, where the company contributes a set percentage of salary depending on age and service criteria. These amounts are charged directly to the P&L account.

Cash flow statement

The Company is a wholly owned subsidiary of a company incorporated in the United Kingdom and has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to include a cash flow statement.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. The Company has taken advantage of the exemption in S. 228 of the Companies Act 1985 not to prepare consolidated accounts as it is itself a wholly owned subsidiary of Enodis plc. Accordingly the financial statements present information about the Company as an individual undertaking and not about it as a group.

Magnet Limited
Notes to the accounts

11

1. Turnover	52 Weeks ended 30 September 2000 £'000	53 Weeks ended 2 October 1999 £'000
Third party by destination:		
UK	253,203	245,194
Rest of Europe	1,535	2,592
Other	6	203
	<u>254,744</u>	<u>247,989</u>

Turnover consists entirely of sales originating in the United Kingdom.

2. Operating Costs	52 Weeks ended 30 September 2000 £'000	53 Weeks ended 2 October 1999 £'000
Continuing operations		
Selling and distribution costs	56,901	55,463
Administrative expenses	12,703	12,586
	<u>69,604</u>	<u>68,049</u>

3. Operating profit	52 Weeks ended 30 September 2000 £'000	53 Weeks ended 2 October 1999 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets – owned	5,113	5,192
Depreciation of tangible fixed assets – leased	83	317
Rental of plant and equipment under operating leases	3,599	2,834
Rental of land and buildings from fellow subsidiaries	788	826
Rental of land and buildings from third parties	13,908	12,957
Auditors' remuneration – audit	60	54
Staff costs (note 4)	<u>51,282</u>	<u>48,567</u>

4. Staff costs

**52 Weeks ended 30
September
2000
£'000**

**53 Weeks ended
2 October
1999
£'000**

a) Staff costs, including Directors, comprised:

Wages and salaries	45,992	43,588
Social security costs	3,452	3,347
Other pension costs	1,838	1,632
	<u>51,282</u>	<u>48,567</u>

b) The average weekly number of employees was:

	52 Weeks ended 30 September 2000 No.	53 Weeks ended 2 October 1999 No.
Manufacturing and distribution	1,045	1,087
Sales and marketing	1,033	1,022
Office and management	193	163
	<u>2,271</u>	<u>2,272</u>

5. Directors' remuneration

**52 Weeks ended 30
September 2000
£'000**

**53 Weeks ended
2 October 1999
£'000**

Remuneration		
Salaries and other emoluments	393	403
Bonuses	134	281
Pension contributions	27	31
	<u>554</u>	<u>715</u>

Directors remuneration above includes £239,000 (1999 £692,000) paid on behalf of the Company by its ultimate parent company with this amount (1999 £692,000) being recharged to the Company.

All Directors are members of a defined benefit pension scheme.

Directors' remuneration (excluding pension contributions) includes:

	52 Weeks ended 30 September 2000 £'000	53 Weeks ended 2 October 1999 £'000
Highest paid director	<u>223</u>	<u>214</u>

The accrued pension of the highest paid director at 30 September 2000 was £13,300 (1999 £9,300)

Pension contributions for the highest paid director amounted to £10,000 in the period (1999 £14,000).

6. Net interest payable

	52 Weeks ended 30 September 2000 £'000	53 Weeks ended 2 October 1999 £'000
Interest payable:		
Loan from ultimate holding company	(2,947)	(538)
Finance Leases	(2)	(15)
Other	(14)	(22)
	<u>(2,963)</u>	<u>(575)</u>
Interest receivable:		
Bank balances	3	2
Other	21	65
Currency Deposits with ultimate holding company	114	35
	<u>138</u>	<u>102</u>
Net interest payable	<u>(2,825)</u>	<u>(473)</u>

7. Taxation

No tax charge arises in the period due to the availability of tax losses brought forward and group relief available from other group companies for £Nil consideration.

8. Dividends

	52 Weeks ended 30 September 2000 £'000	53 Weeks ended 2 October 1999 £'000
The Board declared an interim dividend of £Nil (1999 – 64.47p per share).	-	10,000
The Board declared a second interim dividend of £Nil (1999 – 64.47p per share).	-	10,000
The Board declared a final dividend of £Nil (1999 – 193.42p per share).	-	30,000
	<u>-</u>	<u>50,000</u>

9. Tangible fixed assets

	Land and buildings			Plant equipment and vehicles	Assets under Construction	Total
	Freehold £'000	Long Leasehold £'000	Short Leasehold £'000	£'000	£'000	£'000
Cost						
At 2 October 1999	9,291	2,181	4,781	61,861	613	78,727
Additions	-	47	2,270	8,034	421	10,772
Reclassifications	2,152	(8)	380	(1,911)	(613)	-
Disposals	-	(135)	(47)	(1,592)	-	(1,774)
At 30 September 2000	11,443	2,085	7,384	66,392	421	87,725
Depreciation						
At 2 October 1999	573	158	758	39,767	-	41,256
Reclassifications	-	(12)	12	-	-	-
Charge for period	149	28	505	4,514	-	5,196
Eliminated in Respect of disposals	-	(7)	(8)	(1,417)	-	(1,432)
At 30 September 2000	722	167	1,267	42,864	-	45,020
Net Book Value						
At 30 September 2000	10,721	1,918	6,117	23,528	421	42,705
Net Book Value						
At 2 October 1999	8,718	2,023	4,023	22,094	613	37,471

The net book value of plant, equipment and vehicles held under finance leases was £Nil (1999 £159,000).
The depreciation charge in respect of these assets was £83,000 (1999 £317,000).

10. Investment

Shares in group undertakings	30 September 2000 £'000	2 October 1999 £'000
At 2 October 1999	13,595	13,595
Addition	-	-
At 30 September 2000	13,595	13,595

The company acquired Magnet (Retail) Limited, a company registered in Eire, as an off-the-shelf company during the year.

Details of subsidiary undertaking

Undertaking	Country of Incorporation	Group Interest	Activities
Hiveserve Limited	England	100%	Holding Company for CP Hart & Sons Ltd whose activities are Retailing and Distribution of bathrooms and kitchens.
Magnet (Retail) Limited	Eire	100%	Retailing of fitted kitchens, bedrooms, bathrooms and related products.

11. Stocks	30 September 2000	2 October 1999
	£'000	£'000
Raw materials and consumables	7,074	5,819
Work-in-progress	2,059	2,080
Finished goods	32,595	28,097
	<u>41,728</u>	<u>35,996</u>

At the period end the Directors are not aware of any significant difference between book value and replacement cost of stocks.

12. Debtors	30 September 2000	2 October 1999
	£'000	£'000
Trade debtors	27,345	25,007
Other debtors	300	400
Amounts due from other group companies	1,742	492
Prepayments and accrued income	4,877	6,473
	<u>34,264</u>	<u>32,372</u>

13. Creditors: falling due within one year	30 September 2000	2 October 1999
	£'000	£'000
Trade creditors	20,960	16,121
Other creditors	7,767	7,523
Amounts owed to ultimate holding company	36,687	47,762
Amounts owed (from)/to other group companies	(305)	132
Other taxes and social security	3,825	3,023
Accruals and deferred income	13,473	12,680
Provisions for liabilities and charge (note 15)	-	1,250
Finance lease obligations (note 16)	-	79
	<u>82,407</u>	<u>88,570</u>

14. Creditors: falling due after more than one year	30 September 2000	2 October 1999
	£'000	£'000
Provisions for liabilities and charges (note 15)	896	1,173
	<u>896</u>	<u>1,173</u>

15. Provisions for liabilities and charges

a) Movements on provisions during the period comprise:

	Reorganisation £'000	Pensions £'000	Total £'000
At 2 October 1999	2,015	408	2,423
Utilised	(834)	(2,613)	(3,447)
Provided	-	1,920	1,920
At 30 September 2000	<u>1,181</u>	<u>(285)</u>	<u>896</u>
Due within one year			-
Due after more than one year			896
			<u>896</u>

b) The reorganisation provision comprises:

	30 September 2000	2 October 1999
	£'000	£'000
Vacant property costs	1,081	1,548
Other	100	467
	<u>1,181</u>	<u>2,015</u>

16. Other matters

a) Capital commitments	30 September 2000	2 October 1999
	£'000	£'000
Commitments for future capital expenditure:		
Contracted for but not provided for in the financial statements	<u>1,013</u>	<u>1,250</u>

b) Lease obligations

30 September
20002 October
1999

£'000

£'000

Operating lease payments which the Company is committed to make during the next financial year are analysed as follows:

Land and buildings

Leases expiring:

Within one year

157

219

Between two and five years inclusive

731

837

Thereafter

14,994

14,611

15,88215,667**Other assets**

Leases expiring:

Within one year

919

318

Between two and five years inclusive

3,178

2,626

Thereafter

18

29

4,1152,973

The future minimum lease payments to which the Company is committed under finance leases are as follows:

Within one year

-

94

Between two and five years inclusive

-

-

Thereafter

-

-

-

94

Finance charges allocated to future periods

-

(15)

-

79

c) Deferred taxation

Deferred taxation has not been provided in the financial statements. The amount of the potential (asset) / liability is as follows:-

	30 September 2000 £'000	2 October 1999 £'000
Tax effect of timing differences because of:		
Losses	(8,500)	15,192
Excess of capital allowances over depreciation	1,160	100
Potential balancing charges on sale of properties	1,525	(2,108)
Other	(1,600)	727
	<u>(7,415)</u>	<u>13,911</u>

17. Share capital

	30 September 2000	2 October 1999
Authorised, allotted, called up and fully paid 15,510,300 ordinary shares of £1 each	<u>£15,510,300</u>	<u>£15,510,300</u>

18. Reserves

	Other Reserves £'000	Profit & Loss Account £'000
The movement for the period comprised:		
At 2 October 1999	5,900	10,235
Profit for the financial period	-	20,240
At 30 September 2000	5,900	30,475

19. Reconciliation of movement in equity shareholders' funds

	52 Weeks ended 30 September 2000 £'000	53 Weeks ended 2 October 1999 £'000
Profit for the financial period	20,240	19,895
Dividends	-	(50,000)
Total movement in equity shareholders' funds	20,240	(30,105)
Opening equity shareholders' funds	31,645	61,750
Closing equity shareholders' funds	51,885	31,645

20. Pension obligations

The Company operates a defined benefit pension scheme covering the majority of full time employees. A valuation has been carried out by a qualified independent actuary at 1 November 1997, using the projected unit method.

The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments and the rates of increase in salaries, pensions and dividends. The assumptions used in the valuation were as follows:-

investment returns	9.25% p.a.
increase in:	
salaries	6.75% p.a.
present and future pensions	4.00% p.a.
dividends	5.75% p.a.

The total market value of the scheme's assets, at the last valuation date, together with the funding level as a percentage of accrued benefits after allowing for future increases in earnings was £78.3m (102%).

The total pension cost to the Company for the period was £1,838,000 (1999 £1,632,000). A debit balance of £285,000 (1999 credit balance of £408,000) is included in provisions (note 15).

21. Contingent liabilities

There is a contingent liability in respect of an upstream guarantee issued by the Company, together with other subsidiaries of the Enodis plc group, in favour of certain financial institutions (including Barclays Bank plc, as facility agent, and National Westminster Bank plc, as syndication agent) as security for term loan facilities available to Enodis plc and its wholly owned US subsidiary Welbilt Corporation. At 30 September 2000, the borrowings amounted to £436 million (1999: £406 million).

There is a contingent liability in respect of the cross guarantee, given by the Company, together with other members of the Enodis plc group, in favour of National Westminster Bank plc. At 30 September 2000, the borrowings amounted to £NIL (1999: £NIL).

22. Parent company

The ultimate controlling entity is Enodis plc a company incorporated in England and Wales. The immediate controlling entities are Enodis plc which holds 80% and Manston Limited which holds 20%, companies incorporated in England and Wales, and the British Virgin Islands respectively. Copies of the Financial Statements of Enodis plc can be obtained from the Secretary at 1 Farnham Road, Guildford, Surrey, GU2 4RG.

23. Related party transactions

The Company has taken advantage of the exemption granted by paragraph 3 (c) of Financial Reporting Standard 8, "Related party disclosures", not to disclose transactions with entities that are part of Enodis plc, as the consolidated financial statements, in which the Company is included, are publicly available.