

Enodis Group Limited

Report and Financial Statements

Year ended

31 December 2021

Company Number 04330202

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Enodis Group Limited
Report and financial statements
for the year ended 31 December 2021

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Directors

A D Gray
M Anastasia

Secretary and registered office

c/o Womble Bond Dickinson LLP, The Spark, Drayman's Way, Newcastle Helix, Newcastle upon Tyne, NE4 5DE

Company number

04330202

Auditors

BDO LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL

Enodis Group Limited

Strategic report for the year ended 31 December 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Business review and principal activities

The principal activities of the consolidated Group are 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.

Turnover was higher than the prior year (up £71.2m to £153.6m), mainly attributable to 2020 being abnormally low due to the Covid-19 pandemic. The group continues to invest in new product development.

While the commercial foodservice industry has continued to recover from the negative impacts of the COVID-19 pandemic, the extent of the ultimate impact of the COVID-19 pandemic, including supply chain disturbances and shipping and logistics delays, on our operational and financial performance will depend significantly on future developments, including the duration, scope and severity of the pandemic, the actions taken to contain, mitigate or recover from its impact in each of the countries where we operate globally (including actions taken to ease supply chain backlogs), the vaccination rates and efficacy, emergence of new strains of the virus, and the timing of the resumption of economic activity to pre-pandemic levels.

Throughout the year ended December 31, 2021, we continued to see increases in the cost of specific commodities, components and parts purchased, as well as in the average cost of commodities, components and parts purchased, as compared to the prior year, driven both by rising inflation rates and rising tariffs, as challenges in the supply chain and shipping and logistics delays continued to persist. The availability of key electronic components used in embedded electronic controls diminished in 2021, and we expended significant effort and resources to utilise available parts and to source these electronic components on the spot market, often at a large premium to historical prices.

We continue to proactively monitor the developments surrounding COVID-19 and may take additional actions based on the requirements and recommendations of governmental and health authorities around the world in an attempt to protect our stakeholders. Although we are currently unable to quantify with certainty the ultimate severity or duration of the impact of the COVID-19 pandemic on our business we have continued to manage the challenges in the supply and dispatch chains to mitigate the impact on our operating results and financial condition throughout fiscal 2022.

The Company principally acts as an intermediate investment holding company.

The Consolidated Statement of Comprehensive Income for year ended 31 December 2021 is set out on page 12.

On 16 March 2021 Berisford Holdings Limited and Enodis Property Group Limited, both indirect subsidiaries of the Company, were dissolved. As a result of the dissolution of Berisford Holdings Limited an additional impairment of £19.8m related to the carrying value of the investment was charged to the Statement of Comprehensive Income in the current year.

Each year the Group undertakes a year-end review of the carrying amounts of loans due from other subsidiaries within the wider Welbilt Inc Group and recognises impairment provisions against such balances to reflect instances where there is a net equity deficit in the balance sheets of those counterparties and the directors' do not consider the loans to be recoverable. This has resulted in a release of a prior year impairment of £3.9m.

Enodis Group Limited

Strategic report for the year ended 31 December 2021 (*continued*)

Business review and principal activities (*continued*)

The Group also reviews internal financing arrangements which may result in intercompany loans being repaid, capitalised, distributed or waived as appropriate:

- On 31 December 2021 the Company received a £8.4m interim dividend from Enodis Investments Limited, one of its subsidiaries.
- On 25 March 2020 the Company received £168m of loan note receivables by way of dividends in specie from its subsidiaries and these generated £5.1m of interest receivable in 2020.
- On 30 October 2020 Berisford Holdings Limited and Enodis Property Group Limited, both indirect subsidiaries of the Company, submitted strike-off applications to the Registrar of Companies and this process was processed in March 2021. As part of the cleaning up process, prior to strike-off, Berisford Holdings Limited waived a £1.5m receivable and Enodis Property Group Limited distributed its investments in subsidiary up to the company at a book value of £24.4m.

The directors do not recommend the payment of a final dividend (2020: £nil).

Subsequent to the balance sheet date:

- On 05 January 2022 Enodis Investments Limited, an indirect subsidiary of the Company, submitted strike off applications to the Registrar of Companies and this process completed on the 05 April 2022.
- On 28 July 2022 Ali Holding S.r.L ("Ali Group") completed its acquisition of Welbilt, Inc and became the new ultimate parent company.

Impact of Military Conflict Between Russia and Ukraine on our Business

The current military conflict between Russia and Ukraine and the deteriorating global political and economic conditions, may adversely affect our business and results of operations. Governments in the U.S., United Kingdom, and European Union have each imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia.

Consequences of the conflict between Russia and Ukraine may ultimately result in additional international sanctions, embargoes, regional instability, and geopolitical shifts. Further escalation of geopolitical tensions related to the Russia-Ukraine conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, cyberattacks, additional inflation and supply chain disruptions, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and results of operations. The extent of any negative effects on the global economy and our business and results of operations, cannot be predicted. As the Group has limited sales in Russia, the impact of this conflict did not have a material impact. The Group is no longer trading with Russian companies.

Effects of Brexit

As part of our preparations for the end of the Brexit transition period on the 31 December 2020 the Group put in place a team of senior leaders from the business in the major areas that would be impacted by Brexit. Due to our planning efforts following a small amount of disruption at the ports in early January, we are pleased there has been minimal impact to our operations.

We have seen an increase to our transport cost for goods to and from the EU, however cost containment actions such as consolidation of shipments have minimised this impact.

Enodis Group Limited

Strategic report for the year ended 31 December 2021 (*continued*)

Section 172 Statement

The directors of the Company consider, both individually and together, that they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Group and Company for the benefit of its members as a whole, and in so doing have regard, among other matters to:

- the likely consequences of any decision in the long term;
- the interest of the Group's employees
- the need to foster the Group's business relationships with supplier, customers and others;
- the desirability of the Group's maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

To assist them in discharging their duty under s172 Companies Act 2006, Directors undertake a number of stakeholder engagement activities to provide them with the information they need to understand the views and interests of stakeholders. This information helps Directors to have regard to stakeholder interests, and the likely long term consequences, including to the reputation of the Group, when making decisions and setting strategy.

Key stakeholders were considered in 2021, they are listed below with examples of the stakeholder engagement activities that took place in 2021.

Risk Management

Throughout the year, the Group 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.

Employees

We strive to be an employer of choice in our industry. We believe that we demonstrate a strong commitment to our people by providing a diverse and inclusive culture and environment where employee input, efforts and achievements are recognised and valued.

The board of directors engage directly with the employees through regular visits and meetings taking place at our locations. Both the Board of Directors and the management team are holding regular meeting with trade union officials to discuss current matters and to address any concerns and to maintain a positive constructive working relationship.

Examples of significant events included health and safety changes made to normal business operations in response to COVID-19, updated policies on what to do when an employee becomes symptomatic, tests positive or is potentially exposed to COVID-19, and an updated working from policy.

Suppliers

Our continued strong relationships and regular communications with suppliers is critical to us remaining an industry leader. To grow our reputation as an innovative group, we continuously develop our products and we leverage our suppliers to actively address product competitiveness and life cycle extensions. We co-create innovation and refresh existing products with new, locally relevant food-inspiring technologies, while simultaneously finding new ways to integrate those technologies into global platforms in a cost-effective manner and create cohesive kitchen systems for our customers.

For example, we are increasingly bringing touch screen and other controls technologies to our products. These technologies have significant operator benefits and web connectivity for our customers, supporting the integration of equipment into cloud-based applications that provides customers with necessary visibility and insight into the operating efficiency of the kitchen.

Enodis Group Limited

Strategic report for the year ended 31 December 2021 (*continued*)

Section 172 statement (*continued*)

Customers

The Group strategy is focused on customer-centric product development and planning, placing the customer in the centre of our new product developments and solutions while improving operations and reducing costs across the entire value chain to better serve our customers. Our longstanding relationships with our customers allow us to work in partnership to develop cooking solutions that meet their menu change, quality, or labour efficiency initiatives.

Community, Environment and Regulators

The Group's approach is to create positive change for the people and the communities with which we interact. We actively work with UK and foreign-based standards organisations, industry associations, certification parties, and regulatory bodies to develop and promote effective and balanced standards, codes, and regulations that provide for the advancement of sustainable customer solutions, with the highest possible levels of energy efficiency, sanitation, environmental standards, safety, and food quality. For example, we work with the following regulatory bodies to ensure we fully meet and continuously improve our systems and processes: Lloyd's Register re ISO9001:2015 (quality systems standard) and ISO14001:2015 (environmental systems standard); NSF (public health standards) UL (electrical safety compliance); and the FDA (Federal Drugs Agency). We also have annual compliance obligations for packing and management of the WEEE directive (Waste Electrical and Electronic Equipment recycling).

Where possible, the directors aim to act fairly with all stakeholders. However, there may be occasions when certain stakeholder interests may not be fully aligned with the Group's interests.

Principal risks and uncertainties

Throughout the year, the Group identifies and reviews potential risk and uncertainties that could have a material impact on performance and has put in place internal processes and controls designed to mitigate these risks. Detailed planning processes and contingency plans are in place for adverse change to macro-economic conditions. Appropriate review and development processes are followed for all employees including for succession. The principal risks the Group is exposed to are as follows:

Brexit risk

The group has put in place a team of senior leaders from the business in the major areas that would be impacted by Brexit and we continue to monitor the situation. We have addressed the areas significantly impacted by Brexit to mitigate identified risks where possible.

Liquidity risk

The Group 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 Group's cash position is monitored weekly.

Credit risk

The Group is exposed to credit risk on its debtor balances and cash at bank. Debtors are assessed for credit worthiness prior to credit being advanced and cash is only placed with reputable financial institutions. Subsequently, the directors review the carrying value of debtor balances with reference to the credit worthiness and financial position of the counterparties regularly.

Price risk/competitive market risk

The Group is exposed to commodity price risk. The Group 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 Welbilt Inc group level.

Enodis Group Limited

Strategic report for the year ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

Foreign exchange risk

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

Going concern

The directors have considered the continued impact of COVID-19 and the economic and trading uncertainties resulting from the conflict in Ukraine on forecast and projections, and the recovery of the commercial food service in 2022 and we are pleased to say, the Group and Company has not and is not expected to require external financial support to continue to meet financial obligations as and when they fall due.

We continue to be cash generative and at the discretion of management, the excess is swept into a cash pool facility managed at the group level.

Revenue in the subsidiary businesses has returned and exceeded pre COVID-19 pandemic levels, with strong customer demand exceeding our expectations. The directors, having considered the uncertainties of the economic environment and a sensitivity analysis of the forecasts and projections, prepared for a period of at least 12 months from the date of approval of the financial statements, have concluded that it is appropriate to prepare the accounts on a going concern basis.

The Group and Company is exposed to short term liability positions exclusively with entities within the wider Welbilt Inc group. The Group and Company has obtained a letter of support from the current directors of Welbilt Inc, the ultimate parent company, which indicates that it will not demand repayment of group related balances such that it would leave the Company unable to meet its other liabilities as they fall due. Based on the directors' assessment of the ability of Welbilt Inc's ability to honour this letter of support the directors consider it appropriate to adopt the going concern basis of preparation in these financial statements. However, the directors acknowledge that following the recent acquisition of the Welbilt Inc Group by Ali Holding S.r.l, during 2022, the future funding of the Welbilt Inc Group is not certain and as a result, these liabilities could be called in for repayment earlier than anticipated, which may result in a liquidity issue for the Company and Group.

These conditions indicate that a material uncertainty exists that may cast significant doubt over the group and company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

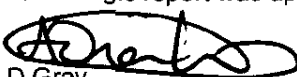
Key performance indicators

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

	2021	2020
Growth / (Decline) of sales	86%	(35%)
Gross margin %	33%	32%
Inventory turns	7.3x	6.4x

Approval

This strategic report was approved on behalf of the Board on 16 December 2022.


A D Gray

Director

Enodis Group Limited

Report of the directors for the year ended 31 December 2021

The directors present their report together with the audited financial statements for the year ended 31 December 2021.

Directors

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

A D Gray
M Anastasia (appointed 23 September 2022)
E John-Featherby (resigned 23 September 2022)

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.

Financial risk management objectives and policies

The Group's financial risk management objectives and policies have been included within the Strategic report under principal risks and uncertainties.

Employees

Regular meetings are held with employees to give information and to obtain their views on matters affecting the performance of the company, future developments and the economic factors affecting the business together with news of the Group's competitors.

Employment policies are designed to provide equal opportunities irrespective of colour, ethnic or national origin, nationality, sex or marital status. Full consideration is given to the employment, training and career development of disabled persons subject only to their aptitudes and abilities.

It is the policy of the Group that the training, career development and promotion prospects should, so far as is possible, be identical for all employees.

Training and development

We constantly strive to retain and develop our employees in order to maintain a continuity of excellence in our service, which is the bedrock of our relationship with our customers. Additionally we are constantly looking to attract new quality staff whenever the opportunities arise.

We have a policy of encouraging our existing employees to undertake and participate in appropriate training programs, particularly health and safety, risk assessment work, parts-identification, technical service and management and leadership development.

Research and development

The Group continues to invest in research and development. This has resulted in improvements in and development of new and existing products in cooking equipment and beverage dispensing. These costs are typically expensed.

Enodis Group Limited

Report of the directors for the year ended 31 December 2021 (*continued*)

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 group and the company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Streamlined energy and carbon reporting (SECR) disclosure

The SECR disclosure presents our carbon footprint at our Sheffield facility across Scope 1, 2 and to some extent scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial year. Comparative figures are not available.

	2021	2020
Energy consumption used to calculate emissions (kWh)	3,775,743	2,391,336
Emissions from combustion of gas (Scope 1) tCO ₂ e	107	52
Emissions from combustion of fuel for transport purposes (Scope 1) tCO ₂ e	312	256
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO ₂ e	47	2
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	348	260
Total gross tCO ₂ e based on above	814	570
Intensity ratio (kgCO ₂ e / Number of manufactured unit)	25.32	37.35

Enodis Group Limited

Report of the directors for the year ended 31 December 2021 (*continued*)

Energy efficiency action summary

Enodis Group Limited and its subsidiaries continue to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements, including;

- Installed a power coating paint plant within Sheffield facility
 - Paint plant uses latest technology available recirculates 98% of paint applied
 - Eliminated transport to external sub-contractor
 - Eliminated damage in transit of parts being painted
- New latest technology Laser installed Fibre Optic
- Lasers on site now ability to run on compressed air instead of Nitrogen - Nitrogen is delivered by tanker to site
- Site cardboard bailer replaced with compactor to compact cardboard straight into a Roll on Roll off skip reduced vehicle movement and eliminates use of forklift trucks on site to move bailed cardboard
- External car park and warehouse yard lighting converted to LED were previously Halogen.

GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.

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.

The auditors, BDO LLP, are deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

On behalf of the Board



A D Gray

Director

Date: 16 December 2022

Enodis Group Limited

Independent auditor's report to the members of Enodis Group Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Enodis Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which indicates that the Group and Parent Company are reliant on the continued financial support from Welbilt Inc, the ultimate parent company, to continue as a going concern. Welbilt Inc was acquired by Ali Holdings S.r.l during 2022 and the future funding of the Welbilt Inc Group subsequent to this is uncertain and may result in related balances with the Welbilt Inc Group being called on for repayment earlier than anticipated. This in turn could lead to a liquidity issue for the Group and Parent Company. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Enodis Group Limited

Independent auditor's report to the members of Enodis Group Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and Parent 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Enodis Group Limited

Independent auditor's report to the members of Enodis Group Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements.


Based on our understanding we designed our audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of management and of the Directors as to the risks of non-compliance and any instances thereof. We also addressed the risk of management override of internal controls, including testing journal entries processed and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

DC0D99BB4F07404
Neil Ebdon (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds, UK
Date: 21 December 2022

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

Enodis Group Limited

Consolidated Statement of Comprehensive Income for the year ended 31 December 2021

	Note	2021	2020
		£m	£m
Turnover	3	153.6	82.4
Cost of sales		(102.6)	(55.8)
Gross profit		51.0	26.6
Distribution costs		(6.7)	(7.1)
Impairment reversal / (charge) on intercompany receivable		3.9	(3.9)
Administrative expenses		(8.6)	(10.5)
Operating profit	4	39.6	5.1
Interest receivable	7	8.6	8.9
Interest payable	7	(2.4)	(2.3)
Profit on ordinary activities before taxation		45.8	11.7
Taxation on profit on ordinary activities	8	(2.2)	0.3
Profit for the year		43.6	12.0
Currency translation differences		0.2	0.2
Actuarial gain / (loss) on defined benefit pension scheme	17	1.0	(1.5)
Other comprehensive income / (loss) for the year		1.2	(1.3)
Total comprehensive income for the year		44.8	10.7

The notes on pages 18 to 34 form part of these financial statements.

Enodis Group Limited

Consolidated Balance Sheet at 31 December 2021

Company number: 04330202	Note	2021 £m	2021 £m	2020 £m	2020 £m
Fixed assets					
Intangible assets	9		0.3		0.2
Tangible assets	10		6.0		3.8
Current assets					
Stocks	12	19.6		8.5	
Debtors due within one year	13	200.3		190.5	
Debtors due after one year	13	203.0		199.1	
Cash at bank and in hand		1.3		0.6	
		<u>424.2</u>		<u>398.7</u>	
Creditors: amounts falling due within one year	14	(78.0)		(90.9)	
Net current assets			346.2		307.8
Total assets less current liabilities			352.5		311.8
Creditors: amounts falling due after more than one year	15		(0.1)		(0.1)
Provision for liabilities	16		(6.7)		(6.5)
Net assets excluding pension surplus / (deficit)			345.7		305.2
Pension surplus / (deficit)	17		4.1		(0.2)
Net assets			349.8		305.0
Capital and reserves					
Called up share capital	18		-		-
Profit and loss account			349.8		305.0
			<u>349.8</u>		<u>305.0</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022.



A Gray

Director

The notes on pages 18 to 34 form part of these financial statements.

Enodis Group Limited

Company Balance Sheet at 31 December 2021

Company number: 04330202	Note	2021 £m	2021 £m	2020 £m	2020 £m
Fixed assets					
Investments	11		164.8		184.6
Current assets					
Debtors due within one year	13	0.6		2.2	
Debtors due after one year	13	168.0		164.1	
Cash at bank and in hand		0.2		0.2	
		<u>168.8</u>		<u>166.5</u>	
Creditors: amounts falling due within one year	14	<u>(112.9)</u>		<u>(122.2)</u>	
Net current assets			55.9		44.3
Total assets less current liabilities			220.7		228.9
Provision for liabilities	16		(0.3)		(0.3)
Net assets excluding pension surplus / (deficit)			220.4		228.6
Pension surplus / (deficit)	17		4.1		(0.2)
Net assets			224.5		228.4
Capital and reserves					
Called up share capital	18		-		-
Profit and loss account			224.5		228.4
			<u>224.5</u>		<u>228.4</u>

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The company's total comprehensive income / (loss) for the financial year was a loss of £3.9m (2020: a profit of £186.8m).

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022.



A Gray

Director

The notes on pages 18 to 34 form part of these financial statements.

Enodis Group Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

	Share capital £m	Profit and loss Account £m	Total Equity £m
1 January 2021	-	305.0	305.0
Comprehensive income for the year			
Profit for the year	-	43.6	43.6
Other comprehensive income for the year	-	1.2	1.2
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	44.8	44.8
	<hr/>	<hr/>	<hr/>
31 December 2021	-	349.8	349.8
	<hr/>	<hr/>	<hr/>
1 January 2020	-	294.3	294.3
Comprehensive income for the year			
Profit for the year	-	12.0	12.0
Other comprehensive income / (loss) for the year	-	(1.3)	(1.3)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	10.7	10.7
	<hr/>	<hr/>	<hr/>
31 December 2020	-	305.0	305.0
	<hr/>	<hr/>	<hr/>

The notes on pages 18 to 34 form part of these financial statements.

Enodis Group Limited
Company Statement of Changes in Equity
For the year ended 31 December 2021

	Share capital £m	Profit and loss account £m	Total Equity £m
1 January 2021	-	228.4	228.4
Comprehensive income / (loss) for the year			
Loss for the year	-	(4.9)	(4.9)
Other comprehensive income for the year	-	1.0	1.0
	<hr/>	<hr/>	<hr/>
Total comprehensive income / (loss) for the year	-	(3.9)	(3.9)
	<hr/>	<hr/>	<hr/>
31 December 2021	-	224.5	224.5
	<hr/>	<hr/>	<hr/>
1 January 2020	-	41.6	41.6
Comprehensive income for the year			
Profit for the year	-	163.9	163.9
Other comprehensive income for the year	-	22.9	22.9
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	186.8	186.8
	<hr/>	<hr/>	<hr/>
31 December 2020	-	228.4	228.4
	<hr/>	<hr/>	<hr/>

The notes on pages 18 to 34 form part of these financial statements.

Enodis Group Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2021

	Note	Group 2021 £m	Group 2020 £m
Cash flows from operating activities			
Profit for the financial year		43.6	12.0
Adjustments for:			
Depreciation	10	0.8	0.7
Amortisation	9	0.1	-
(Impairment reversal) / impairment of intercompany receivables		(3.9)	3.9
Foreign exchange (gains)/losses		-	0.2
Other interest receivable and similar income	7	(8.6)	(8.9)
Interest payable and similar charges	7	2.4	2.3
Taxation (income) / expense	8	2.2	(0.3)
(Increase) / decrease in trade and other debtors		17.0	(5.2)
(Increase) / decrease in stocks		(11.1)	0.5
Increase / (decrease) in trade and other creditors less than one year		(7.0)	(0.2)
Increase / (decrease) in trade and other creditors greater than one year		-	(0.2)
Increase / (decrease) in provisions		0.2	0.4
Difference between net pension expense and cash contribution		(3.3)	(3.7)
Cash flows (used in) / from operations		32.4	1.5
Tax paid		(2.7)	(0.9)
Net cash (used in) / from operating activities		29.7	0.6
Cash flows (used in) / from investing activities			
Loans to related parties		(25.8)	-
Purchases of intangible fixed assets		(0.2)	(0.2)
Purchases of tangible fixed assets		(3.0)	(0.6)
Net cash (used in) / from investing activities		(29.0)	(0.8)
Cash flows from financing activities		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		0.7	(0.2)
Cash and cash equivalents at beginning of year		0.6	0.8
Cash and cash equivalents at the end of year		1.3	0.6
Cash and cash equivalents comprise:			
Cash at bank and in hand		1.3	0.6
		1.3	0.6

The notes on pages 18 to 34 form part of these financial statements.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021

1 Accounting policies

Enodis Group Limited is a private limited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office can be found on the company information page. The nature of the company's operations and its principal activity is outlined in the strategic report.

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 financial statements are prepared in sterling, which is the functional currency of the group and company. Amounts in these financial statements are rounded to the nearest £100,000.

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.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d), regarding a cashflow statement for the Company;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A, regarding financial assets and financial liabilities;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29, regarding hedge accounting.

This information is included in the consolidated financial statements of Welbilt Inc. as at 31 December 2021 and these financial statements may be obtained from the Secretary at 2227 Welbilt Boulevard, New Port Richey, Florida 34655, USA.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Enodis Group Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2015.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

Going concern

The directors have considered the continued impact of COVID-19 and the economic and trading uncertainties resulting from the conflict in Ukraine on forecast and projections, and the recovery of the commercial food service in 2022 and we are pleased to say, the Group and Company has not and is not expected to require external financial support to continue to meet financial obligations as and when they fall due.

We continue to be cash generative and at the discretion of management, the excess is swept into a cash pool facility managed at the group level.

Revenue in the subsidiary businesses has returned and exceeded pre COVID-19 pandemic levels, with strong customer demand exceeding our expectations. The directors, having considered the uncertainties of the economic environment and a sensitivity analysis of the forecasts and projections, prepared for a period of at least 12 months from the date of approval of the financial statements, have concluded that it is appropriate to prepare the accounts on a going concern basis.

The Group and Company is exposed to short term liability positions exclusively with entities within the wider Welbilt Inc group. The Group and Company has obtained a letter of support from the current directors of Welbilt Inc, the ultimate parent company, which indicates that it will not demand repayment of group related balances such that it would leave the Company unable to meet its other liabilities as they fall due. Based on the directors' assessment of the ability of Welbilt Inc's ability to honour this letter of support the directors consider it appropriate to adopt the going concern basis of preparation in these financial statements. However, the directors acknowledge that following the recent acquisition of the Welbilt Inc Group by Ali Holding S.r.l, during 2022, the future funding of the Welbilt Inc Group is not certain and as a result, these liabilities could be called in for repayment earlier than anticipated, which may result in a liquidity issue for the Company and Group.

These conditions indicate that a material uncertainty exists that may cast significant doubt over the group and company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover arising on the sale of goods is recognised when the risks and rewards of ownership has passed to the customer, which is generally on delivery and it is probable that future economic benefits will flow to the group. Turnover arising on service contracts is recognised at the time the service is provided.

Intangible fixed assets

Intangible assets relate to the purchase of customer lists and customer relationship. Amortisation is calculated by applying the straight-line method to its estimated useful life. The cost of the customer list is being amortised to 'administrative expenses' over a period of 5 years, based on management's experience within the industry.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any 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.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

Depreciation

Land is not depreciated. Depreciation on other assets 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:

Leasehold improvement	-	Term of lease or 10 years
Plant, machinery and motor vehicles	-	10-33% per annum
Fixtures, fittings, and equipment	-	10-33% 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 statement of comprehensive income.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

Investments

Investments are held in the Company at cost less impairment.

Stocks

Stocks and development land are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable 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.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held amortised at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight line method to its estimated useful life. Goodwill is being amortised over the directors' estimate of its useful economic life ranging from 3 to 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pension Costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Operating lease rentals are charged to the profit and loss account as incurred.

Benefits received and receivable as an incentive to sign an operating lease are spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Onerous leases are recognised where the unavoidable costs of a lease exceed the economic benefit expected to be received from it. A provision is made for the present value of the obligation. The expected cash flow include lease obligations, less the sub-letting receipts for properties with sub lease agreements, together with risk weighted cash flows associated with expected extensions of existing subleases.

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 standard warranty period.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

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.

Reserves

The Company's reserves include:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Investments and intercompany receivables

Directors determine whether there are indicators of impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The directors review the carrying amounts of investments in relation to the underlying net assets of the subsidiary companies and sub groups. The directors also recognise impairments on loans due from fellow group companies where the counterparty has a net equity deficit and the directors are of the opinion that the loan may not be recoverable.

Stock provision

Management has judged 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 realisable value.

Warranty provision

In calculating the provision for costs under standard warranties, 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.

Pension

The valuation of the pension surplus / (deficit) is determined through the application of a variety of estimates in accordance with the requirements of the Technical Actuarial Standards as determined by the Financial Reporting Council. The defined benefit pension scheme comprises assets and liabilities whose values are based upon observed market values as well as future expected trends in asset returns, inflation, discount rates, mortality and other pension factors. Judgements are made based on best estimate predictions of these variables and are reviewed and updated on a regular basis. This work is undertaken on behalf of the directors by a third party firm of actuaries.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

3 Analysis of Turnover

	2021 £m	2020 £m
Analysis of turnover by country of destination:		
United Kingdom	50.8	32.7
Europe, Middle East and Africa	39.3	21.0
Asia Pacific	6.1	4.3
Americas and Rest of the World	57.4	24.4
	<hr/>	<hr/>
	153.6	82.4
	<hr/>	<hr/>

4 Operating profit

	2021 £m	2020 £m
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	0.8	0.8
Amortisation of positive goodwill	-	-
Impairment (reversal) / charge of intercompany receivables	(3.9)	3.9
Audit fees	0.2	0.2
Taxation compliance services	0.1	0.2
Defined contribution pension cost	0.7	0.7
Plant and machinery – operating lease rentals payable	0.7	0.3
Land and buildings – operating lease rentals payable	0.7	1.1
Foreign exchange differences	(1.4)	(0.1)
Government grants – Furlough Scheme	(0.3)	(1.8)
	<hr/>	<hr/>

The audit fees of £0.2m (2020: £0.2m) and tax fees of £0.1m (2020: £0.2m) include amounts incurred on behalf of its subsidiary undertakings. The amounts attributable to each subsidiary are shown in that company's financial statements.

5 Employees

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Staff costs (including directors) consist of:				
Wages and salaries	18.0	13.7	0.3	0.2
Social security costs	1.5	1.3	-	-
Cost of defined contribution scheme	0.7	0.7	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	20.2	15.7	0.3	0.2
	<hr/>	<hr/>	<hr/>	<hr/>

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

5 Employees (continued)

The average number of employees (including directors) during the year was as follows:

	2021 Number	2020 Number
Management and administration	73	69
Selling and distribution	76	83
Production and service	225	218
	<u>374</u>	<u>370</u>

The Company had 4 management employees in 2021 (2020: 4).

A defined contribution pension scheme is operated by the group on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £0.7m (2020: £0.7m). There were no outstanding contributions to the fund at the balance sheet date (2020: £nil).

A defined benefit pension scheme operated by the Company, and in which one director had previously been a member was closed to future accruals on 31st December 2015. Consequently, there were no contributions to that scheme during the year.

6 Directors' remuneration

	2021 £m	2020 £m
Directors' emoluments	0.2	0.2
Company contributions to defined contribution pension schemes	-	-

Emoluments of the highest paid director were £156k (2020: £140k). Company pension contributions of £27k (2020: £26k) were made to the defined contribution pension scheme on his behalf.

7 Interest payable and receivable

	2021 £m	2020 £m
Interest receivable from related parties	8.6	8.9
Interest payable to related parties	(2.4)	(2.3)
	<u>6.2</u>	<u>6.6</u>

Enodis Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

8 Taxation on profit / (loss) on ordinary activities

	2021 £m	2021 £m	2020 £m	2020 £m
<i>Current tax</i>				
Current year charge		2.0		-
Prior year (credit) / charge		(0.1)		0.1
Total current tax		1.9		0.1
<i>Deferred tax</i>				
Origination and reversal of timing differences	0.8		(0.3)	
Prior year changes	0.1		(0.1)	
Changes to tax rates	(0.6)		-	
		0.3		(0.4)
Taxation on profit on ordinary activities		2.2		(0.3)

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:

	2021 £m	2020 £m
Profit on ordinary activities before tax	45.8	11.7
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020 – 19%)	8.7	2.2
Effects of:		
Expenses not deductible for tax purposes	-	0.1
Disallowable impairment provisions	(0.7)	0.7
Net transfer pricing adjustments	(0.2)	0.6
Group relief claimed for nil consideration	(4.5)	(2.3)
Pension adjustments	-	(0.7)
Utilisation of tax losses brought forward	(0.7)	(0.2)
Deferred tax rate adjustment	(0.4)	(0.2)
Adjustment to brought forward provisions	-	(0.4)
Adjustments in respect of prior years	-	0.1
Capitalised assets related to provisions	-	(0.2)
Total tax charge / (credit) for year	2.2	(0.3)

An increase in the UK Corporation tax rate from 19% to 25% (25% effective from 1 April 2023) has been substantively enacted

Enodis Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

9 Intangible fixed assets - Group

	Patents £m	Goodwill £m	Other £m	Total £m
<i>Cost</i>				
At 1 January 2021	0.3	3.1	0.2	3.6
Additions	-	0.2	-	0.2
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	0.3	3.3	0.2	3.8
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>				
At 1 January 2021	0.3	3.1	-	3.4
Charge for the year	-	-	0.1	0.1
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	0.3	3.1	0.1	3.5
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2021	-	0.2	0.1	0.3
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	-	0.2	0.2
	<hr/>	<hr/>	<hr/>	<hr/>

10 Tangible fixed assets – Group

	Leasehold Improv't £m	Plant, Machinery and motor Vehicles £m	Fixtures, fittings and equipment £m	Total £m
<i>Cost:</i>				
At 1 January 2021	3.1	8.5	4.3	15.9
Additions	0.1	2.5	0.4	3.0
Disposals	-	(0.2)	-	(0.2)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	3.2	10.8	4.7	18.7
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation:</i>				
At 1 January 2021	1.8	6.2	4.1	12.1
Charge for the year	0.1	0.5	0.2	0.8
Disposals	-	(0.2)	-	(0.2)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	1.9	6.5	4.3	12.7
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2021	1.3	4.3	0.4	6.0
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	1.3	2.3	0.2	3.8
	<hr/>	<hr/>	<hr/>	<hr/>

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

10 Tangible fixed assets – Group (continued)

Finance Leases

The net book value of plant, machinery and motor vehicles includes an amount of £0.2m (2020: £0.7m) in respect of assets held under finance leases and hire purchase contracts.

11 Investments - Company

	2021 £m	2020 £m
Cost:		
At the beginning of the year	1,270.8	1,246.4
Acquired during the year	-	24.4
Dissolved during the year	(570.2)	-
	<hr/>	<hr/>
At the end of the year	700.6	1,270.8
	<hr/>	<hr/>
Impairment:		
At the beginning of the year	1,086.2	1,086.2
Additions during the year	19.8	-
Dissolved during the year	(570.2)	-
	<hr/>	<hr/>
At the end of the year	535.8	1,086.2
	<hr/>	<hr/>
Net book values:		
At the end of the year	164.8	184.6
At the beginning of the year	184.6	160.2
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The directors undertake a detailed review of the carrying value of investments based on the net asset positions of the subsidiaries and subgroups each year, with any impairment recognised in the Statement of Comprehensive Income.

On 16 March 2021 Berisford Holdings Limited was dissolved. As a result of this, an additional impairment of £19.8m related to the carrying value of the investment was charged to the Statement of Comprehensive Income in the current year.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

11 Investments (*continued*)

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

Company	Country of Incorporation	Proportion of voting rights and ordinary share capital held 2021	Proportion of voting rights and ordinary share capital held 2020
<i>Direct</i>			
Beleggingsmaatschappij Interrub BV	Netherlands	100%	100%
* Berisford Holdings Limited (02629465)	UK	0%	100%
Enodis Industrial Holdings Limited (02887689)	UK	100%	100%
**Enodis Investments Limited (00455541)	UK	100%	100%
Enodis Property Developments Limited (00493522)	UK	100%	100%
Manston Limited	BVI	100%	100%
Merrychef Limited (02739846)	UK	100%	100%
<i>Indirect</i>			
Enodis International Limited (02992272)	UK	100%	100%
* Enodis Property Group Limited	UK	0%	100%
Enodis Strand Limited	UK	100%	100%
*** TRUpour Limited	Ireland	100%	100%
Welbilt (Halesowen) Limited	UK	100%	100%
Welbilt UK Limited	UK	100%	100%

Subsidiaries marked with * have been liquidated or struck-off within the reporting period

Subsidiaries marked with ** have been liquidated or struck-off after the balance sheet date.

Subsidiaries marked with *** are in the process of being liquidated or struck-off after the balance sheet date.

Company registration numbers have been included for those companies that have taken a parent company guarantee for 2021 and 2020 for audit exemption under Section 479A of the Companies Act 2006.

UK subsidiaries have a registered office at c/o Womble Bond Dickinson LLP, The Spark, Drayman's Way, Newcastle Helix, Newcastle upon Tyne, NE4 5DE. Netherlands subsidiaries have a registered office at Basisweg 10, 1043 AP Amsterdam, Netherlands. Ireland subsidiaries have a registered office at PMFS, Corraglea, Roscommon, Ireland. British Virgin Island subsidiaries have a registered office at Columbus Centre Building Road Town PO Box 659 British Virgin Islands.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

12 Stock

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Raw materials and consumables	13.2	4.5	-	-
Finished goods and goods for resale	6.4	4.0	-	-
	<u>19.6</u>	<u>8.5</u>	<u>-</u>	<u>-</u>

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 £80.1m (2020 - £40.6m). The charge recognised in the income statement for the period in respect of stock provisions was £0.4m (2020 - £0.3m).

13 Debtors

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Trade debtors	9.4	5.4	-	-
Amounts owed by related parties	186.7	181.4	0.5	2.0
Other debtors	0.1	0.6	0.1	0.2
Prepayments and accrued income	1.6	1.0	-	-
Deferred tax asset (note 8)	1.9	2.1	-	-
Corporation Tax	0.6	-	-	-
Debtors due within one year	<u>200.3</u>	<u>190.5</u>	<u>0.6</u>	<u>2.2</u>
Amounts owed by related parties due after one year	203.0	203.0	168.0	168.0
Impairment provision (due after one year)	-	(3.9)	-	(3.9)
	<u>403.3</u>	<u>389.6</u>	<u>168.6</u>	<u>166.3</u>

The charge recognised in the income statement for the period in respect of bad and doubtful trade debtors was £nil (2020 - £0.1m). All amounts shown under debtors are due or recoverable under one year. The £203m due after one year are 10-year term notes denominated in pounds Sterling. They bear interest at variable rates based on GBP 3-month LIBOR + 375bps.

As discussed in the strategic report, each year the Company undertakes a review of the carrying amounts of loans due from other Welbilt subsidiaries and recognises impairment provisions against such balances to reflect instances where there is a net equity deficit in the balance sheets of those counterparties. This has resulted in a release of a prior year impairment of £3.9m.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

14 Creditors: amounts falling due within one year

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Trade creditors	9.0	4.3	-	-
Amounts owed to related parties	62.8	80.6	112.4	121.5
Other creditors	0.6	0.8	0.2	0.2
Accruals and deferred income	4.9	4.0	0.3	0.5
Taxation and social security	0.7	1.2	-	-
	<u>78.0</u>	<u>90.9</u>	<u>112.9</u>	<u>122.2</u>

All amounts owed to related parties are due on demand. Amounts related to the cash pooling arrangement have interest charged at a market rate. Amounts related to trading are interest free.

15 Creditors: amounts falling due after one year

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Obligations under finance leases	0.1	0.1	-	-
	<u>0.1</u>	<u>0.1</u>	<u>-</u>	<u>-</u>

16 Provisions for liabilities – Group

	Warranty £m	Dilapid- ations £m	Other £m	Total £m
At 1 January 2021	3.4	2.4	0.7	6.5
Charged to profit or loss	0.2	-	(0.1)	0.1
Utilised in year	(1.2)	-	(0.3)	(1.5)
Added in year	1.5	0.1	-	1.6
	<u>3.9</u>	<u>2.5</u>	<u>0.3</u>	<u>6.7</u>
At 31 December 2021	3.9	2.5	0.3	6.7

Provisions for liabilities – Company

	Warranty £m	Dilapid- ations £m	Other £m	Total £m
At 1 January 2021	-	-	0.3	0.3
Charged to profit or loss	-	-	-	-
Utilised in year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>0.3</u>	<u>0.3</u>
At 31 December 2021	-	-	0.3	0.3

Warranty provisions will be utilised over the next 2 years. Dilapidations provision is expected to be utilised at the end of the lease.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

17 Pensions

Two pension schemes are operated by the Group.

Defined benefit pension scheme

The Company operates a defined benefit pension scheme, namely the Berisford (1948) Pension Scheme. The scheme is managed by a board of trustees accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries. The scheme closed to future accrual on 31 December 2015.

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2019 and updated to 31 December 2021 by a qualified independent actuary. Company contributions to the scheme are made by the group based on the advice of the actuary and with the aim of making good the deficit over the remaining working life of the employees.

There were no changes to the scheme during the year and no amounts were owing to the scheme at the year-end.

	2021 £m	2020 £m
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	105.1	100.7
Gain on curtailments	-	-
Interest cost	1.3	1.9
Benefits paid	(6.0)	(7.2)
Actuarial losses / (gains)	(5.1)	9.7
	<hr/>	<hr/>
At the end of the year	95.3	105.1
	<hr/>	<hr/>
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	104.9	98.6
Interest income on plan assets	1.3	1.9
Employer contributions	3.6	3.7
Benefits paid	(6.0)	(7.2)
Administrative expenses	(0.3)	(0.3)
Actuarial (losses) / gains	(4.1)	8.2
	<hr/>	<hr/>
At the end of the year	99.4	104.9
	<hr/>	<hr/>
Fair value of plan assets	99.4	104.9
Present value of plan liabilities	(95.3)	(105.1)
	<hr/>	<hr/>
Net pension scheme asset / (liability)	4.1	(0.2)
	<hr/>	<hr/>

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

17 Pensions (continued)

	2021 £m	2020 £m
<i>Amounts recognised in the profit and loss amount are as follows:</i>		
<i>Included in administrative expenses:</i>		
Administrative expenses	0.3	0.3
<i>Amounts included in other finance costs</i>		
Net interest cost	-	-
	2021 £m	2020 £m
<i>Composition of plan assets</i>		
Equity instruments	-	-
Debt instruments	49.7	49.8
Property	-	0.8
Cash	0.4	0.3
Other	49.3	54.0
Total plan assets	99.4	104.9
Actual (loss) / return on plan assets	(2.7)	10.1
	2021	2020
<i>Principal actuarial assumptions used to determine the defined benefit obligation:</i>		
Discount rate	1.82%	1.29%
Price inflation rate	3.50%	3.00%
Assumed life expectancy on retirement at age 65 years		
- retiring today (member age 65 now)	23.3yrs	23.2yrs
- retiring in 25 years (member age 40 now)	25.3yrs	25.3yrs
<i>Principal actuarial assumptions used to determine cost relating to the defined benefit plan</i>		
Discount rate	1.29%	1.99%
Salary increases	n/a	n/a
Price inflation rate	3.00%	2.80%
Assumed life expectancy on retirement at age 65 years		
- retiring today (member age 65 now)	23.2yrs	23.1yrs
- retiring in 25 years (member age 40 now)	25.3yrs	25.2yrs

No employees of the parent company were members of the defined benefit scheme.

Defined contribution scheme

The amount recognised in the profit and loss account as an expense in relation to the group's defined contribution schemes is £0.7m (2020 - £0.7m). There were no amounts owing at the year-end.

Enodis Group Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

18 Share capital

	2021 £m	2020 £m
<i>Allotted, called up and fully paid</i>		
1 (2020: 1) ordinary share of £1 each	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>

19 Commitments under operating leases – Group

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

	Land and buildings 2021 £m	Other 2021 £m	Land and buildings 2020 £m	Other 2020 £m
Not later than 1 year	1.2	0.1	0.7	0.4
Later than 1 year and not later than 5 years	4.4	0.1	4.9	0.4
Later than 5 years	2.2	-	2.9	-
	<u>7.8</u>	<u>0.2</u>	<u>8.5</u>	<u>0.8</u>

The group and company had no commitments under non-cancellable operating leases as at the balance sheet date.

20 Related party disclosures

The Company is a wholly owned subsidiary of Welbilt Inc. and has taken advantage of the exemption conferred under FRS 102 not to disclose transactions with Welbilt Inc. or other wholly owned subsidiaries within the group.

21 Subsequent events

On 05 January 2022 Enodis Investments Limited, an indirect subsidiary of the Company, submitted strike off applications to the Registrar of Companies and this process completed on the 05 April 2022.

On 28 July 2022 Ali Holding S.r.L ("Ali Group") completed its acquisition of Welbilt, Inc and became the new ultimate parent company.

22 Ultimate parent company

The company's immediate parent is Enodis Holdings Limited, a company incorporated in England and Wales.

At the reporting date the Directors regard Welbilt Inc., a company incorporated in the US, as the ultimate parent company and controlling entity. At the reporting date Welbilt Inc. was the smallest and largest group which prepares consolidated results and of which the Company forms a part. Copies of the financial statements of Welbilt Inc. for the period up to 31 December 2021 can be obtained from the Secretary at 2227 Welbilt Boulevard, New Port Richey, Florida 34655, USA.

As mentioned in note 21, on 28 July 2022 Ali Holding S.r.L ("Ali Group") completed its acquisition of Welbilt, Inc and became the new ultimate parent company.