

Avery Weigh-Tronix Properties Limited

Annual Report and Financial Statements

For the year ended

31 December 2020

Company Number 00535027



Avery Weigh-Tronix Properties Limited

Company Information

Directors	Giles Hudson Stephen Rowell
Company secretaries	Ryan Dale S & J Registrars Limited
Registered number	00535027
Registered office	5 Aldermanbury Square 13th Floor London England EC2V 7HR
Independent auditor	Deloitte LLP Statutory Auditor Reading United Kingdom

Avery Weigh-Tronix Properties Limited

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Avery Weigh-Tronix Properties Limited

Strategic Report For the year ended 31 December 2020

The directors present their strategic report for Avery Weigh-Tronix Properties Limited (the 'company') for the year ended 31 December 2020. The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Results

The profit for the year after tax was £682,000 (2019: £461,000).

Business review and principal activities

The principal activity of the company during the year was that of a non-trading holding company. The directors intend to wind up the company within the next twelve months.

During the year the company disposed of its entire shareholding in Avery Weigh Tronix (Suzhou) Co Limited to ITW (China) Investments for a cash consideration of £1,188,807, thereby recognising a gain on disposal of £720,841.

During the year the company reduced its share capital by £4,999 in order to facilitate the payment of a dividend.

At the date of this report, the directors intend to apply to strike off the company in the next 12 months.

Principal risks and uncertainties

As the company now holds minimal assets and the directors intend to apply to strike off the company in the next 12 months, the directors conclude that there are no risks or uncertainties to be disclosed.

Key performance indicators (KPIs)

The directors do not measure the performance of the company through KPIs as the company is non-trading and holds investments.

Approved for issue by the Board of Directors



Giles Hudson
Director

17 March 2021

Avery Weigh-Tronix Properties Limited

Directors' Report For the year ended 31 December 2020

The directors present their annual report on the affairs of the company, together with the audited financial statements and independent auditor's report, for the year ended 31 December 2020.

Principal activities

The principal activity of the company during the year was that of a non-trading holding company. The directors intend to wind up the company within the next twelve months.

Going concern

In order to simplify the group structure the directors intend to apply to strike the company off in the next 12 months. Consequently, the financial statements have not been prepared on the going concern basis. No adjustments arose as a result of ceasing to apply the going concern basis.

Financial risk management policies

As the company now holds minimal assets and the directors intend to apply to strike off the company in the next 12 months, the company has no external credit, price or liquidity risks.

Dividends

During the year the directors declared a dividend of £1,705,000 (2019: £nil). The directors do not recommend the payment of a final dividend (2019: £nil).

Directors

The directors who served during the year and up to the date of signing were:

Giles Hudson
Stephen Rowell

Post balance sheet event

The directors have assessed and concluded that there aren't deemed to be any subsequent events that need to be disclosed.

Avery Weigh-Tronix Properties Limited

Directors' Report (continued) For the year ended 31 December 2020

Disclosure of information to auditors

Each of the persons who are directors at the time when the directors' report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

As a result of the directors intention to strike the company off in the next 12 months, Deloitte LLP will not be reappointed as auditors, and thus, will resign as auditors of the company.

Approved for issue by the Board of Directors

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line.

Giles Hudson
Director

17 March 2021

Avery Weigh-Tronix Properties Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Avery Weigh-Tronix Properties Limited

Independent Auditor's Report to the members of Avery Weigh-Tronix Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Avery Weigh-Tronix Properties Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 10.

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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Avery Weigh-Tronix Properties Limited

Independent Auditor's Report to the members of Avery Weigh-Tronix Properties Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Avery Weigh-Tronix Properties Limited

Independent Auditor's Report to the members of Avery Weigh-Tronix Properties Limited (continued)

Extent to which the audit was considered 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework[s] that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Bribery Act and GDPR.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Avery Weigh-Tronix Properties Limited

Independent Auditor's Report to the members of Avery Weigh-Tronix Properties Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Hornby (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading
United Kingdom

Date: 17 March 2021

Avery Weigh-Tronix Properties Limited

Statement of Comprehensive Income For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Income from shares in group undertakings	3	-	512
Profit on sale of investments	7	721	-
Profit before taxation		721	512
Tax on profit	5	(39)	(51)
Profit and total comprehensive income for the financial year		682	461

The notes on pages 12 to 17 form part of these financial statements.

The results reported above are all derived from discontinued operations.

Avery Weigh-Tronix Properties Limited

Registered number:00535027

Balance Sheet As at 31 December 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	7	-	468
		<u>-</u>	<u>468</u>
Current assets			
Debtors: Amounts falling due within one year	8	-	555
		<u>-</u>	<u>555</u>
Total assets less current liabilities		-	1,023
		<u>-</u>	<u>1,023</u>
Net assets		-	1,023
		<u>-</u>	<u>1,023</u>
Capital and reserves			
Called-up share capital	9	-	5
Profit and loss account	9	-	1,018
		<u>-</u>	<u>1,018</u>
Shareholder's funds		-	1,023
		<u>-</u>	<u>1,023</u>

The notes on pages 12 to 17 form part of these financial statements.

The financial statements Avery Weigh-Tronix Properties Limited, registered number 00535027 were approved by the Board of Directors and authorised for issue on 17 March 2021.

Signed on behalf of the Board



Giles Hudson
Director

Avery Weigh-Tronix Properties Limited

Statement of Changes in Equity For the year ended 31 December 2020

	Called-up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2020	5	1,018	1,023
Comprehensive income for the year			
Profit for the year	-	682	682
Total comprehensive income for the year	-	682	682
Contributions by and distributions to owners			
Capital reduction (see note 9)	(5)	5	-
Dividend paid (see note 6)	-	(1,705)	(1,705)
Total transactions with owners	(5)	(1,700)	(1,705)
At 31 December 2020	-	-	-

Statement of Changes in Equity For the year ended 31 December 2019

	Called-up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	5	557	562
Comprehensive income for the year			
Profit for the year	-	461	461
Total comprehensive income for the year	-	461	461
At 31 December 2019	5	1,018	1,023

The notes on pages 12 to 17 form part of these financial statements.

Avery Weigh-Tronix Properties Limited

Notes to the Financial Statements For the year ended 31 December 2020

1. Statement of accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

1.1 General information and basis of accounting

Avery Weigh-Tronix Properties Limited is a private company limited by shares incorporated, registered and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland".

The functional currency of Avery Weigh-Tronix Properties Limited is considered to be pound sterling because that is the currency of the primary economic environment in which the company operates. Foreign operations are included in accordance with the policies set out below.

1.2 Group financial statements

The company is exempt from the requirement to prepare consolidated financial statements per s401 of the Companies Act as the company is included within the consolidated financial statements of Illinois Tool Works Inc., which are available as indicated in note 10.

1.3 Qualifying entity disclosure exemptions

In preparing the financial statements of the company, advantage has been taken of the disclosure exemption for qualifying entities. Avery Weigh-Tronix Properties Limited is a qualifying entity as it is a member of a group whose parent prepares publicly available consolidated financial statements which includes the results of the company (further details in note 10). Therefore, Avery Weigh-Tronix Properties Limited has claimed the available exemption not to present a cash flow statement, disclose key management personnel total compensation, disclose related party transactions or the requirement related to financial instrument disclosures.

1.4 Going concern

In order to simplify the group structure the directors intend to apply to strike the company off in the next 12 months. Consequently, the financial statements have not been prepared on the going concern basis. No adjustments arose as a result of ceasing to apply the going concern basis.

1.5 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.

1.6 Investments

Fixed asset investments are shown at cost less provision for impairment.

Avery Weigh-Tronix Properties Limited

Notes to the Financial Statements For the year ended 31 December 2020

1. Statement of accounting policies (continued)

1.7 Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.9 Taxation

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Avery Weigh-Tronix Properties Limited

Notes to the Financial Statements For the year ended 31 December 2020

1. Statement of accounting policies (continued)

1.10 Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

In preparing the financial statements the directors have made the following estimates:

- Determining whether there are indicators of impairment of the company's fixed asset investments. Factors taken into consideration in reaching a decision include the economic viability and expected future financial performance of the investments as well as any significant changes to the technological, market, economic or legal environments in which the investments operate.

The directors do not consider there to be any critical accounting judgements.

3. Profit before taxation

The profit before taxation is stated after crediting/(charging):

	2020 £000	2019 £000
Income from shares in group undertakings	-	512
Profit on sale of investments	721	-

Fees for audit of the financial statements are borne by another group company. The audit fee for the year, if allocated to the company, would be £3,000 (2019: £3,000).

Avery Weigh-Tronix Properties Limited

Notes to the Financial Statements For the year ended 31 December 2020

4. Staff costs and directors' emoluments

There were no employees of the company during either year.

Two directors (2019: two) are also directors of ITW Limited, a fellow group company. ITW Limited paid the directors £432,981 (2019: £452,349) of emoluments and the directors accrued benefits under a defined benefit scheme. The directors do not receive any emoluments in respect of services to this company. The emoluments of the highest paid director were £229,426 (2019: £246,089) and the accrued pension entitlement under the company's defined benefit schemes of the highest paid director at 31 December 2020 was £66,267 (2019: £63,382).

5. Tax on profit

	2020 £000	2019 £000
Corporation tax		
Foreign tax	39	51
Tax on profit	39	51

The standard rate of tax applied to reported profit on ordinary activities is 19% (2019: 19%).

Factors affecting future tax charges

In the 2020 Spring Budget the Government announced that from 1 April 2020 the corporation tax rate would remain at 19%. This new law was substantively enacted on 17 March 2020.

At the Budget 2021 on 3 March 2021, the Government announced that the Corporation Tax rate will increase to 25% for companies with profits above £250,000 with effect from 1 April 2023, as well as announcing a number of other changes to allowances and treatment of losses. These changes are not yet substantively enacted, and the company has not yet undertaken a full analysis of the impact of the changes.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to profit before tax is as follows:

	2020 £000	2019 £000
Profit before taxation	721	512
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	137	97
Effects of:		
Income not taxable	(137)	(97)
Foreign tax suffered	39	51
Total tax charge for the year	39	51

Avery Weigh-Tronix Properties Limited

Notes to the Financial Statements For the year ended 31 December 2020

6. Dividends

	2020 £000	2019 £000
Dividends paid of £1,705,000 (2019: £nil) per share	<u>1,705</u>	<u>-</u>

7. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2020	468
Disposals	(468)
At 31 December 2020	<u>-</u>
Impairment	
At 1 January 2020 and 31 December 2020	<u>-</u>
Net book value	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>468</u>

During the year the company disposed of its entire shareholding in Avery Weigh Tronix (Suzhou) Co Limited to ITW (China) Investments for a cash consideration of £1,188,807, thereby recognising a gain on disposal of £720,841.

8. Debtors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed by group undertakings	<u>-</u>	<u>555</u>

The amounts owed by group undertakings were unsecured, non-interest bearing and repayable on demand.

Avery Weigh-Tronix Properties Limited

Notes to the Financial Statements For the year ended 31 December 2020

9. Called-up share capital and reserves

	2020 £000	2019 £000
Called-up, allotted and fully paid		
1 (2019: 5,000) Ordinary share of £1	-	5

The company had one class of ordinary shares which carries no right to fixed income.

During the year, the directors approved a reduction in capital of the company, thereby reducing share capital from £5,000 to £1, with the credit being recognised within the profit and loss account.

The company's other reserves are as follows:

The statement of comprehensive income represents cumulative profits, losses and other comprehensive income made by the company as well as distributions and other adjustments.

10. Ultimate parent undertaking

The immediate parent undertaking of the company is Avery Weigh-Tronix Limited, a company incorporated in England and Wales.

The ultimate parent company and ultimate controlling party is Illinois Tool Works Inc., which is incorporated in the State of Delaware, United States of America.

The smallest and largest company in which the results of Avery Weigh-Tronix Properties Limited are consolidated is that headed by Illinois Tool Works Inc. Copies of these financial statements are available from Illinois Tool Works Inc., registered office 155 Harlem Avenue, Glenview, Illinois 60025, United States of America.