

Berrington UK

Registered Number 3179466

Financial statements for the year ended 30 November 2005
together with directors' and independent auditors' reports



Berrington UK

DIRECTORS' REPORT for the year ended 30 November 2005

The Directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 30 November 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a holding company.

The company's trading performance in the year was as expected and this is anticipated to continue in the foreseeable future.

RESULTS AND DIVIDENDS

The loss for the year after tax was £2,828,000 (2004: loss £2,115,000). The directors do not recommend the payment of a dividend (2004: £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

Mr. G Hudson

Mr. G Udall

Mr. G Ufland

Mr. A Sutherland (appointed 31 May 2005)

None of the directors had any interests in shares that require disclosure under Schedule 7 of the Companies Act 1985.

AUDITORS

The directors propose to reappoint Deloitte & Touche LLP as auditors for the ensuing year.

Clements House
14/18 Gresham Street
London
EC2V 7JE

By order of the Board,



Mr. G Hudson
Director
23 March 2006

Berrington UK

STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 30 November 2005

DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRINGTON UK

We have audited the financial statements of Berrington UK for the year ended 30 November 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes numbered 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

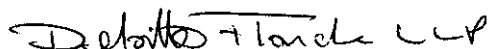
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Reading

20 March 2006

Berrington UK**PROFIT AND LOSS ACCOUNT**

for the year ended 30 November 2005

	Note	2005 £'000	2004 £'000
Administrative expenses		-	-
OPERATING PROFIT		-	-
Bank interest receivable		680	-
Bank interest payable		-	(97)
Intercompany interest receivable		-	1,796
Intercompany interest payable		(4,720)	(4,720)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	1	(4,040)	(3,021)
Tax credit on ordinary activities	2	1,212	906
LOSS FOR THE FINANCIAL YEAR	7	(2,828)	(2,115)

The notes 1 to 9 form part of the financial statements. All results derive from continuing operations

There were no recognised gains and losses in either year other than the results for the year as shown above. Accordingly, no statement of recognised gains and losses is presented.

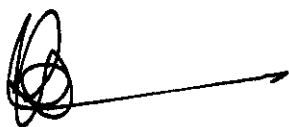
Berrington UK**BALANCE SHEET**

as at 30 November 2005

	Note	2005 £'000	2004 £'000
FIXED ASSETS			
Investments	3	296,050	296,050
CURRENT ASSETS			
Debtors	4	<u>13,518</u>	<u>19,352</u>
		13,518	19,352
CREDITORS: Amounts falling due within one year	5	(159,000)	(162,006)
NET CURRENT LIABILITIES		<u>(145,482)</u>	<u>(142,654)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>150,568</u>	<u>153,396</u>
NET ASSETS		<u>150,568</u>	<u>153,396</u>
CAPITAL AND RESERVES			
Called up share capital	6	500	500
Share premium account	7	19,792	19,792
Capital contribution	7	237,750	237,750
Profit and loss account	7	<u>(107,474)</u>	<u>(104,646)</u>
EQUITY SHAREHOLDERS' FUNDS	8	<u>150,568</u>	<u>153,396</u>

The notes 1 to 9 form part of the financial statements.

Signed on behalf of the Board

Mr. G Hudson
Director

23 March 2006

Berrington UK

STATEMENT OF ACCOUNTING POLICIES for the year ended 30 November 2005

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

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

GROUP FINANCIAL STATEMENTS

At the end of the year the company was a wholly owned subsidiary of ITW UK, a company incorporated in England and Wales, which prepares consolidated financial statements which are publicly available. Accordingly, the preparation of group financial statements is not required under Section 228 of the Companies Act 1985. These financial statements disclose information about the company as an individual undertaking rather than as a group as a whole.

TAXATION

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis.

INVESTMENTS

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

Berrington UK

NOTES TO THE ACCOUNTS for the year ended 30 November 2005

1 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration was borne by a fellow group company. The company had no employees during either financial year and the directors did not receive any remuneration from the company. Three directors (2004: Three) are also directors of ITW Limited, a fellow group company. ITW Limited paid the directors £286,629 (2004: £257,903) of emoluments and the directors accrued benefits under a defined benefit scheme. The directors' emoluments have not been apportioned between each fellow group company for which the directors acted. The emoluments of the highest paid director were £111,090 (2004: £100,000) and the accrued pension entitlement under the company's defined benefit pension schemes of the highest paid director at 30 November 2005 was £18,000 (2004: £15,000).

2 TAX CREDIT ON ORDINARY ACTIVITIES

The corporation tax credit comprises:

	2005	2004
	£'000	£'000
Corporation tax	(1,212)	(906)
	<u>(1,212)</u>	<u>(906)</u>

There is no difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax (30%) to the loss before tax.

There is no un-provided deferred tax at either year end.

3 FIXED ASSET INVESTMENTS

Investments in subsidiary undertaking:

	£000
Cost - beginning and end of year	396,750
Provision for impairment - beginning and end of year	<u>(100,700)</u>
Net book value - beginning and end of year	<u>296,050</u>

Principal subsidiary

The company owns 100% of the issued share capital of ITW Limited, which is registered in England and Wales. ITW Limited manufactures and distributes a wide range of components to a wide range of businesses. These industries include the steel and plastic strapping, packaging, motor, consumer durables, canned drinks, construction and electronics industries.

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NOTES TO THE ACCOUNTS for the year ended 30 November 2005 (continued)

4 DEBTORS

	2005 £'000	2004 £'000
Corporation tax	760	-
Amounts due from group undertakings	12,758	19,352
	<u>13,518</u>	<u>19,352</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Non interest bearing unsecured loan notes	100,000	100,000
8% unsecured promissory note	59,000	59,000
Corporation Tax	-	3,006
	<u>159,000</u>	<u>162,006</u>

The 8% unsecured promissary note is repayable at any time after 30 days notice.

6 CALLED UP SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised 100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid 500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>

Berrington UK

NOTES TO THE ACCOUNTS for the year ended 30 November 2005 (continued)

7 MOVEMENTS IN RESERVES

The movement on reserves during the year was as follows:

	Capital Contribution	Share Premium Account	Profit and Loss Account
	£'000	£'000	£'000
At 1 December 2004	237,750	19,792	(104,646)
Loss for the year	-	-	(2,828)
At 30 November 2005	237,750	19,792	(107,474)

8 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
Loss for the year	(2,828)	(2,115)
Capital Contribution received	-	130,000
Net movement in equity shareholders' funds	(2,828)	127,885
Opening equity shareholders' funds	153,396	25,511
Closing equity shareholders' funds	150,568	153,396

9 ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary undertaking of ITW UK, a company incorporated in Great Britain and registered in England and Wales. The ultimate holding company and controlling party is Illinois Tool Works Inc., a company incorporated in Delaware, USA.

The smallest group in which the results of the company are consolidated is that headed by ITW UK. Copies of these financial statements are available from Clements House, 14/18 Gresham Street, London EC2V 7JE.

The largest group in which the results of the company are consolidated is that headed by the ultimate parent company. Copies of these financial statements are available from Illinois Tool Works Inc., 3600 West Lake Avenue, Glenview, Illinois, 60025, United States of America.

The company has taken advantage of the exemptions for disclosures of related party transactions available in Financial Reporting Standard No. 8 to wholly owned subsidiaries of companies with publicly available financial statements.