

Berrington UK
Registered Number 3179466

Financial statements for the year ended 30 November 2008
together with directors' and independent auditors' reports



Berrington UK

DIRECTORS' REPORT for the year ended 30 November 2008

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 2008.

This directors report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985. Accordingly, the company has taken advantage of the exemption from preparing an Enhanced Business Review.

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 £3,367,000 (2007: loss £3,078,000). The directors do not recommend the payment of a dividend (2007: £nil).

GOING CONCERN

The company has an obligation to repay a loan on being given 30 days notice, as set out in note 6 to the accounts. However, as the company has access to a group banking facility, it has sufficient cash resources to meet this potential obligation. This facility is due for renewal for a further 12 months in November 2009 and the company has no reason to believe that this will not be forthcoming. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the current uncertain economic outlook. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and to the date of signing of the financial statements were as follows:

Mr. G Hudson

Mr. G Udall

Mr. E Ufland

Mr. A Sutherland

Berrington UK

DIRECTORS' REPORT (continued)
for the year ended 30 November 2008

AUDITORS

Each of the persons who is a director at the date of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that they ought to have taken as a director to make themselves 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 S234ZA of the Companies Act 1985

Deloitte LLP were appointed as auditors during the period.

99 Gresham Street
London
EC2V 7NG

By order of the Board,

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

Mr. G Hudson
Director

27 March 2009

Berrington UK

STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 30 November 2008

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations. Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practise (United Kingdom Accounting standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, 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

TO THE MEMBERS OF BERRINGTON UK:

We have audited the financial statements of Berrington UK for the year ended 30 November 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 to you whether, in our opinion, the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
BERRINGTON UK

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2008 and of the loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Reading, United Kingdom

2009

27 Nov 2009

Berrington UK**PROFIT AND LOSS ACCOUNT**

for the year ended 30 November 2008

	Note	Continuing operations	
		2008 £'000	2007 £'000
Administrative expenses		-	-
OPERATING PROFIT		-	-
Interest receivable and similar income - bank		-	323
Interest payable and similar charges - intercompany		(4,720)	(4,720)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(4,720)	(4,397)
Tax on loss on ordinary activities	3	1,353	1,319
RETAINED LOSS FOR THE FINANCIAL YEAR TRANSFERRED FROM RESERVES	8	(3,367)	(3,078)

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 2008

	Note	2008 £'000	2007 £'000
FIXED ASSETS			
Investments	4	296,050	296,050
CURRENT ASSETS			
Debtors	5	<u>4,098</u>	<u>7,465</u>
		4,098	7,465
CREDITORS: Amounts falling due within one year	6	(159,000)	(159,000)
NET CURRENT LIABILITIES		<u>(154,902)</u>	<u>(151,535)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>141,148</u>	<u>144,515</u>
NET ASSETS		<u>141,148</u>	<u>144,515</u>
CAPITAL AND RESERVES			
Called up share capital	7	500	500
Share premium account	8	19,792	19,792
Capital contribution	8	237,750	237,750
Profit and loss account	8	<u>(116,894)</u>	<u>(113,527)</u>
SHAREHOLDERS' FUNDS	9	<u>141,148</u>	<u>144,515</u>

The accounts on pages 7 to 12 were approved by the board of directors on **27 March 2009** and signed on its behalf by:



Mr. G Hudson
Director

Berrington UK

NOTES TO THE ACCOUNTS for the year ended 30 November 2008

1 ACCOUNTING POLICIES

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.

GOING CONCERN

The company has an obligation to repay a loan on being given 30 days notice, as set out in note 6 to the accounts. However, as the company has access to a group banking facility, it has sufficient cash resources to meet this potential obligation. This facility is due for renewal for a further 12 months in November 2009 and the company has no reason to believe that this will not be forthcoming. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the current uncertain economic outlook. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

GROUP FINANCIAL STATEMENTS

The company is exempt from the requirement to prepare consolidated financial statements as the company is included within the consolidated accounts of Illinois Tool Works Inc., the accounts of which have been prepared in a manner equivalent to the seventh EU Directive, having regard to UITF information sheet 79.

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 2008

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Audit fees are borne by another group company. The audit fee for the year, if allocated to the company, would be £4,000 (2007: £4,000).

The company had no employees during either financial year and the directors did not receive any remuneration from the company. Three directors (2007: three) are also directors of ITW Limited, a fellow group company. ITW Limited paid the directors £356,798 (2007: £332,404) 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 and the directors do not feel that any amount should be allocated as group recharges. The emoluments of the highest paid director were £127,730 (2007: £122,691) and the accrued pension entitlement under the company's defined benefit pension schemes of the highest paid director at 30 November 2008 was £28,700 (2007: £25,500).

3 TAX ON LOSS ON ORDINARY ACTIVITIES

The corporation tax credit comprises:

	2008	2007
	£'000	£'000
Corporation tax	(1,353)	(1,319)
	<u>(1,353)</u>	<u>(1,319)</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 of 28.67% (2007: 30%) to the loss on ordinary activities before tax.

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

4 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 ordinary 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.

Berrington UK

NOTES TO THE ACCOUNTS for the year ended 30 November 2008

5 DEBTORS

	2008 £'000	2007 £'000
Corporation tax	1,353	2,595
Amounts owed by group undertakings	2,745	4,870
	<u>4,098</u>	<u>7,465</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Amounts owed to group undertaking - non interest bearing unsecured loan notes	100,000	100,000
Amounts owed to group undertakings - 8% unsecured promissory note	59,000	59,000
	<u>159,000</u>	<u>159,000</u>

The 8% unsecured promissory note is repayable to ITW Holdings at any time after 30 days notice. However they have confirmed they will not seek to recall this amount in the foreseeable future.

7 CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised 100,000,000 ordinary shares of £1 each	100,000	100,000
Called up, allotted and fully paid 500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>

8 MOVEMENTS IN RESERVES

The movement on reserves during the year was as follows:

	Share Premium Account £'000	Capital Contribution £'000	Profit and Loss Account £'000	Total £'000
At 1 December 2007	19,792	237,750	(113,527)	144,015
Loss for the year	-	-	(3,367)	(3,367)
At 30 November 2008	<u>19,792</u>	<u>237,750</u>	<u>(116,894)</u>	<u>140,648</u>

Berrington UK

NOTES TO THE ACCOUNTS for the year ended 30 November 2008

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £'000	2007 £'000
Loss for the year	(3,367)	(3,078)
Opening shareholders' funds	<u>144,515</u>	<u>147,593</u>
Closing shareholders' funds	<u>141,148</u>	<u>144,515</u>

10 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 only group in which the results of the company are consolidated is that headed by the Illinois Toolworks Inc. The consolidated financial statements of this group are available to the public and may be obtained from Illinois Tool Works Inc., 3600 West Lake Avenue, Glenview, Illinois, 60025, United States of America.

The group 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.

11 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 8, Related Party Disclosures, from disclosing transactions with other members of the group headed by Illinois Tool Works Inc.