

Berrington UK

Annual Report and Financial Statements

For the year ended

31 December 2019

Company Number 03179466

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Berrington UK

Company Information

Directors	Giles Hudson Stephen Rowell
Company secretaries	Ryan Dale S & J Registrars Limited
Registered number	03179466
Registered office	5 Aldermanbury Square 13th Floor London England EC2V 7HR
Independent auditor	Deloitte LLP Statutory Auditor Reading United Kingdom

Berrington UK

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Berrington UK

Strategic Report For the year ended 31 December 2019

The directors present their strategic report for Berrington UK (the 'company') for the year ended 31 December 2019. 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 £351,027,000 (2018: £821,995,000).

Business review and principal activities

The principal activity of the company is that of a non-trading holding company. Its subsidiaries are listed in note 8.

The results of the business reflect its status as a holding company.

At the date of this report, the directors are not aware of any likely major changes in the company's activities in the coming year.

Principal risks and uncertainties

The main risk that the company is exposed to is the impairment of investments. The company annually reviews its investments for any indicators of impairment and makes provisions as necessary.

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

22 July 2020

Berrington UK

Directors' Report For the year ended 31 December 2019

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 2019.

Principal activities

The principal activity of the company is that of a non-trading holding company. Details of future developments, financial risk management have been discussed on page 1 in the Strategic Report.

Financial risk management policies

The company's principal financial assets are amounts owed by group undertakings and investments. Consequently, the company has no external credit price, or liquidity risks.

Going concern

Although the company has substantial net assets, it also has net current liabilities as set out in the balance sheet on page 9. The company also has an obligation to repay a loan on being given 30 days notice, as set out in Note 10. However, as the company has access to a group banking facility, it consequently has sufficient cash resources to meet any reasonably foreseeable obligation. This facility is due for renewal for a further 12 months in January 2021 and the directors have no reason to believe that this will not be forthcoming. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the signing of the financial statements, despite the current economic outlook. Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

As a result of the global Covid-19 pandemic the directors have also considered that this has no impact on the going concern assumption on the basis that:

- Per the Q1 trading announcement of Illinois Tool Works Inc, the group has \$1.4 billion of cash on hand, essentially no short-term debt, and a revolving credit facility in place that could provide additional liquidity of \$2.5 billion.
- The company settles its liabilities when due, is non-trading and has no employees.

Dividends

Dividends of £356,881,000 have been paid during the year (2018: £923,417,000). The directors do not recommend the payment of a final dividend.

Since year-end, dividends of £43,829,000 were proposed and paid and funded from dividends received.

Directors

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

Giles Hudson
Stephen Rowell

Post balance sheet event

After 31 December 2019, the World Health Organisation declared that the Covid-19 virus be considered a pandemic. As the company is non trading and has no employees the primary asset is the value of investments. However, despite Covid-19, the Directors do not consider it will have a long-term detrimental impact on the value of the company's investments and believe the going concern assumption remains appropriate as set out in note 1.

Berrington UK

Directors' Report (continued) For the year ended 31 December 2019

Auditor

Each of the persons who is a director at the date of approval of this report has confirmed that:

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

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

The directors propose to reappoint Deloitte LLP as the auditor for the ensuing year.

Deloitte LLP have expressed their willingness to continue in office as the auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved for issue by the Board of Directors

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

Giles Hudson
Director

22 July 2020

Berrington UK

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 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; 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.

Berrington UK

Independent Auditor's Report to the members of Berrington UK

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Berrington UK (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 13.

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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Berrington UK

Independent Auditor's Report to the members of Berrington UK (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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 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.

Berrington UK

Independent Auditor's Report to the members of Berrington UK (continued)

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.

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: 22 July 2020

Berrington UK

Statement of Comprehensive Income For the year ended 31 December 2019

	Note	2019 £000	2018 £000
Income from investments	3	356,881	827,002
Interest payable and similar expenses	5	(7,227)	(6,162)
Profit before taxation	3	349,654	820,840
Tax on profit	6	1,373	1,115
Profit for the financial year		351,027	821,955

The results reported above are all derived from continuing operations.

The notes on pages 11 to 24 form part of these financial statements.

Berrington UK
Registered number: 03179466

Balance Sheet
As at 31 December 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	8	2,278,487	2,278,487
		<u>2,278,487</u>	<u>2,278,487</u>
Current assets			
Debtors: Amounts falling due within one year	9	1,373	1,115
		<u>1,373</u>	<u>1,115</u>
Creditors: Amounts falling due within one year	10	(497,291)	(491,179)
Net current liabilities		<u>(495,918)</u>	<u>(490,064)</u>
Total assets less current liabilities		<u>1,782,569</u>	<u>1,788,423</u>
Net assets		<u>1,782,569</u>	<u>1,788,423</u>
Capital and reserves			
Called-up share capital	11	500	500
Share premium account	11	1,014,478	1,014,478
Capital contribution	11	612,744	612,744
Profit and loss account	11	154,847	160,701
Shareholders' funds		<u>1,782,569</u>	<u>1,788,423</u>

The notes on pages 11 to 24 form part of these financial statements.

The financial statements of Berrington UK, registered number 03179466, were approved by the Board of directors and authorised for issue on 22 July 2020.

Signed on behalf of the Board



Giles Hudson
Director

Berrington UK

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

	Called-up share capital	Share premium	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	500	1,014,478	612,744	160,701	1,788,423
Comprehensive income for the year					
Profit for the year	-	-	-	351,027	351,027
Total comprehensive income for the year	-	-	-	351,027	351,027
Dividends paid (see note 7)	-	-	-	(356,881)	(356,881)
Total contributions by and distributions to owners	-	-	-	(356,881)	(356,881)
At 31 December 2019	500	1,014,478	612,744	154,847	1,782,569

Statement of Changes in Equity For the year ended 31 December 2018

	Called-up share capital	Share premium	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2018	500	-	612,744	262,163	875,407
Comprehensive income for the year					
Profit for the year	-	-	-	821,955	821,955
Total comprehensive income for the year	-	-	-	821,955	821,955
Shares issued during the year	-	1,014,478	-	-	1,014,478
Dividends paid (See note 7)	-	-	-	(923,417)	(923,417)
Total contributions by and distributions to owners	-	1,014,478	-	(923,417)	91,061
At 31 December 2018	500	1,014,478	612,744	160,701	1,788,423

The notes on pages 11 to 24 form part of these financial statements.

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

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

Berrington UK is a private unlimited company 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 Berrington UK 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 13.

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. Berrington UK 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 13). Therefore, Berrington UK 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

Although the company has substantial net assets, it also has net current liabilities as set out in the balance sheet on page 9. The company also has an obligation to repay a loan on being given 30 days notice, as set out in Note 10. 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 January 2021 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 a period of at least 12 months from the signing of the financial statements, despite the current economic outlook. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

As a result of the global Covid-19 pandemic the directors have also considered that this has no impact on the going concern assumption on the basis that:

- Per the Q1 trading announcement of Illinois Tool Works Inc, the group has \$1.4 billion of cash on hand, essentially no short-term debt, and a revolving credit facility in place that could provide additional liquidity of \$2.5 billion.
- The company settles its liabilities when due, is non-trading and has no employees.

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

1. Statement of accounting policies (continued)

1.5 Finance costs

Finance costs are recognised in the statement of other comprehensive income, incorporating the profit and loss account over the term of the debt at a constant rate on the carrying amount.

1.6 Dividend income

Dividend income is recognised when the right to receive payment is established.

1.7 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.

1.8 Investments

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

1.9 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.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired 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.

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.

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

1. Statement of accounting policies (continued)

1.10 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.

1.11 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.

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 result 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, 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 liabilities are recognised for timing differences arising from investments in subsidiaries, except where the group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

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.

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

1. Statement of accounting policies (continued)

1.12 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.

1.13 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.

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 estimate:

- 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.

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

3. Profit before taxation

Profit is stated after crediting:

	2019 £000	2018 £000
Share of profits received from unlisted investments	<u>356,881</u>	<u>827,002</u>

Fees for the audit of the financial statements are borne by another group company. The audit fee for the year, if allocated to the company, would be £4,000 (2018: £4,000).

4. Staff costs and directors' emoluments

There were no employees of the company during either year.

Two directors (2018: two) are also directors of ITW Limited, a fellow group company. ITW Limited paid the directors £452,349 (2018: £458,108) 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 £246,089 (2018: £247,010) and the accrued pension entitlement under the company's defined benefit schemes of the highest paid director at 31 December 2019 was £63,382 (2018: £57,033).

5. Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable to group companies	<u>7,227</u>	<u>6,162</u>

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

6. Tax on profit

	2019 £000	2018 £000
Current tax on profit		
UK corporation tax	(1,373)	(1,115)
Total current tax	<u>(1,373)</u>	<u>(1,115)</u>

The standard rate of tax applied to reported profit on ordinary activities is 19% (2018: 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.

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:

	2019 £000	2018 £000
Profit before taxation	<u>349,654</u>	<u>820,840</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	66,434	155,959
Effects of:		
Non taxable income	(67,807)	(157,130)
Losses surrendered to other group companies not being paid for	-	56
Total tax credit for the year	<u>(1,373)</u>	<u>(1,115)</u>

7. Dividends

	2019 £000	2018 £000
Dividends paid of £713.76 (2018: £1,846.83) per share	<u>356,881</u>	<u>923,417</u>

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

8. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	2,379,187
At 31 December 2019	<u>2,379,187</u>
Impairment	
At 1 January 2019	100,700
At 31 December 2019	<u>100,700</u>
Net book value	
At 31 December 2019	<u><u>2,278,487</u></u>
At 31 December 2018	<u><u>2,278,487</u></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 designs and manufactures an array of highly engineered fasteners and components, equipment and consumable systems and a variety of speciality products and equipment for customers around the world.

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

8. Investments (continued)

Subsidiary undertakings

In the opinion of the directors the aggregate value of the company's investment consisting of shares in or amounts owed by its subsidiaries and associates is not less than the aggregate amounts at which they are stated in the balance sheet.

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Advanced Molding Company, Inc ⁽¹⁾	Percentage Ownership	100%	Manufacturing company
Beijing Miller Electric Manufacturing Co. Ltd ⁽²⁾	Percentage Ownership	100%	Manufacturing company
Brooks Instrument (Shanghai) Co. Ltd ⁽³⁾	Percentage Ownership	100%	Manufacturing company
Dongguan Ark-Les Electric Components Co., Ltd ⁽⁴⁾	Percentage Ownership	100%	Manufacturing company
Dongguan CK Branding Co., Ltd ⁽⁵⁾	Ownership Capital	100%	Manufacturing company
Gun Hwa Platech (Taicang) Co. Ltd ⁽⁶⁾	Percentage Ownership	100%	Manufacturing company
Hobart Food Equipment Co., Ltd ⁽⁷⁾	Percentage Ownership	100%	Manufacturing company
Hobart International (Singapore) Pte. Ltd ⁽⁸⁾	Percentage Ownership	100%	Distribution company
Hobart Korea LLC ⁽⁹⁾	Percentage Ownership	100%	Distribution company
Instron (Shanghai) Experiment Equipment Trade Co., Ltd ⁽¹⁰⁾	Percentage Ownership	100%	Distribution company
Instron Holdings Limited ⁽¹¹⁾	Ordinary	100%	Holding company
Instron International Limited ⁽¹²⁾	Ordinary	100%	Holding company
ITW CS (UK) Ltd ⁽¹³⁾	Ordinary	100%	Trading company
ITW Korea LLC ⁽¹⁴⁾	Ordinary	100%	Manufacturing company
ITW (China) Investment Company Limited ⁽¹⁵⁾	Ordinary	100%	Holding company
ITW (Ningbo) Components & Fastening Systems Co., Ltd ⁽¹⁶⁾	Percentage Ownership	100%	Manufacturing company
ITW Airport Ground Equipment (Beijing) Co., Ltd ⁽¹⁷⁾	Percentage Ownership	100%	Manufacturing company
ITW Ampang Industries Philippines, Inc. ⁽¹⁸⁾	Common Stock	80%	Manufacturing company
ITW Automotive Components (Chongqing) Co. Ltd ⁽¹⁹⁾	Percentage Ownership	100%	Manufacturing company
ITW Automotive Components (Langfang) Co., Ltd ⁽²⁰⁾	Percentage Ownership	100%	Manufacturing company
ITW Automotive Parts (Shanghai) Co. Ltd ⁽²¹⁾	Percentage Ownership	100%	Manufacturing company
ITW Construction Products (Shanghai) Co. Ltd ⁽²²⁾	Percentage Ownership	100%	Manufacturing company
ITW Construction Products (Singapore) Pte. Ltd ⁽²³⁾	Ordinary	100%	Distribution company
ITW Construction Products (Suzhou) Co., Ltd ⁽²⁴⁾	Percentage Ownership	100%	Manufacturing company

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Notes to the Financial Statements For the year ended 31 December 2019

8. Investments (continued)

Name	Class of shares	Holding	Principal activity
ITW Construction Products Malaysia Sdn. Bhd. ⁽²⁵⁾	Ordinary	100%	Holding Company
ITW Contamination Control (Wujiang) Co., Ltd ⁽²⁶⁾	Percentage Ownership	100%	Manufacturing company
ITW Limited ⁽²⁷⁾	Ordinary	100%	Manufacturing and distribution company
ITW Pension Funds Trustee Company ⁽²⁸⁾	Ordinary	100%	Dormant company
ITW Dynatec Adhesive Equipment (Suzhou) Co. Ltd ⁽²⁹⁾	Percentage Ownership	100%	Manufacturing company
ITW Electronic Components/Products (Shanghai) Co., Ltd ⁽³⁰⁾	Percentage Ownership	100%	Manufacturing company
ITW FEG Hong Kong Limited ⁽³¹⁾	Ordinary	100%	Holding company
Stokvis Tapes (Hong Kong) Co. Limited ⁽³²⁾	Shares	100%	Holding company
	Percentage		
ITW GH, LLC ⁽³³⁾	Percentage Ownership	100%	Manufacturing company
ITW Graphics Asia Limited ⁽³⁴⁾	Ordinary	100%	Distribution company
ITW Graphics Italy S.R.L. in liquidazione ⁽³⁵⁾	Quotas	100%	Manufacturing company
ITW International Holdings LLC ⁽³⁶⁾	Common Stock	100%	Holding company
ITW International Intellectual Property LLC ⁽³⁷⁾	Units	100%	Holding company
ITW Philippines Holdings LLC ⁽³⁸⁾	Common Stock	100%	Holding company
US Finance Gamma LLC ⁽³⁹⁾	Units	100%	Holding company
ITW Korea LLC ⁽⁴⁰⁾	Shares	100%	Manufacturing company
ITW Marking & Coding (Shanghai) Co., Ltd ⁽⁴¹⁾	Percentage Ownership	100%	Manufacturing company
ITW Meritex Sdn. Bhd. ⁽⁴²⁾	Ordinary	100%	Manufacturing company
ITW New Zealand ⁽⁴³⁾	Ordinary	100%	Manufacturing company
ITW Packaging Technology (China) Co Ltd ⁽⁴⁴⁾	Percentage Ownership	100%	Manufacturing company
ITW Performance Polymers Trading (Shanghai) Co., Ltd. ⁽⁴⁵⁾	Ordinary	100%	Holding company
ITW Performance Plastic (Shanghai) Co. Ltd ⁽⁴⁶⁾	Percentage Ownership	100%	Distribution company
ITW Performance Polymers (Wujiang) Co., Ltd ⁽⁴⁷⁾	Percentage Ownership	100%	Manufacturing company
ITW Performance Polymers and Fluids Group FZE ⁽⁴⁸⁾	Shares	100%	Distribution company
	Percentage		
ITW Pte. Ltd ⁽⁴⁹⁾	Percentage Ownership	100%	Distribution company
ITW Qufu Automotive Cooling Systems Co. Ltd. ⁽⁵⁰⁾	Percentage Ownership	100%	Manufacturing company
ITW Simco-Ion (Shenzhen) Co. Ltd ⁽⁵¹⁾	Percentage Ownership	100%	Manufacturing company
ITW Specialty Film, LLC ⁽⁵²⁾	Shares	100%	Manufacturing company

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

8. Investments (continued)

Name	Class of shares	Holding	Principal activity
ITW Specialty Materials (Suzhou) Co., Ltd. ⁽⁵³⁾	Percentage Ownership	100%	Manufacturing company
ITW Test & Measurement Equipment (Shanghai) Co., Ltd. ⁽⁵⁴⁾	Percentage Ownership	100%	Manufacturing company
ITW Texwipe Philippines, Inc. ⁽⁵⁵⁾	Common Stock	100%	Manufacturing company
ITW Thermal Films (Shanghai) Co., Ltd. ⁽⁵⁶⁾	Percentage Ownership	100%	Manufacturing company
Shanghai ITW Plastic & Metal Co. Ltd. ⁽⁵⁷⁾	Percentage Ownership	100%	Manufacturing company
ITW Welding Singapore Pte. Ltd. ⁽⁵⁸⁾	Percentage Ownership	100%	Manufacturing company
Magna Industrial Co. Limited ⁽⁵⁹⁾	Ordinary	100%	Distribution company
Meritex Technology (Suzhou) Co. Ltd. ⁽⁶⁰⁾	Percentage Ownership	100%	Manufacturing company
Pacific Concept Industries Limited (Enping) ⁽⁶¹⁾	Percentage Ownership	100%	Manufacturing company
Plasode Fasteners (Shanghai) Co., Ltd. ⁽⁶²⁾	Percentage Ownership	100%	Manufacturing company
PT ITW Construction Products Indonesia ⁽⁶³⁾	Shares	100%	Manufacturing company
Ramset Fasteners (Hong Kong) Ltd. ⁽⁶⁴⁾	Ordinary	100%	Distribution company
Stokvis Tapes Limited ⁽⁶⁵⁾	Ordinary	100%	Manufacturing company
Stokvis Tapes (Beijing) Co. Ltd. ⁽⁶⁶⁾	Percentage Ownership	100%	Manufacturing company
Stokvis Tapes (Shanghai) Co. Limited ⁽⁶⁷⁾	Percentage Ownership	100%	Manufacturing company
Stokvis Tapes (Shenzhen) Co. Ltd. ⁽⁶⁸⁾	Percentage Ownership	100%	Manufacturing company
Stokvis Tapes (Taiwan) Co. Ltd. ⁽⁶⁹⁾	Percentage Ownership		Manufacturing company
Teknek (China) Limited ⁽⁷⁰⁾	Ordinary	100%	Distribution company
Teknek (Japan) Limited ⁽⁷¹⁾	Ordinary	100%	Distribution company
Teksaleco Limited ⁽⁷²⁾	Ordinary	100%	Holding company
Tien Tai Electrode (Qingdao) Co., Ltd. ⁽⁷³⁾	Percentage Ownership	100%	Manufacturing company
Vesta (Guangzhou) Catering Equipment Co. Ltd. ⁽⁷⁴⁾	Percentage Ownership	100%	Manufacturing company
Vesta Global Limited ⁽⁷⁵⁾	Ordinary	100%	Manufacturing company

⁽¹⁾registered office is 5 Circuit Street, LISP1, Brgy. Diezmo, Cabuyao, Laguna, Philippines

⁽²⁾registered office is Xin Cheng Industrial Park, Jing Hai No. 2 Road, Building 6, No. 28, Beijing, China

⁽³⁾registered office is Room 203, Building 6, No. 1888 Xin Jing Qiao Road, Shanghai, China

⁽⁴⁾registered office is Nan Main Industrial Park, Hu Men Town, Dong Guan City, Guangdong, China

⁽⁵⁾registered office is Hw WuGang, Cun Tou, Humen Dongguan, China

⁽⁶⁾registered office is 327 Chundong Road, Xinzhou Industrial Development Zone, Shanghai, 201108, China

⁽⁷⁾registered office is No.8 Yesheng Road, Xiqing Economic & Development Zone, Tianjin, China

⁽⁸⁾registered office is 158 Kallang Way, #06-03, Safekeep Building, Singapore 349245, Singapore

⁽⁹⁾registered office is 7F Woongsan Bldg, 108 Bange-dong Songpa-Ku, Seoul, 138-050, South Korea

⁽¹⁰⁾registered office is Room 1704-1715, Shanghai Civic Plaza, Shanghai, China 200041, China

⁽¹¹⁾registered office is 5 Aldermanbury Square, 13th Floor, London, England, EC2V 7HR

⁽¹²⁾registered office is 5 Aldermanbury Square, 13th Floor, London, England, EC2V 7HR

⁽¹³⁾registered office is 5 Aldermanbury Square, 13th Floor, London, England, EC2V 7HR

⁽¹⁴⁾registered office is 16th Floor Hae-Am Building, 983-3 Daechi-dong, Seoul, 135-842, South Korea

⁽¹⁵⁾registered office is Room 2801, Tower B, New Caohejing International Business Center, 391 Guiping Zone, Shanghai, China 200233

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Notes to the Financial Statements For the year ended 31 December 2019

8. Investments (continued)

- (16) registered office is No. 333 Batou West Road, Beilum Zone, Nigbo, China 315806
- (17) registered office is 18 Shuanghe Road, Renhe Town, Shunyi District, Beijing, China
- (18) registered office is Block 1, Lot 1, Laguna International Industrial Park, Mamplasan, Binan, Laguna, Philippines
- (19) registered office is No 106 Jin Yu Road, Chongqing, China
- (20) registered office is Langsen Automotive Industry Park 9#, Yaohua Str., Langfang ETDZ, Langfang, China
- (21) registered office is No. 500, Huapu Road, No. E Building, Qingpu, Shanghai, China
- (22) registered office is Shengang Road, No. 3802, Bldg. 13, Shanghai, 201611, China
- (23) registered office is 4 Changi South Lane, #06-01, Nan Wah Building, 486127, Singapore
- (24) registered office is Rm. 1901-1903, LT Square No. 500, North Cheung Du Road, Shanghai, PRC, China 200003, China
- (25) registered office is Suite 2-4, Level 2, Tower Block, Menara Milenium, Jalan Damanlela, Pusat Bander Damansara, Kuala Lumpur, Wilayah Persekutuan 50490, Malaysia
- (26) registered office is 4660 Pangjin Road, Economic Development Zone, Jiangsu, China
- (27) registered office is Nexus House, Station Road, Egham, Surrey, United Kingdom, TW20 9LB
- (28) registered office is Nexus House, Station Road, Egham, Surrey, United Kingdom, TW20 9LB
- (29) registered office is Unit 2, B1 Building No.9, Weixin Road, Kuantang, SIP, Suzhou, China
- (30) registered office is 789-5, Shenfu Road, Xinzhuang Industrial Zone, Shanghai, China
- (31) registered office is 1401 Hutchison House, 10 Harcourt Road, Hong Kong
- (32) registered office is 1401 Hutchison House, 10 Harcourt Road, Hong Kong
- (33) registered office is #589, Byeong-Dong-Ri, Hallim-Myeon, Gimhae-Si, GyeongSangNam-Do, South Korea
- (34) registered office is 3rd Floor, Capella Htr, 47 Hung To Road, Kwun Tong, Kowloon, Hong Kong
- (35) registered office is Piazza Serenissima, 40, Castelfranco Veneto (TV), 31033, Italy
- (36) registered office is 1209 Orange Street, Wilmington, Delaware 19801-0000, United States
- (37) registered office is 1209 Orange Street, Wilmington, Delaware 19801-0000, United States
- (38) registered office is 1209 Orange Street, Wilmington, Delaware 19801-0000, United States
- (39) registered office is 1209 Orange Street, Wilmington, Delaware, 19801-0000, United States
- (40) registered office is 52, Aenggogae-ro 556 beon-gil, Namdong-gu, Incheon, South Korea
- (41) registered office is Section E, Building 9#1, No. 353, North Ri Ying Road, Waigaoqiao Free Trade Zone, Shanghai, China
- (42) registered office is 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, Pulau Pinang, 11900, Malaysia
- (43) registered office is Level 7, The Bayleys Building, 36 Brandon Street, Wellington, 6140, New Zealand
- (44) registered office is No.9, Weixin Road, Kuantang, SIP, Suzhou, China
- (45) registered office is Room 301, Building A International Far Est Plaza, No. 319 XianXia Road, Shanghai, China
- (46) registered office is Room 301, Building A International Far Est Plaza, No. 319 XianXia Road, Shanghai, China
- (47) registered office is No. 4860, Pangjin Road, Wujiang Economic Development Zone, Wujiang
- (48) registered office is 5EA 701, Dubai Airport Freezone, Dubai, United Arab Emirates
- (49) registered office is 132 Joo Seng Road, #03-01 Uniplus Building Centre, 368358, Singapore
- (50) registered office is No. 11 Chuangye Road, Economic Development Zone, Shandong Province, Qufu City, China
- (51) registered office is 2/F, Building 11, Heng Ming Zhu Technology Park, Xiang Xing Road, Sha Jing, Bao An Shenzhen District, Guangdong, 518104, China
- (52) registered office is 460, Cheonheung-ri, Seonggeo-eup, Cheonan-si 330-836, South Korea
- (53) registered office is Heng Qiao Road, Wujiang Economic & Technological, Development Zone, China
- (54) registered office is 15#, Lane 1985, Chunshen Road, Minhang District, Shanghai, China
- (55) registered office is 4 Circuit Street, LISP 1 SEPZ, Bgy. Diezmo, Cabuyao, Laguna, Philippines
- (56) registered office is 327 Chundong Road, Xinzhuang Industrial Development Zone, Shanghai, 201108, China

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

8. Investments (continued)

- ⁽⁵⁷⁾registered office is 327 Chundong Road, Xinzhou Industrial Development Zone, Shanghai, 201108, China
- ⁽⁵⁸⁾registered office is 23 Tagore Lane, #04-06/07, Tagore 23 Warehouse, 787601, Singapore
- ⁽⁵⁹⁾registered office is 13th Floor, Printing House, 6 Duddell Street, Central, Hong Kong
- ⁽⁶⁰⁾registered office is Block D No. 28 Heshun Road, Loufeng North District, Suzhou Industrial Park, Jiangsu, China 215122
- ⁽⁶¹⁾registered office is Puqiao Industrial Park, Shahu Town, Enping City, Guangdong Province, Enping City, 529447, China
- ⁽⁶²⁾registered office is No. 900 Songzheng Road, Songjiang EPZ (BZone), Shanghai, 201614, China
- ⁽⁶³⁾registered office is Alamanda Tower, Lantai 25, M32, Jl. TB., Simatupang Kav 23-34, Kelurahan Cilandak Barat, Kecamatan Cilandak, Jakarta Selatan, 12430, Indonesia
- ⁽⁶⁴⁾registered office is Unit D, 22nd Floor, Capital Trade Center, No. 62 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong
- ⁽⁶⁵⁾ Unit 8, Tring Industrial Estate, Icknield Way, Tring, United Kingdom HP23 4JX, United Kingdom
- ⁽⁶⁶⁾registered office is Unit 7, No 1 Kanding Street, Economic Development Zone, Beijing, China.
- ⁽⁶⁷⁾registered office is Section B, Building 9, No. 353 North Riving Road, Wai Gao Qiao Banded Zone, Shanghai, 200131, China
- ⁽⁶⁸⁾registered office is Western Part Northside 1st Floor Building 1, Huaya Industrial Park, Shenzhen, 518109, China
- ⁽⁶⁹⁾registered office is 8F., No.561, Guangfu S. Rd., Xinyi Dist. Taipei City, Taiwan
- ⁽⁷⁰⁾registered office is River Drive, Inchinnan Business Park, Renfrewshire, Scotland PA4 9RT, United Kingdom
- ⁽⁷¹⁾registered office is River Drive, Inchinnan Business Park, Renfrewshire, Scotland PA4 9RT, United Kingdom
- ⁽⁷²⁾registered office is River Drive, Inchinnan Business Park, Renfrewshire, Scotland PA4 9RT, United Kingdom
- ⁽⁷³⁾registered office is North 1st Ring Road, Lingang Economic, Development Zone, Jiaonan, Qingdao, China
- ⁽⁷⁴⁾registered office is 43 South Liang Long Street, Huashan Town, Huadu District, Guangzhou, China
- ⁽⁷⁵⁾registered office is Unit 902, 9/F, 113 Argyle Street, Mong Kok, Kowloon, Hong Kong

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Notes to the Financial Statements For the year ended 31 December 2019

9. Debtors: Amounts falling due within one year

	2019 £000	2018 £000
Tax recoverable	<u>1,373</u>	<u>1,115</u>

10. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	338,291	332,179
Amounts owed to group undertakings - non interest bearing unsecured loan notes	100,000	100,000
Amounts owed to group undertakings - 8% unsecured promissory note	59,000	59,000
	<u>497,291</u>	<u>491,179</u>

The amounts owed to group undertakings are unsecured, bear interest at the Bank of England base rate and are repayable upon demand.

The non interest bearing unsecured loan note and 8% promissory note are repayable to ITW UK at any time after 30 days notice. However they have confirmed they will not seek to recall this amount in the foreseeable future.

Berrington UK

Notes to the Financial Statements For the year ended 31 December 2019

11. Called-up shares and reserves

	2019 £000	2018 £000
Authorised		
100,000,000 (2018: 100,000,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>
Called-up, allotted and fully paid		
500,002 (2018: 500,002) Ordinary shares of £1.00 each	<u>500</u>	<u>500</u>

The company's other reserves are as follows:

The share premium account represents the amount subscribed for share capital in excess of nominal value.

The capital contribution account represents cash and assets given to the company.

The profit and loss reserve represents cumulative profits, losses and other comprehensive income made by the company as well as distributions and other adjustments.

12. Post balance sheet events

After 31 December 2019, the World Health Organisation declared that the Covid-19 virus be considered a pandemic. As the company is non trading and has no employees the primary asset is the value of investments. However, despite Covid-19, the Directors do not consider it will have a long-term detrimental impact on the value of the company's investments and believe the going concern assumption remains appropriate as set out in note 1.

13. Ultimate parent undertaking

The immediate parent undertaking of the company is ITW UK Finance Gamma Limited, a company incorporated in the United Kingdom.

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 Berrington UK 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.