

## **Berrington UK**

Annual Report and Financial Statements

For the year ended

31 December 2021

Company Number 03179466



# Berrington UK

## Company Information

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<b>Directors</b>	Giles Hudson Stephen Rowell
<b>Company secretaries</b>	Ryan Dale S & J Registrars Limited (resigned 30 June 2021)
<b>Registered number</b>	03179466
<b>Registered office</b>	5 Aldermanbury Square 13th Floor London England EC2V 7HR
<b>Independent auditor</b>	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading RG1 3DB United Kingdom

# Berrington UK

## Contents

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	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Directors' Responsibilities Statement</b>	5
<b>Independent Auditor's Report</b>	6 - 9
<b>Statement of Comprehensive Income</b>	10
<b>Balance Sheet</b>	11
<b>Statement of Changes in Equity</b>	12
<b>Notes to the Financial Statements</b>	13 - 25

# Berrington UK

## Strategic Report For the year ended 31 December 2021

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The directors present their strategic report for Berrington UK (the 'company') for the year ended 31 December 2021. 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 £349,772,000 (2020: £39,230,000).

### 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.

The company received dividends during the year of £354,107,000 (2020: £43,829,000) and paid interest of £5,352,000 (2020: £5,678,000).

During the year amounts totalling £374,994,000, which were previously recognised within the capital contribution reserve, were affirmed by the directors as being distributable and therefore were transferred to the profit and loss account before being distributed as a dividend to its immediate parent 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. No impairments were made during the year.

As the company is non-trading and has no employees the primary asset is the value of investments. Although the Covid-19 pandemic caused disruption to economic activity across the world the situation is now much improved. The directors therefore 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.

### 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.

### Section 172(1) statement

*The company is an intermediary parent of a large group and therefore requires a section 172(1) statement. The company's governance and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the company's long-term success.*

In the performance of its duty to promote the success of the company and fairness in decision making the Board has agreed to a number of matters. This includes listening to and considering the views of its single shareholder and ultimate controlling party as well as the company's other stakeholders to build trust and ensure it fully understands the potential impacts of any decisions on the environments and the communities in which it operates. As the company is a holding company, it is important to distribute cash in excess of its current working capital needs for more efficient utilisation in other parts of the group.

# **Berrington UK**

## **Strategic Report (continued) For the year ended 31 December 2021**

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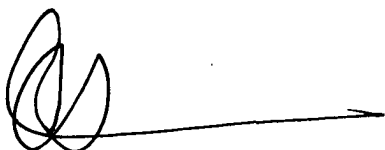
### **Section 172(1) statement (continued)**

The decision made by the directors during the year that £374,994,000 was distributable, as noted above, was only made following consultation with the ultimate parent to ensure they were in agreement. This decision enabled excess cash to be distributed so that it can be used by the group for internal investments to grow and support our highly profitable core businesses and provide for an attractive dividend which is a very important component of the total shareholder return equation.

### **Stakeholders engagement**

The company aims to build enduring relationships with its stakeholders which may include governments, regulators, partners and communities in the countries where it operates. The company works with its stakeholders in a honest respectful and responsible way. As the company is a holding company its main stakeholders are other group companies. Consequently it ensures that its decisions and policies are closely aligned to that of the group.

### **Approved for issue by the Board of Directors**

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

**Giles Hudson**  
Director

17 March 2022

# **Berrington UK**

## **Directors' Report For the year ended 31 December 2021**

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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 2021.

### **Principal activities**

The principal activity of the company is that of a non-trading holding company. Details of future developments have been discussed on page 1 in the strategic report.

### **Financial risk management policies**

The company's principal financial assets are 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 11. The company also has an obligation to repay a loan on being given 30 days notice along with an obligation to repay the bank overdraft on demand, 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. 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:

- As of 31 December 2021, Illinois Tool Works Inc. had \$1.5 billion of cash and equivalents on hand, no outstanding borrowings under its \$2.5 billion revolving credit facility, and only \$210 million of commercial paper outstanding; and
- The company settles its liabilities when due, is non-trading and has no employees.

### **Dividends**

Dividends of £304,107,000 have been paid during the year (2020: £193,829,000). The directors do not recommend the payment of a final dividend.

### **Directors**

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

Giles Hudson  
Stephen Rowell

### **Post balance sheet events**

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

### **Energy and carbon report**

The company is not providing any disclosures as it is able to obtain an exemption due to not preparing a group directors' report and because it consumes less than 40,000KWh of energy. In addition the company is non-trading, does not have any employees and has no premises.

# Berrington UK

## **Directors' Report (continued)** **For the year ended 31 December 2021**

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### **Disclosure of information to auditor**

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 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 stylized 'G' followed by a long horizontal line that ends in a small upward curve.

**Giles Hudson**  
Director

17 March 2022

# **Berrington UK**

## **Directors' Responsibilities Statement**

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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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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**

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### **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 2021 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 12.

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**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

# **Berrington UK**

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

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### **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](http://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)**

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### **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 frameworks 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.

# Berrington UK

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

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### 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  
Abbots House  
Abbey Street  
Reading  
RG1 3DB  
United Kingdom

Date: 17 March 2022

# Berrington UK

## Statement of Comprehensive Income For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Income from shares in group undertakings	3	354,107	43,829
Interest payable and similar expenses	5	(5,352)	(5,678)
<b>Profit before taxation</b>	3	<b>348,755</b>	<b>38,151</b>
Tax on profit	6	1,017	1,079
<b>Profit and total comprehensive income for the financial year</b>		<b>349,772</b>	<b>39,230</b>

The notes on pages 13 to 25 form part of these financial statements.

**Berrington UK**  
Registered number: 03179466

**Balance Sheet**  
**As at 31 December 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	8	2,278,487	2,278,487
		<u>2,278,487</u>	<u>2,278,487</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	9	1,017	1,079
		<u>1,017</u>	<u>1,079</u>
Creditors: Amounts falling due within one year	10	(605,869)	(651,596)
<b>Net current liabilities</b>		<u>(604,852)</u>	<u>(650,517)</u>
<b>Total assets less current liabilities</b>		<u>1,673,635</u>	<u>1,627,970</u>
<b>Net assets</b>		<u>1,673,635</u>	<u>1,627,970</u>
<b>Capital and reserves</b>			
Called-up share capital	11	500	500
Share premium account	11	1,014,478	1,014,478
Capital contribution	11	237,750	612,744
Profit and loss account	11	420,907	248
<b>Shareholder's funds</b>		<u>1,673,635</u>	<u>1,627,970</u>

The notes on pages 13 to 25 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 17 March 2022.

**Signed on behalf of the Board**



**Giles Hudson**  
Director

# Berrington UK

## Statement of Changes in Equity For the year ended 31 December 2021

	Called-up share capital	Share premium	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	500	1,014,478	612,744	248	1,627,970
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	349,772	349,772
<b>Total comprehensive income for the year</b>	-	-	-	349,772	349,772
<b>Contributions by and distributions to owners</b>					
Dividends paid (see note 7)	-	-	-	(304,107)	(304,107)
Transfer between reserves (see note 11)	-	-	(374,994)	374,994	-
<b>Total contributions by and distributions to owners</b>	-	-	(374,994)	70,887	(304,107)
<b>At 31 December 2021</b>	<b>500</b>	<b>1,014,478</b>	<b>237,750</b>	<b>420,907</b>	<b>1,673,635</b>

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

	Called-up share capital	Share premium	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	500	1,014,478	612,744	154,847	1,782,569
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	39,230	39,230
<b>Total comprehensive income for the year</b>	-	-	-	39,230	39,230
<b>Contributions by and distributions to owners</b>					
Dividends paid (see note 7)	-	-	-	(193,829)	(193,829)
<b>Total contributions by and distributions to owners</b>	-	-	-	(193,829)	(193,829)
<b>At 31 December 2020</b>	<b>500</b>	<b>1,014,478</b>	<b>612,744</b>	<b>248</b>	<b>1,627,970</b>

The notes on pages 13 to 25 form part of these financial statements.

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

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### 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 3.

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.

#### 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 12.

#### 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. The company 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 12). Therefore, the company 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 11. The company also has an obligation to repay a loan on being given 30 days notice along with an obligation to repay the bank overdraft on demand, 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. 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:

- As of 31 December 2021, Illinois Tool Works Inc. had \$1.5 billion of cash and equivalents on hand, no outstanding borrowings under its \$2.5 billion revolving credit facility, and only \$210 million of commercial paper outstanding; and
- 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 2021

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### 1. Statement of accounting policies (continued)

#### 1.5 Dividend income

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

#### 1.6 Finance costs

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

#### 1.7 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.*

#### 1.8 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 2021

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### 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) and subsequently recognised at amortised cost using the effective interest method.

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.

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.

### 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.

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

### 2. Critical accounting judgements and key sources of estimation uncertainty (continued)

#### 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. At the end of the year the carrying amount was £2,278,487,000.

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

### 3. Profit before taxation

Profit is stated after crediting:

	2021 £000	2020 £000
Income from shares in group undertakings	354,107	43,829

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 (2020: £4,000).

### 4. Staff costs and directors' emoluments

There were no employees of the company during either year.

Two directors (2020: two) are also directors of ITW Limited, a fellow group company. ITW Limited paid the directors £409,222 (2020: £432,981) 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 £211,995 (2020: £229,426) and the accrued pension entitlement under the company's defined benefit schemes of the highest paid director at 31 December 2021 was £69,067 (2020: £66,267).

### 5. Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to group companies	5,066	5,614
Bank interest payable	286	64
	5,352	5,678

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

### 6. Tax on profit

	2021 £000	2020 £000
<b>Current tax on profit</b>		
UK corporation tax	(1,017)	(1,079)
<b>Total tax credit</b>	<u>(1,017)</u>	<u>(1,079)</u>

The standard rate of tax applied to reported profit is 19% (2020: 19%).

#### Factors affecting future tax charges

Changes substantively enacted as part of the Finance Act 2016 on 15 September 2016, legislated for a reduction of UK corporation tax to 17% effective from 1 April 2020. On 17 March 2020, it was announced that this change was to be reversed and the rate remains at 19% from 1 April 2020. In March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023. This increase was substantively enacted on 24 May 2021.

Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate at the year end of 25%, unless the asset/liability is expected to be realised or settled before the rate increase in which case the current prevailing rate of 19% has been used.

There were no other factors that may affect future tax charges.

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:

	2021 £000	2020 £000
Profit before taxation	<u>348,755</u>	<u>38,151</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	66,263	7,249
<b>Effects of:</b>		
Non-taxable income	(67,280)	(8,328)
<b>Total tax credit for the year</b>	<u>(1,017)</u>	<u>(1,079)</u>

### 7. Dividends

	2021 £000	2020 £000
Dividends paid of £608.2115 (2020: £387.6564) per share	<u>304,107</u>	<u>193,829</u>

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

### 8. Investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 January 2021	2,379,187
At 31 December 2021	<u>2,379,187</u>
<b>Impairment</b>	
At 1 January 2021	100,700
At 31 December 2021	<u>100,700</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>2,278,487</u></u>
At 31 December 2020	<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 2021

### 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
Avery Malaysia Sdn Bhd <sup>(1)</sup>	Ordinary	100%	Distribution company
Avery Weigh-Tronix Limited <sup>(2)</sup>	Ordinary	100%	Holding company
Avery Weigh-Tronix International Limited <sup>(3)</sup>	Ordinary	100%	Holding company
Avery Weigh-Tronix Properties Limited <sup>(4)</sup>	Ordinary	100%	Holding company
Avery Weigh-Tronix (Suzhou) Weighing Technology Co. Ltd. <sup>(5)</sup>	Ordinary	100%	Manufacturing company
Beijing Miller Electric Manufacturing Co. Ltd <sup>(6)</sup>	Percentage Ownership	100%	Manufacturing company
Brooks Instrument (Shanghai) Co. Ltd <sup>(7)</sup>	Percentage Ownership	100%	Manufacturing company
Dongguan Ark-Les Electric Components Co., Ltd <sup>(8)</sup>	Percentage Ownership	100%	Manufacturing company
Dongguan CK Branding Co., Ltd <sup>(9)</sup>	Ownership Capital	100%	Manufacturing company
Gun Hwa Platech (Taicang) Co. Ltd <sup>(10)</sup>	Percentage Ownership	100%	Manufacturing company
Hobart Food Equipment Co., Ltd <sup>(11)</sup>	Percentage Ownership	100%	Manufacturing company
Hobart International (Singapore) Pte. Ltd <sup>(12)</sup>	Percentage Ownership	100%	Distribution company
Hobart Korea LLC <sup>(13)</sup>	Percentage Ownership	100%	Distribution company
Instron Korea LLC <sup>(14)</sup>	Shares	100%	Manufacturing company
Instron (Shanghai) Ltd. (formerly Instron (Shanghai) Experiment Equipment Trade Co., Ltd) <sup>(15)</sup>	Percentage Ownership	100%	Distribution company
ITW CS (UK) Ltd <sup>(16)</sup>	Ordinary	100%	Trading company
ITW Korea LLC (formerly ITW EF&C Korea, Inc.) <sup>(17)</sup>	Ordinary	100%	Manufacturing company
ITW (China) Investment Company Limited <sup>(18)</sup>	Ordinary	100%	Holding company
ITW (Ningbo) Components & Fastening Systems Co., Ltd. <sup>(19)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Automotive Components (Chongqing) Co. Ltd <sup>(20)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Automotive Components (Langfang) Co., Ltd. <sup>(21)</sup>	Percentage Ownership	100%	Manufacturing company

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

### 8. Investments (continued)

Name	Class of shares	Holding	Principal activity
ITW Automotive Parts (Shanghai) Co. Ltd <sup>(22)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Construction Products (Shanghai) Co. Ltd <sup>(23)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Construction Products (Singapore) Pte. Ltd <sup>(24)</sup>	Ordinary	100%	Distribution company
ITW Contamination Control (Wujiang) Co., Ltd <sup>(25)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Limited <sup>(26)</sup>	Ordinary	100%	Manufacturing and distribution company
ITW Pension Funds Trustee Company <sup>(27)</sup>	Ordinary	100%	Dormant company
ITW Dynatec Adhesive Equipment (Suzhou) Co. Ltd <sup>(28)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Electronic Components/Products (Shanghai) Co., Ltd <sup>(29)</sup>	Percentage Ownership	100%	Manufacturing company
ITW FEG Hong Kong Limited <sup>(30)</sup>	Ordinary	100%	Holding company
ITW GH, LLC <sup>(31)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Graphics Asia Limited <sup>(32)</sup>	Ordinary	100%	Distribution company
ITW International Holdings LLC <sup>(33)</sup>	Common Stock	100%	Holding company
ITW Meritex Sdn. Bhd. <sup>(34)</sup>	Ordinary	100%	Manufacturing company
ITW New Zealand <sup>(35)</sup>	Ordinary	100%	Manufacturing company
ITW Packaging Technology (China) Co Ltd (formerly ITW Test and Measurement (China) Company Ltd.) <sup>(36)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Performance Polymers Trading (Shanghai) Co., Ltd. <sup>(37)</sup>	Ordinary	100%	Holding company
ITW Performance Plastic (Shanghai) Co. Ltd <sup>(38)</sup>	Percentage Ownership	100%	Distribution company
ITW Performance Polymers (Wujiang) Co., Ltd <sup>(39)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Pte. Ltd <sup>(40)</sup>	Percentage Ownership	100%	Distribution company
ITW Qufu Automotive Cooling Systems Co. Ltd. (formerly ITW Temb (QuFu) Auto Cooling Systems) <sup>(41)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Simco-Ion (Shenzhen) Co. Ltd <sup>(42)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Specialty Film, LLC <sup>(43)</sup>	Shares	100%	Manufacturing company
ITW Specialty Materials (Suzhou) Co., Ltd <sup>(44)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Test & Measurement Equipment (Shanghai) Co., Ltd <sup>(45)</sup>	Percentage Ownership	100%	Manufacturing company

## Berrington UK

### Notes to the Financial Statements For the year ended 31 December 2021

#### 8. Investments (continued)

Name	Class of shares	Holding	Principal activity
ITW Thermal Films (Shanghai) Co., Ltd. <sup>(46)</sup>	Percentage Ownership	100%	Manufacturing company
Shanghai ITW Plastic & Metal Co. Ltd. <sup>(47)</sup>	Percentage Ownership	100%	Manufacturing company
ITW Welding Singapore Pte. Ltd. <sup>(48)</sup>	Percentage Ownership	100%	Manufacturing company
Meritex Technology (Suzhou) Co. Ltd. <sup>(49)</sup>	Percentage Ownership	100%	Manufacturing company
Pacific Concepts Industries Limited (Enping) <sup>(50)</sup>	Percentage Ownership	100%	Manufacturing company
Plasode Fasteners (Shanghai) Co., Ltd. <sup>(51)</sup>	Percentage Ownership	100%	Manufacturing company
Ramset Fasteners (Hong Kong) Ltd. <sup>(52)</sup>	Ordinary	100%	Distribution company
Stokvis Tapes Limited <sup>(53)</sup>	Ordinary	100%	Manufacturing company
Stokvis Tapes (Shanghai) Co. Limited <sup>(54)</sup>	Percentage Ownership	100%	Manufacturing company
Stokvis Tapes (Taiwan) Co. Ltd. <sup>(55)</sup>	Percentage Ownership	100%	Manufacturing company
Teknek (China) Limited <sup>(56)</sup>	Ordinary	100%	Distribution company
Teknek (Japan) Limited <sup>(57)</sup>	Ordinary	100%	Distribution company
Teksaleco Limited <sup>(58)</sup>	Ordinary	100%	Holding company
Tien tai Electrode (Kunshan) Co., Ltd. <sup>(59)</sup>		100%	Manufacturing company
Vesta (Guangzhou) Catering Equipment Co. Ltd. <sup>(60)</sup>	Percentage Ownership	100%	Manufacturing company
Vesta Global Limited <sup>(61)</sup>	Ordinary	100%	Manufacturing company

Instron Holdings Limited, Instron International Limited, ITW Philippines Holdings LLC, Stokvis Tapes (Shenzhen) Co. Ltd were struck off during the year.

<sup>(1)</sup> registered office is 10th Floor, Wisma Havela Thakardas, No. 1 Jalan Tiong Nam, Off Jalan Raja Laut, Kuala Lumpur, 50350, Malaysia

<sup>(2)</sup> registered office is Foundry Lane, Smethwick, B66 2LP, United Kingdom

<sup>(3)</sup> registered office is 5 Aldermanbury Square, 13th Floor, London, EC2V7HR, United Kingdom

<sup>(4)</sup> registered office is 5 Aldermanbury Square, 13th Floor, London, EC2V7HR, United Kingdom

<sup>(5)</sup> registered office is NG2 Export processing Zone B, 280 Shangpu Road, SIP of Suzhou, 215121, China

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

<sup>(7)</sup> registered office is Room 203, Building 6, No. 1888 Xin Jing Qiao Road, Shanghai, China

<sup>(8)</sup> registered office is Nan Main Industrial Park, Hu Men Town, Dong Guan City, Guangdong, China

<sup>(9)</sup> registered office is Hw WuGang, Cun Tou, Humen Dongguan, China

<sup>(10)</sup> registered office is 327 Chundong Road, Xinzhou Industrial Development Zone, Shanghai, 201108, China

<sup>(11)</sup> registered office is No.8 Yesheng Road, Xiqing Economic & Development Zone, Tianjin, China



## Berrington UK

### Notes to the Financial Statements For the year ended 31 December 2021

#### 8. Investments (continued)

- <sup>(12)</sup>registered office is 158 Kallang Way, #06-03, Safekeep Building, Singapore 349245, Singapore
- <sup>(13)</sup>registered office is 7F Woongsan Bldg, 108 Bange-dong Songpa-Ku, Seoul, 138-050, South Korea
- <sup>(14)</sup>registered office is 5 Aldermanbury Square, 13th Floor, London, EC2V7HR, United Kingdom
- <sup>(15)</sup>registered office is Room 1704-1715, Shanghai Civic Plaza, Shanghai, China 200041, China
- <sup>(16)</sup>registered office is 5 Aldermanbury Square, 13th Floor, London, England, EC2V 7HR
- <sup>(17)</sup>registered office is 16th Floor Hae-Am Building, 983-3 Daechi-dong, Seoul, 135-842, South Korea
- <sup>(18)</sup>registered office is Room 2801, Tower B, New Caohejing International Business Center, 391 Guiping Zone, Shanghai, China 200233
- <sup>(19)</sup>registered office is No. 333 Batou West Road, Beilum Zone, Nigbo, China 315806
- <sup>(20)</sup>registered office is No 106 Jin Yu Road, Chongqing, China
- <sup>(21)</sup>registered office is Langsen Automotive Industry Park 9#, Yaohua Str., Langfang ETDZ, Langfang, China
- <sup>(22)</sup>registered office is No. 500, Huapu Road, No. E Building, Qingpu, Shanghai, China
- <sup>(23)</sup>registered office is Shengang Road, No. 3802, Bldg. 13, Shanghai, 201611, China
- <sup>(24)</sup>registered office is 4 Changi South Lane, #06-01, Nan Wah Building, 486127, Singapore
- <sup>(25)</sup>registered office is 4660 Pangjin Road, Economic Development Zone, Jiangsu, China
- <sup>(26)</sup>registered office is Nexus House, Station Road, Egham, Surrey, United Kingdom, TW20 9LB
- <sup>(27)</sup>registered office is Nexus House, Station Road, Egham, Surrey, United Kingdom, TW20 9LB
- <sup>(28)</sup>registered office is Unit 2, B1 Building No.9, Weixin Road, Kuatang, SIP, Suzhou, China
- <sup>(29)</sup>registered office is 789-5, Shenfu Road, Xinzhuang Industrial Zone, Shanghai, China
- <sup>(30)</sup>registered office is 1401 Hutchison House, 10 Harcourt Road, Hong Kong
- <sup>(31)</sup>registered office is #589, Byeong-Dong-Ri, Hallim-Myeon, Gimhae-Si, GyeongSangNam-Do, South Korea
- <sup>(32)</sup>registered office is 3rd Floor, Capella Htr, 47 Hung To Road, Kwun Tong, Kowloon, Hong Kong
- <sup>(33)</sup>registered office is 1209 Orange Street, Wilmington, Delaware 19801-0000, United States
- <sup>(34)</sup>registered office is 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, Pulau Pinang, 11900, Malaysia
- <sup>(35)</sup>registered office is Level 7, The Bayleys Building, 36 Brandon Street, Wellington, 6140, New Zealand
- <sup>(36)</sup>registered office is No.9, Weixin Road, Kuatang, SIP, Suzhou, China
- <sup>(37)</sup>registered office is Room 301, Building A International Far Est Plaza, No. 319 XianXia Road, Shanghai, China
- <sup>(38)</sup>registered office is Room 301, Building A International Far Est Plaza, No. 319 XianXia Road, Shanghai, China
- <sup>(39)</sup>registered office is No. 4860, Pangjin Road, Wujiang Economic Development Zone, Wujiang
- <sup>(40)</sup>registered office is 132 Joo Seng Road, #03-01 Uniplus Building Centre, 368358, Singapore
- <sup>(41)</sup>registered office is No. 11 Chuangye Road, Economic Development Zone, Shandong Province, Qufu City, China
- <sup>(42)</sup>registered office is 2/F, Building 11, Heng Ming Zhu Technology Park, Xiang Xing Road, Sha Jing, Bao An Shenzhen District, Guangdong, 518104, China
- <sup>(43)</sup>registered office is 460, Cheonheung-ri, Seonggeo-eup, Cheonan-si 330-836, South Korea
- <sup>(44)</sup>registered office is Heng Qiao Road, Wujiang Economic & Technological, Development Zone, China
- <sup>(45)</sup>registered office is 15#, Lane 1985, Chunshen Road, Minhang District, Shanghai, China
- <sup>(46)</sup>registered office is 327 Chundong Road, Xinzhuang Industrial Development Zone, Shanghai, 201108, China
- <sup>(47)</sup>registered office is 327 Chundong Road, Xinzhuang Industrial Development Zone, Shanghai, 201108, China
- <sup>(48)</sup>registered office is 23 Tagore Lane, #04-06/07, Tagore 23 Warehouse, 787601, Singapore
- <sup>(49)</sup>registered office is Block D No. 28 Heshun Road, Loufeng North District, Suzhou Industrial Park, Jiangsu, China 215122
- <sup>(50)</sup>registered office is Puqiao Industrial Park, Shahu Town, Enping City, Guangdong Province, Enping City, 529447, China

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

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### 8. Investments (continued)

<sup>(51)</sup>registered office is No. 900 Songzheng Road, Songjiang EPZ (BZone), Shanghai, 201614, China

<sup>(52)</sup>registered office is Unit D, 22nd Floor, Capital Trade Center, No. 62 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong

<sup>(53)</sup> Unit 8, Tring Industrial Estate, Icknield Way, Tring, United Kingdom HP23 4JX, United Kingdom

<sup>(54)</sup>registered office is Section B, Building 9, No. 353 North Riving Road, Wai Gao Qiao Banded Zone, Shanghai, 200131, China

<sup>(55)</sup>registered office is 8F., No.561, Guangfu S. Rd., Xinyi Dist. Taipei City, Taiwan

<sup>(56)</sup>registered office is River Drive, Inchinnan Business Park, Renfrewshire, Scotland PA4 9RT, United Kingdom

<sup>(57)</sup>registered office is River Drive, Inchinnan Business Park, Renfrewshire, Scotland PA4 9RT, United Kingdom

<sup>(58)</sup>registered office is River Drive, Inchinnan Business Park, Renfrewshire, Scotland PA4 9RT, United Kingdom

<sup>(59)</sup>registered office is No 189 Hua Yuan Road, Zhang Pu Town, Kun Shan City, China

<sup>(60)</sup>registered office is 43 South Liang Long Street, Huashan Town, Huadu District, Guangzhou, China

<sup>(61)</sup>registered office is Unit 902, 9/F, 113 Argyle Street, Mong Kok, Kowloon, Hong Kong

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

### 9. Debtors: Amounts falling due within one year

	2021 £000	2020 £000
Tax recoverable	1,017	1,079

### 10. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	346,518	342,532
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
Accruals	21	21
Bank overdraft	100,330	150,043
	<b>605,869</b>	<b>651,596</b>

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.

Bank overdrafts (unsecured) are repayable on demand and interest has been charged at an average rate of 0.2% (2020: 2.16%).

### 11. Called-up share capital and reserves

	2021 £000	2020 £000
<b>Authorised</b>		
100,000,000 (2020: 100,000,000) Ordinary shares of £1.00 each	100,000	100,000
<b>Called-up, allotted and fully paid</b>		
500,002 (2020: 500,002) Ordinary shares of £1.00 each	500	500

# Berrington UK

## Notes to the Financial Statements For the year ended 31 December 2021

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### 11. Called-up share capital and reserves (continued)

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

During the year amounts totalling £374,994,000, which were previously recognised within the capital contribution reserve, were affirmed by the directors as being distributable and therefore were transferred to the profit and loss account before being distributed as a dividend to its immediate parent company.

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. 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.