COMPANY No : 05851883

A V CO 1 LIMITED
(formerly AV ACQUISITIONCO 1 LIMITED)

REPORT AND FINANCIAL STATEMENTS

41 WEEKS ENDED 31 MARCH 2007

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A V CO 1 LIMITED
DIRECTORS' REPORT FOR THE 41 WEEKS ENDED 31 MARCH 2007

The Directors present their report and the financial statements for the period ended 31 March 2007

1. RESULTS AND DIVIDENDS

The Group's loss before tax for the 41 weeks ended 31 March 2007 was £3,573,000 The Directors do not recommend the payment of a final dividend

2. INCORPORATION

The Company was incorporated on 20 June 2006 with the name of AV Acquisitionco 1 Limited On 9 November 2006 the Company changed its name to A V Co 1 Limited

3. RESEARCH AND DEVELOPMENT

The Group is actively researching and developing new products

4. BUSINESS REVIEW

Overview
Prior to 31 July 2006 the Company did not trade On 31 July 2006, A V Co 3 Limited (formerly AV Acquisitionco 3 Limited), a subsidiary of the Company, acquired 100% of the issued share capital of Avery Weigh-Tronix Holdings Limited and its subsidiaries (collectively known as the 'Avery Weigh-Tronix Group')

The Avery Weigh-Tronix Group principally develops, manufactures, distributes and services weighing equipment and operates directly in the UK, USA, Canada, Ireland, France, Austria, Malaysia and India

At the date of this report, the Directors are not aware of any likely major changes in the Group's activities in the next year

The main competitors of the Group are Mettler Toledo, Hobart, Bilancia Group, Ricelake Weighing Systems, Fairbanks Scales, Bizerba and Digi Due to the quality of the brands held, the Group is well placed within the market sectors it operates in

The Group aims to maximise earnings before interest, taxation, depreciation and amortisation (EBITDA) through a combination of sales growth, unit cost reductions and realisation of efficiencies

Trading Results
In order to assist in the understanding of the business the Company has prepared a proforma profit and loss account (see note 33) to show the results of the Avery Weigh-Tronix Group in the prior year and the Group in the current year as if it had been in existence for the whole period up to the balance sheet date The commentary below is by reference to that proforma profit and loss account

Turnover of the Group, in the financial period ending 31 March 2007 (FY07) was £150 million, translated at average exchange rates of £1=$1 88 and Euro 1 47 Of the £6 1 million decline from the prior year, £3 5 million was as a result of unfavourable differences on translation, with the remaining £2 6million being due to the lack of large 'one-off' orders in the UK

Gross margin (gross profit as % of turnover) was 31 7% in FY07 versus 32 3% in FY06 The decline arose from inter alia

- loss of high margin third party service contracts in the UK
- higher service costs and lower selling prices in France
- an increased proportion of sales to lower margin customers, in particular to European distributors and customers in India

4. BUSINESS REVIEW (CONTINUED)

Trading Results (continued)
Redundancy costs of £2 7 million were recorded in FY07 as part of a continuing cost reduction programme The costs are for both headcount reductions in FY07 and those planned for FY08 and relate to

- management reorganisation in USA
- closure of Santa Rosa R&D facility
- back office functions eliminated as a consequence of the Equipment Maintenance Service Limited acquisition

In FY 06 £2 3m of redundancy costs were recorded

The benefits of the cost reduction programmes can be seen in the year on year reduction of distribution and administrative costs, after adding back exceptional items of £1 0 million

EBITDA for FY 07 was £10 7 million compared to £12 3m in FY 06 The decrease of £1 6m is as a result of the turnover and gross margin declines referred to above

Principal Risk and Uncertainties
The Group's profitability is exposed to a number of external factors

- The general state of the economy as some of the products sold are capital in nature
- Exchange rate movements in particular £ sterling, US $ and Euro
- The cost of raw material in particular steel
- The timing of larger orders from the Group's major accounts
- Competitive pressure

The only risks that can reasonably be hedged are exchange and interest rates The major foreign currencies in the Group (United States Dollar, Canadian Dollar and Euro) are normally hedged for up to 12 months to protect the underlying cash flows in the following year plan Interest rates have been hedged as part of a €76 million senior multi-currency facility Steel cannot be hedged as it is not a traded commodity and suppliers are unwilling to enter into long term supply contracts All other risks are outside the control of the Group

Acquisitions
The following smaller acquisitions were made in the period between 31 July 2006 and 31 March 2007

- The trade and certain assets of Carousel, Inc (the trade herein after called Sebago Scales), a company registered in Delaware, USA, for a consideration (including acquisition expenses) of £326,000
- The trade and certain assets of Scales, Inc and the trade and assets of C E Marion Scale Company, Inc, both companies being registered in California, USA, for a combined consideration (including acquisition expenses) of £277,000
- 100% of the issued share capital of Equipment Maintenance Services Limited, a company registered in the United Kingdom, for a consideration (including acquisition expenses) of £1,800,000

All of the acquired businesses above are involved in the sales, service and distribution of weighing equipment

Environment
The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities The Group operates in accordance with Group policies Initiatives designed to minimise the Group's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption

Financing
The Group and the Company benefit from a €13,170,000 mezzanine facility agreement and a €76,460,000 senior multicurrency term and revolving facilities agreement, dated 31 July 2006 under which financial facilities are made available by European Capital S A R L

4. BUSINESS REVIEW (CONTINUED)

Employees
Details of the number of employees and related costs can be found in note 4 to the financial statements

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

The Group's policies and practices keep employees informed on matters relevant to them as employees through regular meetings and newsletters Employee representatives are consulted regularly on a wide range of matters affecting their interests

5. DIRECTORS

The following served as Directors of the Company during the period

G G Bowe	Appointed 20 June 2006
C Cramer	Appointed 20 June 2006
G A Cheek	Appointed 31 July 2006
S Henderson	Appointed 31 July 2006
C Thomas	Appointed 9 March 2007

6. CREDITOR PAYMENT POLICY

The Company is a holding company and as such does not have any trade creditors of its own

The policy of the Group is to negotiate with suppliers so as to obtain the best available terms taking account of quality, delivery, price and period of settlement and, having agreed those terms, to abide by them

The total amount of trade creditors falling due within one year at 31 March 2007, excluding amounts owed to companies in the Group, represents 66 days as a proportion of the total amount invoiced by suppliers during the period ended on that date

7. POLITICAL AND CHARITABLE DONATIONS

Neither the Company nor any of its subsidiaries made any political or charitable donations or incurred any political expenditure during the period

8 DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

9 AUDITORS

On 8 May 2007, KPMG LLP were appointed auditors of the Company and to act as such until a resolution concerning their appointment is proposed at the Annual General Meeting

By order of the Board

C Cramer
Director

Date 13 July 2007

A V CO 1 LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 UK Accounting Standards, and applicable law (UK Generally Accepted Accounting Practice)

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company, and of the profit and loss 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 estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A V CO 1 LIMITED

We have audited the group and parent company financial statements (the "financial statements") of A V Co 1 Limited for the period ended 31 March 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, the Reconciliations of Movements in Shareholders' Funds and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP 13 July 2007

Birmingham

Chartered Accountants

Registered Auditor

A V CO 1 LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 41 WEEKS ENDED 31 MARCH 2007

	Notes	41 weeks ended 31 March 2007 £'000
Turnover	2	103,585
Cost of sales		(70,838)
Gross Profit		32,747
Distribution costs		(10,693)
Administrative expenses		
Redundancy Costs		(2,617)
Refinancing and corporate restructuring costs		(245)
Other administrative expenses		(17,774)
		(20,636)
Other operating income		206
Group operating profit		1,624
Share of operating profit in associates		12
Total operating profit		1,636
Profit on sale of fixed assets		45
Net interest payable	5	(5,254)
Loss on ordinary activities before tax	6	(3,573)
Taxation on loss on ordinary activities	7	(420)
Loss on ordinary activities after tax		(3,993)
Minority interests	24	(486)
Loss for the financial period	23	(4,479)

The results from the period reflect trading from continuing operations arising from acquisitions in the period

A reconciliation of movements in shareholders' funds is given in note 23

The accompanying notes are an integral part of this profit and loss account

A V CO 1 LIMITED

CONSOLIDATED STATEMENT OF GROUP TOTAL RECOGNISED GAINS AND LOSSES FOR THE 41 WEEKS ENDED 31 MARCH 2007

	Notes	41 weeks ended 31 March 2007 £'000
Loss for the financial period		(4,479)
Actuarial losses recognised in the pension schemes	19	(163)
Foreign exchange differences	22	(1,517)
Total recognised losses for the period		(6,159)

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents

A V CO 1 LIMITED
BALANCE SHEET AS AT 31 MARCH 2007

	Notes	31 March 2007	
		Group	Company
		£'000	£'000
Fixed assets			
Intangible fixed assets	9	46,601	-
Tangible fixed assets	10	15,285	-
Fixed asset investments	11	691	24,834
		62,577	24,834
Current assets			
Stocks	13	17,140	-
Debtors	14	32,609	5,182
Investments	26	2,664	-
Cash at bank and in hand		4,797	1
		57,210	5,183
Creditors (amounts falling due within one year)	15	(38,870)	(963)
Net current assets		18,340	4,220
Total assets less current liabilities		80,917	29,054
Creditors (amounts falling due after one year)	16	(78,936)	(30,138)
Provisions for liabilities and changes	17	(3,694)	-
Net liabilities excluding pension liabilities		(1,713)	(1,084)
Pension liabilities	19	(892)	-
Net liabilities including pension liabilities		(2,605)	(1,084)
Capital and reserves			
Called-up share capital	21	205	205
Share premium account	22	820	820
Profit and loss account deficit	22	(6,159)	(2,109)
Shareholders' deficit	23	(5,134)	(1,084)
Minority interests	24	2,529	-
Capital employed		(2,605)	(1,084)

Approved by the Board on 13 July 2007 and signed on its behalf by

G G Bowe
Director

C Cramer
Director

The accompanying notes form an integral part of this balance sheet

A V CO 1 LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE 41 WEEKS ENDED 31 MARCH 2007

	Notes	41 weeks ended 31 March 2007	
		£'000	£'000
Net cash inflow from operating activities	25		8,151
Returns on investments and servicing of finance			
Interest received		319	
Interest paid		(2,617)	
Interest element of finance lease payments		(56)	
Net cash outflow from returns on investments and servicing of finance			(2,354)
Taxation paid			(399)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,825)	
Sale of tangible fixed assets		61	
Net cash outflow for capital expenditure and financial investment			(1,764)
Acquisitions and Disposals			
Purchase of subsidiary undertakings		(41,701)	
Purchase of business		(416)	
Net overdraft acquired with subsidiaries		(3 180)	
Net cash outflow for acquisitions and disposals			(45,297)
Net cash outflow before use of liquid resources and financing			(41,663)
Management of liquid resources			
Decrease in liquid resources			496
Financing			
Issue of ordinary share capital		1,025	
Capital element of finance lease payments		(303)	
Repayment of acquired borrowings		(32,174)	
Increase in new borrowings		83,358	
Repayment of new borrowings		(3,773)	
Financing costs		(3,335)	
Net cash inflow from financing			44 798
Increase in cash in the period			3,631
Reconciliation to net debt			
Debt acquired			(32,706)
Liquid resources acquired			3,129
Increase in cash			3,631
Movement in liquid resources			(496)
Movement in borrowings			(44 870)
Non-cash movements	26		(2 841)
Exchange adjustments	26		332
Net debt at 31 March 2007	26		(73 821)

A V CO 1 LIMITED
NOTES TO THE ACCOUNTS FOR THE 41 WEEKS ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

The principal policies adopted by the directors are summarised below, all of which have been applied consistently throughout the period

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the applicable United Kingdom accounting standards

Consolidated accounts

The consolidated accounts incorporate the accounts of the Company and all its subsidiaries made up to 31 March 2007

All business combinations have been accounted for under the acquisition method Under this method, the results of the subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Consolidated accounts are prepared for those companies and entities where the A V Co 1 Limited Group holds a controlling interest

An associate is an undertaking in which the Company has a long term interest, usually from 20% to 50% of the voting rights, and over which it exercises significant influence The Company's share of the profit and loss of associates is included in the consolidated profit and loss account and its interest in their net assets, other than goodwill, is included in investments in the consolidated balance sheet

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account

Turnover

Turnover represents the invoiced value, excluding value added tax, of sales of goods and services Product turnover is recognised at the time the product is despatched or installed where installation is required under the terms of sale Service turnover is recognised as the related services are performed Contract service revenue invoiced in advance for fixed periods is taken to turnover in equal monthly instalments over the period of the contract

Acquisitions and Disposals

On the acquisition of a business, fair values are attributed to the Company's share of net separable assets Where the cost of the acquisition exceeds the fair values attributable to such net assets the difference is treated as purchased goodwill and is capitalised in the balance sheet in the year of acquisition

The results and cash flows relating to a business are included in the profit and loss account from the date of acquisition or up to the date of disposal

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment Depreciation is calculated on the straight line basis to write off initial cost at the following rates per annum

Leasehold land and buildings are amortised over a period of fifty years, or where less, the remaining term of the lease at the time of acquisition

Freehold buildings are amortised over a period of fifty years or over the remaining useful life of the building at the time of acquisition where this is less than fifty years Freehold land is not depreciated

1 ACCOUNTING POLICIES (CONTINUED)

Depreciation (continued)

Hire equipment	
Weighbridge	20%
Other	50%
Tooling	20 – 30%
IT Equipment	20 – 30%
Motor Vehicles	25%
Other Assets	10 – 25%

Goodwill and intangible assets

For acquisitions of a business, purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life up to a maximum of 20 years The Directors regard 20 years as a reasonable maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding this period Capitalised purchase goodwill is included within intangible fixed assets

A detailed impairment review of goodwill will be performed by the directors where the post-acquisition performance has failed to meet pre-acquisition expectations

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and estimated net realisable value Cost comprises materials, direct labour and a share of production overheads appropriate to the relevant stage of production Net realisable value is based on estimated selling price less all further costs to completion and relevant marketing, selling and distribution costs

Research and Development

Research and development expenditure is written off in the year in which it is incurred

Taxation

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of the profit for the year

Deferred Tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax is provided on a non-discounted basis

Leases

Rentals payable under operating leases are charged to the profit and loss in the year they arise Assets acquired under an arrangement whereby substantially all the benefits and risks of ownership remain with the lessee (finance leases) are treated as fixed assets The asset is capitalised at its fair value, and is depreciated A corresponding hire purchase or lease creditor is included within liabilities

Investments

Investments held as fixed assets are stated at cost less provisions for permanent diminution in values

Current asset investments are stated at the lower of cost and net realisable value

1 ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the date of transaction Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the balance sheet date Exchange differences arising are dealt with in the profit and loss account

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent they hedge the group's investment in such operations, are reported in the statement of recognised gains and losses All other exchange differences are included in the profit and loss account

Related party transactions

The Group has relied upon the exemption provided within FRS 8 "Related Party Disclosures" and has not disclosed transactions with entities that are under common ownership of A V Co 1 Limited

Pensions and post retirement benefits

The Group operates a number of defined contribution pension schemes, defined benefit pension schemes and post retirement benefit schemes around the world The assets of the schemes are held separately from the Group

The Group accounts for pension and post retirement costs in accordance with FRS 17 "Post Retirement Benefits" For the defined benefit schemes and post retirement benefit schemes valuations are performed by qualified actuaries at least every 3 years with update valuations in the intervening periods The capital cost of benefits earned in the current period, the capital cost of benefit improvements, interest on the accrued pension liabilities (less the expected return on the scheme assets) are charged through the profit and loss account Movements in the scheme assets and liabilities due to difference between actual and expected returns, experience changes or changes in actuarial assumptions are charged through the statement of recognised gains and losses

The pension costs relating to defined contribution schemes and Group personal pension schemes represents the contributions payable by the Company and are expensed as incurred

Finance Costs

Finance costs are recognised in the profit and loss account over the term of the debt at a constant rate on the carrying amount

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds

A V CO 1 LIMITED
NOTES TO THE ACCOUNTS FOR THE 41 WEEKS ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES (CONTINUED)

Derivative Financial Instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements The Group does not hold or issue derivatives for speculative purposes

For a forward exchange contract to be treated as a hedge the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the Group's operations Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when the hedged transaction has itself been reflected in the Group's financial statements

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate into a variable rate or vice versa Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts

2 SEGMENTAL INFORMATION

	Turnover	Profit/(loss) on ordinary activities before tax	Net assets/ (liabilities) including pension liabilities
	2007	2007	2007
	£'000	£'000	£'000
By location			
Europe	63,011	(10,440)	(31,251)
The Americas	32,379	5,684	22,852
Asia	8,195	1,183	5,794
Total Group	103,585	(3,573)	(2,605)

By destination	
Europe	59,235
The Americas	32,948
Australasia	552
Asia	9,690
Africa	1,160
Total Group	103,585

The Group's turnover, result and net assets derive solely from one class of business

A V CO 1 LIMITED
NOTES TO THE ACCOUNTS FOR THE 41 WEEKS ENDED 31 MARCH 2007

3 DIRECTORS EMOLUMENTS

	2007 £'000
Aggregate emoluments and benefits	777
Company contribution to Group Personal Pension Plan	136
	913

There are 2 directors accruing benefits under the Group Personal Pension Plan

Emoluments disclosed above include the following amounts paid to the highest paid director

	2007 £'000
Aggregate emoluments and benefits	484
Company contribution to Group Personal Pension Plan	66
	550

4 EMPLOYEE INFORMATION

	2007 Numbers
Average number of employees during the period	2,642
	£'000
Aggregate gross remuneration	32,486
Social security costs	5,471
Other pension costs	1,820
Total staff costs	39,777

The Company had no employees during the year

5 NET INTEREST PAYABLE

	2007 £'000
Interest payable on bank loans and overdraft	(2,000)
Finance costs on shares classed as liabilities	(1,612)
Interest payable on convertible loan notes	(339)
Interest payable on mezzanine loan facility	(774)
Amortisation of issue costs of debt	(710)
Interest payable on finance leases	(56)
Other interest payable	(23)
Total interest payable	(5,514)
Bank interest receivable	316
Other interest receivable	3
Total interest receivable	319
Other finance costs (see note 19)	(59)
Net interest payable	(5,254)

6 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £'000
The loss on ordinary activities before taxation is stated after charging/(crediting)	
Depreciation - owned assets	2,143
Depreciation - leased assets	206
Goodwill amortisation	653
Intellectual property amortisation	1,037
Rental under operating leases	
- plant and machinery	334
- other	1,643
Research and development expenditure	2,856
Redundancy costs	2,617
Auditors' remuneration	
- audit of these financial statements	59
- audit of financial statements of subsidiaries pursuant to legislation	155
- other services relating to taxation (Company £nil)	205
Foreign exchange gains	(482)

7 TAXATION ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	2007	
	£'000	£'000
Current Tax		
UK Corporation Tax on profits of the period	-	
Adjustments in respect of previous periods	(78)	
Foreign Tax	497	
Share of Associates Tax	28	
Total Current Tax		447
Deferred Tax		
Origination and reversal of timing differences	8	
Adjustments in respect of previous periods	(35)	
Total Deferred Tax		(27)
Tax charge on loss on ordinary activities		420

(b) Factors affecting tax charge for period

	2007
	£'000
Loss on ordinary activities	(3,573)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(1,072)
Effects of	
Expenses not deductible for tax purposes	1,141
Differences between depreciation and capital allowances	413
Other timing differences	(11)
State minimum taxes	3
Utilisation of tax losses	(855)
Accrued interest paid in the current or subsequent period	406
Losses carried forward	1,906
Tax effect of fair market value adjustments	(1,115)
Imputed goodwill and interest deduction	(279)
Adjustments to tax charge in respect of previous periods	(78)
Adjustments in respect of foreign tax rates	(40)
Share of associates tax	28
Current tax charge for period	447

7 TAXATION ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

c) Factors that may affect future, current and total tax charges

It has been announced that the corporation tax rate applicable to the Company is expected to change from 30% to 28% from 1 April 2008 The deferred tax asset has been calculated at 30% in accordance with FRS 19 Any timing differences which reverse before 1 April 2008 will be (charged)/relieved at 30%, any timing differences which exist at 1 April 2008 will reverse at 28% and, because of the uncertainty of when the deferred tax asset will reverse, it is not possible to calculate the full financial impact of this change

The group has unrecognised tax losses of £32,608,000 which will only be recognised when there is sufficient taxable income

8 PROFITS OF HOLDING COMPANY

Of the loss for the financial period, a loss of £2,109,000 is dealt with in the accounts of A V Co 1 Limited The directors have taken advantage of the exemption available under S230 of the Companies Act 1985 and not presented a profit and loss account for the Company alone

9 INTANGIBLE FIXED ASSETS

Intangible fixed assets comprise of the following

Group	Goodwill £'000	Intellectual Property £'000	Total £'000
Cost			
On acquisition (see note 27)	20,204	28,513	48,717
Foreign exchange differences	(12)	(410)	(422)
At 31 March 2007	20,192	28,103	48,295
Accumulated amortisation			
Charge for the period	653	1,037	1,690
Foreign exchange differences	4	-	4
At 31 March 2007	657	1,037	1,694
Net Book Value			
At 31 March 2007	19,535	27,066	46,601

The goodwill arising on acquisitions is being amortised on a straight line basis over the following periods

Avery Weigh-Tronix Group	20 years
Sebago Scales	10 years
Scales Inc	10 years
Equipment Maintenance Services Limited	10 years

These periods are the periods over which the directors estimate that the values of the underlying businesses acquired are expected to exceed the value of the underlying assets

The directors have reviewed the carrying value of the group's goodwill in accordance with FRS 11, 'Impairment of Fixed Assets and Goodwill' The review indicated that the carrying value of capitalised goodwill is recoverable and as such no provision for impairment has been made

Intellectual property consists mainly of trademarks and trading names relating to the 'Avery' and 'Weigh-Tronix' brands and are amortised on a straight line basis over 20 and 15 years respectively

There are no intangible fixed assets held by the Company

10 TANGIBLE FIXED ASSETS

Group	Freehold Properties	Long Leasehold Properties	Short Leasehold Properties	Plant, machinery, equipment and motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
On acquisition (see note 27)	6,098	264	9	9,142	15,513
Additions	6	-	-	2,516	2,522
Disposals	-	-	(4)	(417)	(421)
Foreign exchange differences	(215)	-	(1)	(169)	(385)
At 31 March 2007	5,889	264	4	11,072	17,229
Depreciation					
Charge for the period	178	5	1	2,165	2,349
Disposals	-	-	-	(405)	(405)
At 31 March 2007	178	5	1	1,760	1,944
Net book amounts					
At 31 March 2007	5,711	259	3	9,312	15,285

Included in Freehold properties above is land at a cost of £3,180,000, which is not subject to depreciation

Plant, machinery, equipment and motor vehicles include assets held under finance leases as follows

	2007
	£'000
Cost	1,908
Accumulated depreciation	(893)
Net book value	1,015

There are no tangible fixed assets held by the Company

11 FIXED ASSET INVESTMENTS

Group	Associate Undertakings £'000
Cost	
On acquisition (see note 27)	1,033
Disposals	(257)
Losses retained for the period	(16)
Foreign exchange differences	(69)
At 31 March 2007	691

Previously Avery India Limited, a subsidiary of A V Co 1 Limited, owned 50% of the issued share capital of the associated company Salter India Private Limited On 3 August 2006, Avery India Limited acquired the remaining 50% of the share capital, at which point Salter India Private Limited was reclassified as a subsidiary in these consolidated accounts

Company	Shares in Subsidiary Undertakings £'000
Cost	
Subsidiary acquired	24,834
At 31 March 2007	24,834

On 31 July 2006 the Company acquired 100% of the issued share capital of A V Co 2 Limited (formerly AV AcquisitionCo 2 Limited), for a cash consideration of £24,833,999

12 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group has derivative financial instruments that it has not recognised at fair value as follows

Interest rate swaps

Issuer	Effective Date of Agreement	Fixed Rate	Notional Amount at 31 March 2007 €'000	Fair Value at 31 March 2007 €'000	Fair Value at 31 March 2007 £'000
HSBC Bank plc	31 October 2006	3 85%	5,022	36	24
National Westminster Bank plc	31 October 2006	3 84%	5,022	36	24
HSBC Bank plc	31 October 2006	3 85%	22,879	150	102
National Westminster Bank plc	31 October 2006	3 84%	22,879	154	105
			55,802	376	255

All of the above swaps are settled semi-annually with an initial payment date of 31 March 2007 and a termination date of 31 October 2009 The swaps are on a floating to fixed basis and their purpose is to negate interest rate risk relating to interest charges on an initial 75% of the Term A, Term B, Term C and Mezzanine loan facilities referred to in note 16

13 STOCKS

	Group 2007 £'000
Raw materials	2,886
Work in progress	3,500
Finished goods and service parts	10,754
	17,140

At the balance sheet there were no stocks held by the Company

14 DEBTORS

	Group 2007 £'000	Company 2007 £'000
Amounts falling due within one year		
Trade Debtors	29,749	-
Amounts owed by group undertakings	-	5,162
Other debtors	1,022	20
Prepayments and accrued income	1,364	-
Corporation tax recoverable	76	-
Deferred tax assets (note 18)	398	-
	32,609	5,182

All of the above amounts are due within one year except for an interest-bearing loan receivable of £499,000 which is receivable in four equal annual instalments on 1 December each year

15 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	Group 2007 £'000	Company 2007 £'000
Bank loans and overdrafts (secured, see note 16)	2,199	-
Obligations under finance leases (secured, see note 16)	329	-
Trade creditors	11,902	-
Amounts owed to group undertakings	-	963
Corporation tax	174	-
Other taxation and social security	3,623	-
Other creditors	1,633	-
Accruals and deferred income	19,010	-
	38,870	963

16 CREDITORS (AMOUNTS FALLING DUE AFTER ONE YEAR)

	Group 2007 £'000	Company 2007 £'000
Shares classified as liabilities	24,995	24,995
Convertible loan notes (unsecured, see below)	5,143	5,143
Bank loans (secured, see below)	47,640	-
Other creditors	182	-
Obligations under finance leases (falling due in less than five years)	976	-
	78,936	30,138

Finance leases are secured on the assets to which they relate

The shares classified as liabilities are 10% cumulative redeemable preference shares of £1 each, repayable on 31 March 2017 The loan notes are 10% fixed rate unsecured convertible loan notes which can be converted into preference shares as and when the Board resolves to do so The preference shares and the loan notes are each stated net of capitalised finance costs of £426,000 and £195,000 respectively

Included within the bank loans and overdraft figure is, inter alia, term loans with European Capital S A R L , which are repayable over nine years in half yearly instalments The borrowings (including the overdraft) are secured on the assets and liabilities of various group companies as detailed in note 20 Interest is charged six-monthly and is based on EURIBOR plus a margin At 31 March 2007 the interest rates applicable were 6 28% on term loan facility A, 6 78% on term loan facility B and 7 28% on term loan facility C Also included within the bank loans and overdrafts figure is a mezzanine loan facility with European Capital S A R L Interest is charged six-monthly and is based on EURIBOR plus a margin, with an additional 4% capitalised at six-monthly intervals The repayment schedule for the loans is detailed below

	Term A Facility £'000	Term B Facility £'000	Term C Facility £'000	Mezzanine Loan Facility £'000	Eurobonds £'000	Total £'000
Year Ending						
31 March 2008	1,223	-	-	-	-	1,223
31 March 2009	2,140	-	-	-	-	2,140
31 March 2010	2,445	-	-	-	-	2,445
31 March 2011	2,445	-	-	-	14	2,459
31 March 2012	2,751	-	-	-	-	2,751
31 March 2013	3,600	-	-	-	-	3,600
31 March 2014	-	-	-	-	-	-
31 March 2015	-	13,418	-	-	-	13,418
31 March 2016	-	-	13,418	9,127	-	22,545
	14,604	13,418	13,418	9,127	14	50,581
Less Finance costs capitalised	(559)	(546)	(551)	(348)	-	(2,004)
	14,045	12,872	12,867	8,779	14	48,577

17 PROVISIONS FOR LIABILITIES AND CHARGES

Group	Redundancy £'000	Warranty £'000	Other £'000	Total £'000
On acquisition (see note 27)	170	640	1,397	2,207
Charge for the period	2,617	398	223	3,238
Utilised during the period	(993)	(358)	(385)	(1,736)
Exchange difference	-	(15)	-	(15)
At 31 March 2007	1,794	665	1,235	3,694

The provision for redundancy relates to a programme announced on 30 March 2007

The provision for product warranties recognises expected claims against product guarantees on products sold during the last financial year

Other provisions largely pertain to dilapidations and other property related provisions

It is expected that all of the expenditure relating to redundancy and warranty provisions will be incurred in the next financial year and expenditure relating to other provisions will mostly be incurred within two years of the balance sheet date None of the above provisions have been discounted since the effect of discounting is not material

At the balance sheet date the Company had no provisions for liabilities and charges

18 DEFERRED TAX

	Group 2007 £'000	Company 2007 £'000
The deferred tax asset is broken down as follows:		
Accelerated capital allowances	(31)	-
Short term timing difference	429	-
Pension scheme timing differences (see note 19)	153	-
Total deferred tax asset	551	-
The movement on deferred tax comprises:		
On acquisition	522	-
Deferred tax credit in profit and loss account for period (note 7)	27	-
Foreign exchange differences	2	-
Deferred Tax Asset at 31 March 2007	551	-

Deferred tax assets have been recognised where it is believed with reasonable certainty that the amount will be recoverable

No provision has been made for the deferred tax asset on losses carried forward arising primarily in the Netherlands and certain UK entities At present, it is not envisaged that these losses will be available for set off against the Group's future profits The total gross tax losses arising, for which deferred tax assets have not been recognised, amounts to approximately £33 million

19 PENSION COMMITMENTS

Defined contribution schemes

The Group operates a defined contribution scheme in the UK for which the pension cost charge for the period amounted to £1,468,000

The Group operates a number of other defined contribution schemes in various jurisdictions for which the pension cost charge for the period amounted to £290,000

Outstanding contributions on these schemes at 31 March 2007 were £206,000 and £42,000 for the UK and other jurisdictions respectively

Other Pension Schemes

The group has a number of other funded and unfunded, defined benefit pension schemes and post retirement benefit schemes around the world The weighted average assumptions used by the actuaries to calculate the net pension liabilities for these schemes are shown in the table below

	31 March 2007 %	31 July 2006 %
Rate of increase in pensionable salaries	3 2	3 9
Discount rate	5 9	6 0
Price inflation	2 3	2 3

Summary of all overseas defined benefit schemes

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from the cash flow projections over long periods and thus inherently uncertain, were

	Long Term Rate of Return Expected 31 March 2007 %	Value at 31 March 2007 £'000	Value at 31 March 2007 £'000	Long Term Rate of Return Expected 31 July 2006 %	Value at 31 July 2006 £'000	Value at 31 July 2006 £'000
Investments held by						
Ireland Pension Scheme	6 4		1,125	6 4		977
India Pension Scheme	7 0		596	7 5		499
Total market value of assets			1,721			1,476
Present value of scheme liabilities						
Ireland Pension Scheme		(1,071)			(1,032)	
India Pension Scheme		(684)			(667)	
Other schemes and retirement benefits		(958)			(835)	
Total scheme liabilities			(2,713)			(2,534)
Non-recoverable surplus			(53)			-
Pension liability before deferred tax			(1,045)			(1,058)
Related deferred tax asset			153			148
Net pension liability			(892)			(910)

Deferred tax assets of approximately £161,000 have not been recognised in view of the uncertainty over the recovery of such assets

19 PENSION COMMITMENTS (CONTINUED)

Movement in deficit during the period.

	2007 £'000
Deficit in schemes on acquisition	(1,058)
Current service cost	(62)
Contributions	298
Other finance expenses	(59)
Actuarial loss	(163)
Exchange differences	(1)
Deficit in schemes at end of the period	(1,045)

Analysis of total amount charged to operating profit in respect of defined benefit schemes.

	2007 £'000
Current service cost	(62)
	(62)

Analysis of the amount credited/(debited) to other finance costs.

	2007 £'000
Expected return on pension scheme assets	37
Interest on pension scheme liabilities	(96)
	(59)

Analysis of amount recognised in statement of total recognised gains and losses.

	2007 £'000
Actual return less expected return on pension scheme assets	134
Experience losses arising on the schemes' liabilities	(288)
Changes in assumptions underlying the present value of the scheme liabilities	44
Unrecognised surplus loss	(53)
Actuarial losses recognised in statement of total recognised gains and losses	(163)

19 PENSION COMMITMENTS (CONTINUED)

History of experience gains and losses.

	2007
Difference between the expected and actual return on scheme assets	
Amount (£'000)	134
Percentage of scheme assets	7 8%
Experience gains and losses on scheme liabilities	
Amount (£'000)	(288)
Percentage of the present value of scheme liabilities	10 6%
Total actuarial loss in the statement of total recognised gains and losses	
Amount (£'000)	(163)
Percentage of the present value of scheme liabilities	6 0%

Future contributions.

It is estimated that the total contributions to be paid within the next 12 months in respect of the defined benefit schemes and other post retirement schemes will amount to £270,000

20 CONTINGENT LIABILITIES

The Company, together with certain other members of the Group is party to a €13,170,000 mezzanine facility agreement and a €76,460,000 senior multicurrency term and revolving facilities agreement, dated 31 July 2006 under which financial facilities are made available by European Capital S A R L The Company, together with certain other members of the Group, has guaranteed the payment obligations, under such agreements, of each borrower within the Group In addition the Company has granted a fixed and floating charge over its assets in favour of European Capital S A R L

The indebtedness guaranteed, comprises of the following balances

	31 March 2007 £'000	(note)
Term Loan Facility A	14,604	1
Term Loan Facility B	13,418	2
Term Loan Facility C	13,418	3
Mezzanine Loan Facility	9,127	4
Euro 12 5% senior subordinated term notes	14	5
	50,581	

Note
All guaranteed indebtedness is denominated in Euros
(1) Term loan facility A is repayable over six years, with the final repayment on 31 March 2013
(2) Term loan facility B is repayable on 1 August 2014
(3) Term loan facility C is repayable on 1 August 2015
(4) Mezzanine loan facility is repayable on 31 March 2016
(5) Euro 12 5% senior subordinated term notes are repayable on 13 June 2010

21 CALLED-UP SHARE CAPITAL

The Company was incorporated on 20 June 2006 with authorised share capital of 1,000 ordinary shares of £1 each One ordinary share was issued for cash consideration of £1 Subsequently, on 31 July 2006 the following transactions took place

(i) Each of the issued and unissued ordinary shares of £1 each were sub-divided into 10 ordinary shares of 10p each,
(ii) Each of the issued and unissued ordinary shares of 10p each were redesignated as "A" ordinary shares of 10p each,
(iii) The authorised share capital was increased from £1,000 to £29,027,273 by the creation of 1,571,818 new "A" shares, 600,000 "B" ordinary shares of 10p each and 28,809,091 10% redeemable preference shares of £1 each,
(iv) 468,000 "B" shares were issued for a cash consideration of 50p each (total £234,000),
(v) 1,581,808 "A" shares were issued for a cash consideration of 50p each (total £790,904), and
(vi) 23,809,091 preference shares were issued for a cash consideration of £1 each (total £23,809,091)

The authorised and allocated share capital of the Company at 31 March 2007 was therefore

	2007 £'000
Authorised	
A ordinary shares of 10p each	158
B ordinary shares of 10p each	60
10% cumulative redeemable preference shares of £1 each	28,809
	29,027
Allotted, called up and fully paid	
A ordinary shares of 10p each	158
B ordinary shares of 10p each	47
10% cumulative redeemable preference shares of £1 each	23,809
	24,014
Shares classified as liabilities	23,809
Shares classified in shareholders' funds	205
	24,014

The Company will redeem the 10% cumulative redeemable preference shares for cash on 31 March 2017 Prior to this date, the preference shareholders can demand redemption upon one or other certain events taking place, most notably a sale of the Company or any default on the Group's debt obligations The amount payable on redemption will be a sum equal to the paid up amount of each share plus all arrears and accruals of the preference dividend

22 RESERVES

	Profit and Loss Account (Deficit)		Share Premium
	Group	Company	Group & Company
	2007	2007	2007
	£'000	£'000	£'000
Retained loss for the period	(4,479)	(2,109)	-
Actuarial losses recognised in the pension scheme	(163)	-	-
Premium on shares issued	-	-	820
Net exchange adjustments	(1,517)	-	-
Closing Reserves	(6,159)	(2,109)	820

	Group	Company
	2007	2007
	£'000	£'000
Profit and loss reserve excluding pension liability	(5,114)	(2,109)
Pension liability	(1,045)	-
Profit and loss reserve including pension liability	(6,159)	(2,109)

23 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' DEFICIT

	Group	Company
	2007	2007
	£'000	£'000
Loss for the financial period and retained loss	(4,479)	(2,109)
Issue of share capital	1,025	1,025
Other recognised gains and losses for the financial period	(1,680)	-
Closing shareholders' deficit	(5,134)	(1,084)

24 RECONCILIATION OF MOVEMENTS IN MINORITY INTERESTS

	31 March 2007 £'000
On acquisition (see note 27)	1,999
Acquisition of subsidiary undertaking	14
Profit for the financial period	486
Currency translation adjustment	30
Closing minority interest	2,529

25 CASH FLOW FROM OPERATING ACTIVITIES

	41 weeks ended 31 March 2007 Group £'000
Operating profit	1,624
Depreciation charge	2,349
Intangible amortisation	1,690
Unrealised loss on foreign exchange	(482)
Decrease in stock	870
Increase in debtors	(2,322)
Increase in creditors	3,156
Increase in liability provisions	1,502
Difference between pension charge and cash contributions	(236)
Net cash inflow from operating activities	8,151

26 RECONCILIATION OF MOVEMENT IN DEBT NET OF ISSUE COSTS

	On Acquisition (see note 27) £'000	Cashflow £'000	Non-Cash Movements £'000	Exchange Movements £'000	At 31 March 2007 £'000
Cash at bank and in hand	1,599	3,315	-	(117)	4,797
Overdrafts	(4,779)	3,496	-	20	(1,263)
	(3,180)	6,811	-	(97)	3,534
Net Debt					
Debt due within 1 year	(32,183)	31,594	(356)	9	(936)
Debt due after 1 year	(14)	(75,668)	(2,485)	389	(77,778)
Finance leases due within 1 year	(193)	11	(147)	-	(329)
Finance leases due after 1 year	(316)	(807)	147	-	(976)
	(32,706)	(44,870)	(2,841)	398	(80,019)
Liquid resources	3,129	(496)	-	31	2,664
	(32,757)	(38,555)	(2,841)	332	(73,821)

Liquid resources comprise short-term deposits with banks, which mature within 12 months of the date of inception, and government and low risk listed company securities

27 AQUISITIONS

a) Avery Weigh-Tronix Group acquisition

On 31 July 2006, A V Co 3 Limited (formerly AV Acquisitionco 3 Limited), a subsidiary of the Company, acquired 100% of the issued share capital of Avery Weigh-Tronix Holdings Limited and its subsidiaries (collectively known as the 'Avery Weigh-Tronix Group') The fair values of these assets and liabilities acquired are shown in the table below

	Book Value £'000	Revaluations £'000	Berkel Deutschland GmbH £'000	Other Adjustments £'000	Fair Value £'000
Tangible fixed assets	15,711	(383)	-	-	15,328
Intangible fixed assets - trademarks	-	28,513	-	-	28,513
Investments in associated undertakings	1,033	-	-	-	1,033
Stocks	22,023	-	-	(4,214)	17,809
Debtors	30,087	-	(309)	(877)	28,901
Current Asset Investments	3,129	-	-	-	3,129
Creditors	(32,495)	-	85	(144)	(32,554)
Provisions for liabilities and charges	(641)	-	-	(1,566)	(2,207)
Taxation					
Current	(163)	-	-	-	(163)
Deferred	522	-	-	-	522
Pension Liabilities	(2,914)	-	1,856	-	(1,058)
Cash	1,396	-	(75)	-	1,321
Overdraft	(4,779)	-	-	-	(4,779)
Bank Loans	(31,500)	-	-	-	(31,500)
Senior Subordinated Loan Notes	(697)	-	-	-	(697)
Minority interests	(1,999)	-	-	-	(1,999)
Net assets acquired	(1,287)	28,130	1,557	(6,801)	21,599
Goodwill					18,084
Consideration					39,683
Consideration satisfied by					
Cash					37,656
Acquisition expenses					2,027
					39,683

The book value of the assets and liabilities has been taken from the management accounts of the Avery Weigh-Tronix Group at 31 July 2006 (the date of acquisition) at actual exchange rates on that date

Revaluation adjustments in respect of tangible fixed assets comprise adjustments to the book value of the Fairmont, USA and Smethwick, United Kingdom properties reflecting independent and directors' valuations respectively

Revaluation adjustments in respect of intangible fixed assets relate to independent valuations updated for the latest sales forecasts of the 'Avery' and 'Weigh-Tronix' trademarks

27 ACQUISITIONS (CONTINUED)

a) Avery Weigh-Tronix Group acquisition (continued)

The column above relating to Berkel Deutschland GmbH, a subsidiary of the Company, which was acquired as part of the acquisition of Avery Weigh-Tronix Holdings Limited, was liquidated on 22 June 2007 The consideration paid for Avery Weigh-Tronix Holdings Limited reflected the fact that the liquidation was anticipated at the time of acquisition and therefore the directors have decided to treat the event as a fair value adjustment to the acquired balance sheet of Avery Weigh-Tronix Holdings Limited

Following the acquisition of Avery Weigh-Tronix Holdings Limited the directors undertook a review of the management accounts at 31 July 2006, shown as book value in the table above This review resulted in other adjustments to stock, debtors, creditors and provisions to reflect the fair values of those balances at the date of acquisition

Fair values are provisional and may be subject to change in the year ended 31 March 2008 financial statements should any new evidence come to light as to the condition of assets and liabilities as at 31 July 2006

The loss after tax and minority interests of Avery Weigh-Tronix Holdings Limited for the period from its previous year end of 1 April 2006 to the date of acquisition is shown below

	Period 1 April 2006 to 31 July 2006 £'000
Turnover	46,896
Operating profit	676
Loss on sale of fixed assets	(49)
Net interest payable	(936)
Loss on ordinary activities before tax	(309)
Tax charge	(245)
Loss on ordinary activities after tax	(554)
Minority interests	(72)
Loss for the financial period	(626)

27 ACQUISITIONS (CONTINUED)

b) Other acquisitions

On 25 August 2006 the Group acquired the trade and certain assets of Carousel, Inc (the trade herein after called Sebago Scales), a company registered in Delaware, USA

On 17 October 2006 the Group acquired the trade and certain assets of Scales, Inc, a company registered in California, USA Also on 17 October 2006 the group acquired the trade and certain assets of C E Marion Scales Company, Inc, a company registered in California, USA The combined trades of both companies are known as "Scales Inc"

On 9 February 2007 the Group acquired 100% of the issued share capital of Equipment Maintenance Services Limited, a company registered in the United Kingdom

All of the above businesses are involved in the sale and service of weighing equipment

Previously Avery India Limited, a subsidiary of A V Co 1 Limited, owned 50% of the issued share capital of Salter India Private Limited On 3 August 2006, Avery India Limited acquired the remaining 50% of the issued share capital of Salter India Private Limited

The book values of the assets and liabilities acquired in the above transactions are shown below

	Sebago Scales £'000	Scales Inc £'000	Equipment Maintenance Services Limited £'000	Salter India Private Limited £'000
Tangible fixed assets	8	102	29	46
Stocks	22	2	388	108
Debtors	40	81	681	214
Creditors	(20)	(8)	(1,077)	(134)
Cash			21	257
Net assets acquired	50	177	42	491
Less 50% share already owned	-	-	-	(245)
Minority interest	-	-	-	(14)
Goodwill	276	100	1,758	(14)
Consideration	326	277	1,800	218
Consideration satisfied by				
Cash	133	277	1,250	218
Deferred Consideration	187	-	-	-
Acquisition expenses	6	-	550	-
	326	277	1,800	218

There was no material difference between the book and fair values of assets and liabilities in each of the above acquisitions

The deferred consideration on the Sebago Scales acquisition relates to payments to be made to the seller's shareholder in respect of a non-competition agreement

28 CAPITAL EXPENDITURE

Capital commitments at 31 March 2007 were £201,000

29 OPERATING LEASE COMMITMENTS

At 31 March 2007 the Group had annual commitments under operating leases which expire as follows

	31 March 2007	
	Land and Buildings £'000	Other £'000
Group		
Within one year	128	345
Within 2 to 5 years	844	898
After 5 years	150	-
	1,122	1,243

Several of the leases for land and buildings are subject to rent review over various periods of time
At 31 March 2007 the Company had no annual commitments under operating leases

30 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is American Capital Strategies Limited, a company registered in the state of Delaware, USA

No other group financial statements include the results of the Company

31 PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

a) Subsidiary Undertakings

The principal operating subsidiaries within the A V Co 1 Group are shown below The Company owns 100% of the ordinary share capital of all the companies, with the exception of Avery India Limited, of which the Company owns 53 4% of the ordinary share capital Avery India Limited owns 100% of the ordinary share capital of Salter India Private Limited

All subsidiaries are included in the consolidated accounts

Company Name	Country of Incorporation and operation
Avery Berkel Limited	United Kingdom
Avery Malaysia Sdn Bhd	Malaysia
Berkel (Ireland) Limited	Ireland
Avery India Limited	India
Avery Weigh-Tronix France S A S	France
Maatschappij Van Berkel's Patent B V	Netherlands
Schember Berkel Ges m b H	Austria
Weigh-Tronix Canada, ULC	Canada
Avery Weigh-Tronix, LLC	USA
Salter India Private Limited	India
Avery Weigh-Tronix Private Limited	India
Avery Weigh-Tronix (Suzhou) Co Limited	China
Equipment Maintenance Services Limited	United Kingdom

b) Associated Undertaking

Company Name	Country of Incorporation and operation	Proportion of share capital held
Constructora de Basculas S A de C V	Mexico	49%

In the opinion of the Directors the aggregate value of the Company's investment consisting of shares in, or amounts owing from its subsidiaries and associates is not less than the aggregate amounts at which they are stated in the Balance Sheet

All operating subsidiaries and associates are engaged in the manufacture, sale and service of weighing machines, slicers and other food processing equipment and systems

32 RELATED PARTY TRANSACTIONS

The group has transactions and balances with its associated company as follows

	2007 £'000
Sales to associated company	
Constructora De Basculas SA de CV	346
Amounts due from associated company	
Constructora De Basculas SA de CV	186

The company had no sales or purchases to or from fellow subsidiary companies in the 41 weeks ended 31 March 2007 The company did, however, accrue interest income of £218,000 on loans due from fellow subsidiary undertakings

The Group incurred costs with the following companies which are subsidiaries of the ultimate parent undertaking, American Capital Strategies Limited

European Capital SARL
A total of £3,373,000 of costs was charged to the Group in relation to the 31 July 2006 acquisition of the Avery Weigh-Tronix Holdings Limited group Of these costs, £694,000 has been included within goodwill on acquisition with the remaining £2,679,000 being set off against net debt as financing expenses

Interest of £632,779 was charged to the Group in respect of the €76,460,000 senior multicurrency term and revolving facilities agreement (see note 16) for the period from 31 July 2006 to 26 October 2006, at which point the facilities were fully syndicated by European Capital SARL to HSBC Bank plc and National Westminster Bank plc

Interest of £627,790 was charged to the Group in respect of the €13,170,000 mezzanine facility agreement (see note 16) with a further £180,000 of interest being accrued on the principal balance of the mezzanine facility

European Capital SICAR
A management fee of £133,000 has been included in the Group profit and loss account for the period Of this amount, £50,000 was included within accruals at the balance sheet date

Interest charges of £1,612,000 and £339,000 were accrued by the Group onto the 10% cumulative redeemable preference shares (see note 16) and the 10% fixed rate unsecured loan notes (see note 16) respectively

European Capital Financial Services Limited
Agency fees totalling £90,000 have been charged to the Group during the period

33 GROUP PROFORMA PROFIT AND LOSS ACCOUNTS

The proforma profit and loss account below shows the pre-taxation and minority interest results of the Avery Weigh-Tronix Group in the prior year and the Group in the current year as if it had been in existence for the whole year up to the balance sheet date, thereby giving comparable year on year profit and loss accounts for the year ended 31 March 2007

	52 weeks ended 31 March 2007 £'000	52 weeks ended 1 April 2006 £'000
Turnover	150,481	156,622
Cost of sales	(102,898)	(106,062)
Gross Profit	47,583	50,560
Distribution costs	(16,127)	(15,540)
Administrative expenses	(22,082)	(23,099)
Other operating income	295	384
Profit on sale of plant and machinery	44	16
Add back one off project costs	965	-
Earnings Before Interest, Tax, Depreciation and Amortisation	10,678	12,321
One off project costs	(965)	-
Foreign exchange gain/(loss) on debt	883	(125)
Redundancy Costs	(2,679)	(2,336)
Other restructuring costs	(599)	(79)
Depreciation	(3,421)	(3,424)
Amortisation	(1,739)	(1,747)
Group operating profit	2,158	4,610
Share of operating profit in associates	154	178
Total operating profit	2,312	4,788
Loss on sale of discontinued operations	-	(55)
Profit on sale of fixed asset investments	-	182
(Loss)/profit on sale of land and buildings	(4)	168
Net interest payable	(6,190)	(3,371)
(Loss)/profit on ordinary activities before tax	(3,882)	1,712