

**A V CO 1 LIMITED**

**Report and Financial Statements**

**Year ended 30 November 2009**

TUESDAY



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**A V CO 1 LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2009**

**CONTENTS**

**Page**

<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the accounts</b>	<b>7</b>

# **A V CO 1 LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

### **OFFICERS AND PROFESSIONAL ADVISERS**

Giles Hudson  
Gavin Udall (resigned 30 September 2009)  
Edward Ufland  
Allan Sutherland  
Philip Deakin (appointed 30 September 2009)  
Ola Barreto-Morley (appointed 30 September 2009)

### **SECRETARY**

S&J Registrars

### **REGISTERED OFFICE**

99 Gresham Street  
London  
EC2V 7NG

### **AUDITORS**

Deloitte LLP  
Reading, United Kingdom

# **A V CO 1 LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 30 November 2009

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company is an investment holding company for companies engaged in the design, manufacture sale, distribution and servicing of weighing and measuring equipment. Its principal subsidiaries are listed in Note 16.

The result for the year ended 30 November 2009 is a loss after taxation of £109,000 (eight months ended 30 November 2008: loss of £1,811,000).

The directors do not recommend the payment of a final dividend (November 2008: £nil).

### **GOING CONCERN**

Although the company has substantial net liabilities and an overall shareholder's deficit as set out in the balance sheet on page 6, the company has access to a group banking facility. It consequently has sufficient cash resources to meet any reasonably foreseeable obligation. This facility is due for renewal for a further 12 months in November 2010 and the company has no reason to believe that this will not be forthcoming. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

### **REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

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

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

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The main risk that the Company's activities expose it to is the impairment of investments. The company annually reviews its investments for any indicators of impairment and makes provision as necessary.

### **DIRECTORS**

The directors who served during the period to the date of this report are listed on page 1.

### **AUDITORS**

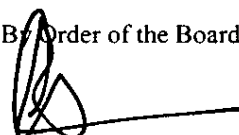
Each of the persons who is a director at the date of approval of this report confirms that:

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

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

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Giles Hudson

Director

[DATE]

25 February 2010

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

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

We have audited the company financial statements (the "financial statements") of A V Co 1 Limited for the year ended 30 November 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

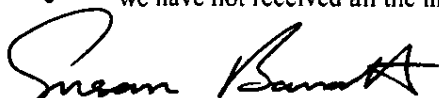
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.



Susan Barratt BA ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Reading, United Kingdom

25 February 2010

# A V CO 1 LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 30 November 2009

		Year ended 30 November 2009 £'000	8 months ended 30 November 2008 £'000
Administrative expenses		(10)	(412)
<b>Operating loss</b>		(10)	(412)
Net interest payable	4	(141)	(1 410)
<b>Loss on ordinary activities before taxation</b>	5	(151)	(1,822)
Tax credit on loss on ordinary activities	6	42	11
<b>Loss on ordinary activities after taxation</b>		(109)	(1,811)


The results reflect trading from continuing activities

There have been no recognised gains or losses during the current or prior period other than the result for each period  
Accordingly, no statement of total recognised gains or losses is presented

# **A V CO 1 LIMITED**

## **BALANCE SHEET** **30 November 2009**

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Fixed asset investments	7	24,834	24,834
<b>Current assets</b>			
Debtors	8	30	97
Cash at bank and in hand		-	1
<b>Creditors (amounts falling due within one year)</b>	9	(25,509)	(25,468)
<b>Net current liabilities</b>		(25,479)	(25,370)
<b>Total assets less current liabilities</b>		(645)	(536)
<b>Net liabilities</b>		(645)	(536)
<b>Capital and reserves</b>			
Called-up share capital	11	7 027	7,027
Share premium account	12	873	873
Profit and loss account deficit	12	(8,545)	(8,436)
<b>Shareholder's deficit</b>	13	(645)	(536)

The financial statements of AV CO 1 Limited, Registered number 05851883, were approved by the Board of Directors on  2010

Signed on behalf of the Board of Directors



G Hudson  
Director



**NOTES TO THE ACCOUNTS**

**Year ended 30 November 2009**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. With the exception of the requirement to prepare group accounts, they have all been applied consistently throughout the current and the preceding period.

**Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**Group accounts**

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

**Going concern**

Although the company has substantial net liabilities and an overall shareholder's deficit as set out in the balance sheet on page 6, the company has access to a group banking facility. It consequently has sufficient cash resources to meet any reasonably foreseeable obligation. This facility is due for renewal for a further 12 months in November 2010 and the company has no reason to believe that this will not be forthcoming. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

**Cashflow statement**

The company has taken advantage of the exemption from preparing a cash flow statement afforded by FRS1 (Revised 1996) "Cash flow statements", as it is a wholly owned subsidiary of Illinois Tool Works Inc. which produces consolidated accounts including a cash flow statement which are publicly available.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

**Investments**

Except as stated below, fixed asset investments are shown at cost less provisions for impairment.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

# **A V CO 1 LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 30 November 2009**

### **2. DIRECTORS' EMOLUMENTS**

	Year ended 30 November 2009 £'000	8 months ended 30 November 2008 £'000
Aggregate emoluments and benefits	-	79
Company contributions to Group Personal Pension Plan	-	58
	<u>-</u>	<u>137</u>

There are no directors (2008: 2) accruing benefits under the Group Personal Pension Plan

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

	Year ended 30 November 2009 £'000	8 months ended 30 November 2008 £'000
Aggregate emoluments and benefits	-	38
Company contributions to Group Personal Pension Plan	-	32
	<u>-</u>	<u>70</u>

Five directors (November 2008: two) were also directors of Avery Weigh-Tronix Limited, a fellow group company. Avery Weigh-Tronix Limited paid the directors £nil (November 2008: £150,117) in the period in which they were also directors of AV Co 2 Limited. Five directors (November 2008: 3) are also directors of ITW Limited, a fellow group company. ITW Limited paid these directors £429,743 (November 2008: £60,000) in the period in which they were also directors of AV Co 1 Limited. The directors' emoluments incurred in ITW Limited have not been apportioned between each fellow group company for which the directors acted and the directors do not feel that any amount should be allocated as group recharges.

### **3. EMPLOYEE INFORMATION**

The Company had no employees during either the current or prior period other than the directors, whose emoluments were borne by another group company as detailed in note 2.

# **A V CO 1 LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 30 November 2009**

### **4 INTEREST PAYABLE**

	<b>Year ended 30 November 2009 £'000</b>	<b>8 months ended 30 November 2008 £'000</b>
Interest payable on loans from fellow subsidiaries	<u>141</u>	<u>1,410</u>

### **5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities before taxation is stated after charging

	<b>Year ended 30 November 2009 £'000</b>	<b>8 months ended 30 November 2008 £'000</b>
Net exchange rate loss	<u>10</u>	<u>-</u>

Audit fees are borne by a fellow group undertaking. The audit fee, if allocated to the company, would be £2,075 (30 November 2008 £2,075)

# **A V CO 1 LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 30 November 2009**

### **6. TAXATION ON LOSS ON ORDINARY ACTIVITIES**

The corporation tax credit comprises

	<b>Year ended 30 November 2009 £'000</b>	<b>8 months ended 30 November 2008 £'000</b>
Corporation tax - current period	<u>(42)</u>	<u>(11)</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 28% (2008 28%) to the profit before tax is as follows

	<b>Year ended 30 November 2009 £'000</b>	<b>8 months ended 30 November 2008 £'000</b>
Loss on ordinary activities before taxation	<u>(151)</u>	<u>(1,822)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in UK of 28% (November 2008 28%)	(42)	(510)
Group relief not credited	<u>-</u>	<u>499</u>
Corporation tax credit	<u>(42)</u>	<u>(11)</u>

# **A V CO 1 LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 30 November 2009**

### **7. FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 30 November 2009 and 30 November 2008	24,834

See note 16 for principal subsidiaries

### **8. DEBTORS**

	2009 £'000	2008 £'000
Amounts owed by group undertakings	18	57
Corporation tax	12	-
Other debtors	-	40
	<u>30</u>	<u>97</u>

### **9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £'000	2008 £'000
Amounts owed to group undertakings	25,509	24,214
Accruals and deferred income	-	1,254
	<u>25,509</u>	<u>25,468</u>

Amounts owed to group undertakings of £18.7m accrued interest at an average rate of 0.75% per annum. Remaining amounts owed to group undertakings are non-interest bearing. (November 2008: all amounts owed to group undertakings accrued interest at an average rate of 6.52% per annum.)

### **10 CONTINGENT LIABILITIES**

As at 30 November 2009 the Company had no contingent liabilities.

# A V CO 1 LIMITED

## NOTES TO THE ACCOUNTS Year ended 30 November 2009

### 11. CALLED-UP SHARE CAPITAL

The authorised and allocated share capital of the Company is as follows

	2009 £'000	2008 £'000
<b>Authorised</b>		
70 027,000 Ordinary shares of 10 pence each	7 027	7,027
	<u>7,027</u>	<u>7,027</u>
<b>Allotted, called up and fully paid</b>		
70,027,000 Ordinary shares of 10 pence each	7 027	7,027
	<u>7,027</u>	<u>7,027</u>

### 12. RESERVES

	Share premium £'000	Profit and loss Account Deficit £'000	Total £'000
<b>Company</b>			
At 30 November 2008	873	(8,436)	(7,563)
Retained loss for the period	-	(109)	(109)
	<u>873</u>	<u>(8,545)</u>	<u>(7,672)</u>
At 30 November 2009	873	(8,545)	(7,672)

### 13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDER'S DEFICIT

	2009 £'000	2008 £'000
Loss for the financial period	(109)	(1,811)
Conversion of 10% Preference Shares to ordinary shares	-	6,809
	<u>(109)</u>	<u>4,998</u>
Opening shareholder's deficit	(536)	(5,534)
	<u>(645)</u>	<u>(536)</u>
Closing shareholder's deficit	(645)	(536)

### 14. CAPITAL COMMITMENTS

The Company had no capital commitments at 30 November 2009 (November 2008 £nil)

## **A V CO 1 LIMITED**

### **NOTES TO THE ACCOUNTS**

**Year ended 30 November 2009**

#### **15 ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking and ultimate controlling party is Illinois Tool Works Inc , which is incorporated in the State of Delaware USA

The immediate parent undertaking of the Company for the period ended 30 November 2009 was ITW Global Investments Inc a company incorporated in the United Kingdom

The only group in which the results of AVCO 1 Limited are consolidated is that headed by Illinois Tool Works Inc The consolidated financial statements of this group are available to the public and may be obtained from Illinois Tool Works Inc , 3600 West Lake Avenue, Glenview, Illinois 60025, United States of America

#### **16. PRINCIPAL SUBSIDIARY UNDERTAKINGS**

The principal operating subsidiaries within the A V Co 1 Limited Group are shown below The Company owns 100% of the ordinary share capital of all the companies

<b>Company Name</b>	<b>Country of Incorporation and operation</b>
Weigh-Tronix Canada, ULC	Canada
Avery Weigh-Tronix, LLC	USA

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

#### **17. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Disclosures' from disclosing related party transactions with other entities that are part of the Illinois Tool Works Inc group