

Avery Weigh-Tronix Holdings Limited

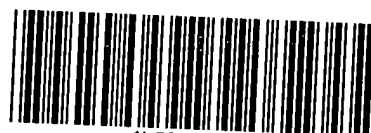
Annual Report and Financial Statements

For the year ended

31 December 2015

Company Number 04895923

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Avery Weigh-Tronix Holdings Limited

Company Information

Directors	Giles Hudson Edward Ufland Philip Deakin
Company secretary	S&J Registrars Limited
Registered number	04895923
Registered office	5 Aldermanbury Square 13th Floor London England EC2V 7HR
Independent auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Reading United Kingdom

Avery Weigh-Tronix Holdings Limited

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Avery Weigh-Tronix Holdings Limited

Strategic Report For the year ended 31 December 2015

The directors present their strategic report for Avery Weigh-Tronix Holdings Limited for the year ended 31 December 2015. 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 £113,000 (2014: £112,000).

Business review and principal activities

The company is an investment holding company for companies engaged in the design, manufacture, sale, distribution and servicing of weighing and measuring equipment. Its subsidiaries are listed in note 7.

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

During the year the company received interest on an inter-company loan of £113,000 (2014: £112,000).

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.

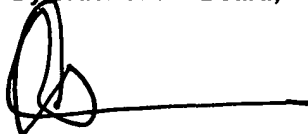
Principal risks and uncertainties

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

Key performance indicators (KPIs)

The directors do not measure the performance of the company through KPIs as the company is non-trading and holds investments.

By order of the Board,

A handwritten signature in black ink, appearing to be 'Giles Hudson', followed by a horizontal line extending to the right.

Giles Hudson
Director

15 March 2016

Avery Weigh-Tronix Holdings Limited

Directors' Report For the year ended 31 December 2015

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 2015.

Principal activities

The company is an investment holding company for companies engaged in the design, manufacture, sale, distribution and servicing of weighing and measuring equipment.

Financial risk management policies

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

Going concern

The company has both net assets and net current assets as set out in the balance sheet on page 8. As the company has access to a group banking facility, it consequently has sufficient cash resources to meet any reasonably foreseeable obligation. This facility is due for renewal for a further 12 months in July 2016 and the directors have no reason to believe that this will not be forthcoming. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the current uncertain economic outlook. Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Dividends

The directors do not recommend the payment of a dividend (2014: £nil).

Directors

The directors who served during the year were:

Giles Hudson
Edward Ufland
Philip Deakin

Auditor

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 auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

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

Deloitte LLP has expressed its willingness to continue in office as the auditor and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

Avery Weigh-Tronix Holdings Limited

Directors' Report For the year ended 31 December 2015

On behalf of the board

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

Giles Hudson
Director

15 March 2016

Avery Weigh-Tronix Holdings Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

Avery Weigh-Tronix Holdings Limited

Independent Auditor's Report

To the members of Avery Weigh-Tronix Holdings Limited

We have audited the financial statements of Avery Weigh-Tronix Holdings Limited for the year ended 31 December 2015 which comprise the statement of other comprehensive income incorporating the profit and loss account, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2015 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion 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.

Avery Weigh-Tronix Holdings Limited

Independent Auditor's Report

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.



Andrew Hornby (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom

15 March 2016

Avery Weigh-Tronix Holdings Limited

The Statement of Other Comprehensive Income, incorporating the profit and loss account For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Interest receivable	5	113	112
Profit on ordinary activities before taxation	3	113	112
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		113	112
Other comprehensive income for the year		-	-
Total income for the year		113	112

The notes on pages 10 to 19 form part of these financial statements.

Avery Weigh-Tronix Holdings Limited

Balance Sheet As at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	7	-	-
Current assets			
Debtors: Amounts falling due within one year	8	11,535	11,422
		<u>11,535</u>	<u>11,422</u>
Creditors: Amounts falling due within one year	9	(11,302)	(11,302)
		<u>233</u>	<u>120</u>
Net current assets		<u>233</u>	<u>120</u>
Total assets less current liabilities		<u>233</u>	<u>120</u>
Net assets		<u><u>233</u></u>	<u><u>120</u></u>
Capital and reserves			
Called-up share capital	10	-	-
Profit and loss account		233	120
		<u>233</u>	<u>120</u>

The notes on pages 10 to 19 form part of these financial statements.

The financial statements of Avery Weigh-Tronix Holdings Limited, registered number 04895923, were approved by the Board of Directors and authorised for issue on 15 March 2016.

Signed on behalf of the Board



Giles Hudson
Director

Avery Weigh-Tronix Holdings Limited

Statement of Changes in Equity As at 31 December 2015

	Retained earnings £000	Total equity £000
At 1 January 2015	120	120
Comprehensive income for the year		
Profit for the year	113	113
Total comprehensive income for the year	113	113
At 31 December 2015	233	233

Statement of Changes in Equity As at 31 December 2014

	Retained earnings £000	Total equity £000
At 1 January 2014	8	8
Comprehensive income for the year		
Profit for the year	112	112
Total comprehensive income for the year	112	112
At 31 December 2014	120	120

The notes on pages 10 to 19 form part of these financial statements.

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

1. Statement of accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

1.1 General information and basis of accounting

Avery Weigh-Tronix Holdings Limited is a company incorporated and domiciled in the United Kingdom 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 director's report on page 2 to 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 Standard applicable in the United Kingdom and Republic of Ireland. There have been no changes in accounting policy that have impacted the financial statements as a result of the adoption of FRS 102 - more detail is given in note 12.

The functional currency of Avery Weigh-Tronix Holdings Limited is considered to be pound sterling because that is the currency of the primary economic environment in which the company operates. Foreign operations are included in accordance with the policies set out below.

1.2 Group financial statements

The company is exempt from the requirement to prepare consolidated financial statements per s401 of the Companies Act 2006 as the company is included within the consolidated financial statements of Illinois Tool Works Inc., the financial statements of which have been prepared in a manner equivalent to the seventh EU Company Law Directive, having regard to UITF information sheet 79.

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. Avery Weigh-Tronix Holdings Limited 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 11). Therefore Avery Weigh-Tronix Holdings Limited has claimed the available exemption not to present a cash flow statement or disclose key management personnel total compensation.

1.4 Going concern

The company has both net assets and net current assets as set out in the balance sheet on page 8. As the company has access to a group banking facility, it consequently has sufficient cash resources to meet any reasonably foreseeable obligation. This facility is due for renewal for a further 12 months in July 2016 and the directors have no reason to believe that this will not be forthcoming. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the current uncertain economic outlook. Thus, the directors continue to adopt the going concern basis in preparing the financial statements.

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

1. Statement of accounting policies (continued)

1.5 Investments

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

1.6 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.

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

1. Statement of accounting policies (continued)

1.7 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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.8 Taxation

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

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

1. Statement of accounting policies (continued)

1.8 Taxation (continued)

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.

1.9 Foreign currency translation

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

1.10 Finance costs

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

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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements the directors have made the following judgements:

- 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.

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

3. Profit on ordinary activities before taxation

Audit fees are borne by a fellow group undertaking. The audit fee, if allocated to the company, would be £2,075 (2014: £2,075).

4. Staff costs and directors' emoluments

There were no employees of the company during either year.

Three directors (2014: three) are also directors of ITW Limited, a fellow group company. ITW Limited paid the directors £718,707 (2014: £958,717) of emoluments and the directors accrued benefits under a defined benefit pension scheme. The directors' emoluments have not been apportioned between each fellow group company for which the directors acted. The emoluments of the highest paid director were £389,269 (2014: £434,070) and the accrued pension entitlement under the company's defined benefit pension schemes of the highest paid director as at 31 December 2015 was £27,808 (2014: £23,963).

5. Interest receivable

	2015 £000	2014 £000
Interest received on loans to group companies	113	112
	<u>113</u>	<u>112</u>

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

6. Tax on profit on ordinary activities

	2015 £000	2014 £000
Corporation tax		
Current tax on profits for the year	23	24
Group taxation relief	(23)	(24)
	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The standard rate of tax applied to reported profit on ordinary activities is 20.25% (2014: 21.50%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2013 on 2 July 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015.

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:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>113</u>	<u>112</u>
Profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.50%)	23	24
Effects of:		
Group relief not paid for	(23)	(24)
	<u>-</u>	<u>-</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

7. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2015	50,324
At 31 December 2015	50,324
Provision for impairment	
At 1 January 2015	50,324
At 31 December 2015	50,324
Net book value	
At 31 December 2015	-
At 31 December 2014	-

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	Country of incorporation	Class of shares	Holding	Principal activity
Avery Weigh-Tronix Finance Limited	United Kingdom	Ordinary	100 %	Holding company
Weigh-Tronix Canada, ULC	Canada	Ordinary	100 %	Manufacturing company

SWT Holdings BV was struck off in the year.

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

8. Debtors

	2015 £000	2014 £000
Amounts falling due within one year		
Amounts owed by group undertakings	11,535	11,422
	<u>11,535</u>	<u>11,422</u>

9. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	11,302	11,302
	<u>11,302</u>	<u>11,302</u>

The amounts owed to group undertakings are unsecured, non-interest bearing and repayable upon demand.

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

10. Called-up share capital and reserves

	2015 £	2014 £
Called-up, allotted and fully paid		
1 (2014: 1) Ordinary share of £1	<u>1</u>	<u>1</u>

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

The company's reserves are as follows:

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

11. Ultimate parent undertaking

The immediate parent undertaking of the company is A V CO 3 Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking of the company is Illinois Tool Works Inc., a company registered in the State of Delaware, United States of America.

The only group in which the results of Avery Weigh-Tronix Holdings Limited are consolidated is that headed by Illinois Tool Works Inc. Copies of these financial statements are available from Illinois Tool Work Inc., 3600 West Lake Avenue, Glenview, Illinois 60025, United States of America.

Avery Weigh-Tronix Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2015

12. Explanation of transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was 1 January 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

Reconciliation of equity

	At 1 January 2014 £000	At 31 December 2014 £000
Equity reported under previous UK GAAP	8	120
Adjustments to equity on transition to FRS 102	-	-
Equity reported under FRS 102	8	120

Reconciliation of profit or loss for 2014

	£000
Profit for the financial year under previous UK GAAP	112
Adjustments to equity on transition to FRS 102	-
Profit for the financial year under FRS 102	112