

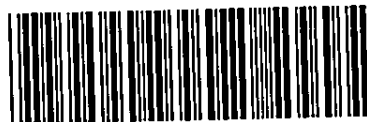
**COMPANY No : 4895923**

**AVERY WEIGH-TRONIX HOLDINGS LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**52 WEEKS ENDED 29 MARCH 2008**

THURSDAY



\*A2VA43TH\*

A28

09/10/2008

2

COMPANIES HOUSE

# **AVERY WEIGH-TRONIX HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 MARCH 2008**

---

The Directors present their report and financial statements of the Company for the 52 weeks ended 29 March 2008

### **1 ACTIVITIES AND RESULTS**

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 13.

The result for the 52 weeks ended 29 March 2008 is a loss after taxation of £2,098,000 (52 weeks ended 31 March 2007: profit £2,557,000).

The Directors do not recommend the payment of a final dividend (2007: £Nil).

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

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

### **3 DIRECTORS**

The membership of the board during the period was -

G G Bowe  
C Cramer

### **4 STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 financial statements are required by law to 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.

# **AVERY WEIGH-TRONIX HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 MARCH 2008**

---

### **4 STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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,
- 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 Company and enable them to ensure that the 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 prevent and detect fraud and other irregularities.

### **5 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 the 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.

### **6 AUDITORS**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors on 19 September 2008 and signed on its behalf by -



R J Fogarty  
Secretary  
Foundry Lane  
Smethwick  
West Midlands  
B66 2LP

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVERY WEIGH-TRONIX HOLDINGS LIMITED**

---

We have audited the financial statements of Avery Weigh-Tronix Holdings Limited for the 52 weeks ended 29 March 2008 which comprise the profit and loss account, the balance sheet 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 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**

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 1 and 2.

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 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 company's affairs as of 29 March 2008 and of the company's loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the directors' report is consistent with the financial statements.



**KPMG LLP**  
**Chartered Accountants**  
**Registered Auditor**  
**Birmingham**

**19 September 2008**

# AVERY WEIGH-TRONIX HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 29 MARCH 2008

	Notes	52 weeks ended 29 March 2008 £'000	52 weeks ended 31 March 2007 £'000
<b>Net administrative income</b>		<u>1,258</u>	<u>6,127</u>
<b>Operating profit</b>		1,258	6,127
Interest receivable	3	74	54
Interest payable	4	<u>(3,430)</u>	<u>(3,624)</u>
<b>(Loss)/profit for the financial period after taxation being retained (loss)/profit for the financial period</b>	12	<u>(2,098)</u>	<u>2,557</u>

The results reflect trading from continuing activities

There have been no recognised gains or losses during the current or prior period other than the results for each period, accordingly no statement of total recognised gains or losses is disclosed

### Reconciliation of Movement in Shareholders' Funds


	52 Weeks ended 29 March 2008 £'000	52 Weeks ended 31 March 2007 £'000
(Loss)/profit for the financial period	(2,098)	2,557
Opening shareholders' funds	15,385	12,828
Closing shareholders' funds	<u>13,287</u>	<u>15,385</u>

# AVERY WEIGH-TRONIX HOLDINGS LIMITED

## BALANCE SHEET AS AT 29 MARCH 2008

	Note	29 March 2008	31 March 2007
		£'000	£'000
<b>Fixed assets</b>			
Investments	7	68,771	68,771
		<u>68,771</u>	<u>68,771</u>
<b>Current assets</b>			
Debtors	8	-	1,342
Cash at bank and in hand		-	-
		<u>-</u>	<u>1,342</u>
<b>Creditors Amounts falling due within one year</b>	9	(55,484)	(54,728)
<b>Net current liabilities</b>		<u>(55,484)</u>	<u>(53,386)</u>
<b>Net Assets</b>		<u>13,287</u>	<u>15,385</u>
<b>Capital and Reserves</b>			
Called-up Share Capital	11	1	1
Share Premium	12	22,866	22,866
Profit and Loss Account	12	(9,580)	(7,482)
<b>Shareholders' funds</b>		<u>13,287</u>	<u>15,385</u>

These financial statements were approved by the Board of Directors on 19 September 2008 and signed on its behalf by -

  
 \_\_\_\_\_  
 DIRECTOR  
 C Cramer

# AVERY WEIGH-TRONIX HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

52 WEEKS ENDED 29 MARCH 2008

### 1 ACCOUNTING POLICIES

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

#### (i) BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules and are drawn up on a going concern basis. The going concern basis assumes that the company will continue to trade as the intermediate parent company AV Co 2 Limited has agreed to provide support to enable the company to meet its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

#### (ii) CASHFLOW STATEMENTS

The Company is a wholly owned subsidiary of A V Co 1 Limited and is included in the consolidated financial statements of A V Co 1 Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption of preparing a cash flow statement under the terms of FRS1 (revised 1996).

#### (iii) FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date, or, if appropriate, at the forward contract rate. Exchange differences arising are dealt with in the profit and loss account.

#### (iv) INVESTMENTS

Investments held as fixed assets are stated at cost less provisions for permanent diminution in value. As permitted by Section 228 of the Companies Act 1985, consolidated financial statements have not been prepared as the Company is itself a subsidiary and its parent undertaking is established in the United Kingdom.

#### (v) TAXATION

Current tax, including UK corporation 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 Taxation 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 received. Deferred tax is provided on a non-discounted basis.

# **EVERY WEIGH-TRONIX HOLDINGS LIMITED**

## **NOTES TO THE ACCOUNTS**

**52 WEEKS ENDED 29 MARCH 2008**

### **1 ACCOUNTING POLICIES (CONTINUED)**

#### **(vi) 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

#### **(vii) 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.

### **2 DIRECTORS AND EMPLOYEES**

The Company does not have any employees other than the Directors. The Directors neither received nor waived any remuneration in respect of their services as Directors of the Company during the period. The Directors are also Directors of A V Co 1 Limited, and as such their emoluments are disclosed, as applicable, in the financial statements of that company.

### **3 INTEREST RECEIVABLE**

	<b>52 Weeks ended 29 March 2008 £'000</b>	<b>52 Weeks ended 31 March 2007 £'000</b>
Interest receivable from loans to fellow group undertakings	<u>74</u>	<u>54</u>

### **4 INTEREST PAYABLE**

	<b>52 Weeks ended 29 March 2008 £'000</b>	<b>52 Weeks ended 31 March 2007 £'000</b>
Interest payable on loans from fellow subsidiaries	<u>3,430</u>	<u>3,624</u>



# AVERY WEIGH-TRONIX HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

**52 WEEKS ENDED 29 MARCH 2008**

### 5 NOTES TO THE PROFIT AND LOSS ACCOUNT

The (loss)/profit on ordinary activities before taxation is stated after charging / (crediting)

	<b>52 Weeks ended 29 March 2008 £'000</b>	<b>52 Weeks ended 31 March 2007 £'000</b>
Refinancing expenses	-	35
Net exchange rate gain	<u>(1,258)</u>	<u>(6,286)</u>

Audit fees are borne by a fellow group undertaking

### 6 TAXATION

#### a) Analysis of tax charge for the period

There is no tax charge in the period (2007 £nil)

#### b) Factors affecting the tax charge for the period

The tax charge for the period is lower (2007 lower) than the standard rate of corporation tax in the UK (30%) (2007 30%) The differences are explained below

	<b>52 Weeks ended 29 March 2008 £'000</b>	<b>52 Weeks ended 31 March 2007 £'000</b>
(Loss)/profit on ordinary activities before tax	<u>(2,098)</u>	<u>2,557</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2007 30%)	(629)	767
Effect of		
Group relief not paid for	629	(767)
Current tax charge for period	<u>-</u>	<u>-</u>

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

The corporation tax rate applicable to the Company changed from 30% to 28% from 1 April 2008

# AVERY WEIGH-TRONIX HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

52 WEEKS ENDED 29 MARCH 2008

**7      FIXED ASSET INVESTMENTS - SHARES IN SUBSIDIARY UNDERTAKINGS**

	<b>£'000</b>
<b>Cost and Net Book Value</b>	
At 31 March 2007 and 29 March 2008	68,771

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

**8      DEBTORS**

	29 March 2008 £'000	31 March 2007 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	-	1,337
Other debtors	-	5
	-	1,342

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

	29 March 2008 £'000	31 March 2007 £'000
Trade creditors	-	7
Amounts owed to group undertakings	55,484	54,721
	55,484	54,728

# AVERY WEIGH-TRONIX HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

52 WEEKS ENDED 29 MARCH 2008

### 10 CONTINGENT LIABILITIES

The Company, together with certain other members of the Group is party to a €13,170,000 mezzanine facility agreement dated 31 July 2006 under which a mezzanine loan was made available by European Capital S A R L. The Company, together with certain other members of the Group, is also party to a €76,460,000 senior multicurrency term and revolving facilities agreement, originally dated 31 July 2006 and subsequently amended on 26 October 2006 and again on 8 February 2008, under which financial facilities are made available by The Royal Bank of Scotland plc and HSBC Bank plc. The Company, together with certain other members of the Group, has, under both of these agreements, guaranteed the payment obligations, 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 Royal Bank of Scotland plc and HSBC Bank plc.

During the year, the following major transactions took place under the €76,460,000 senior multicurrency term and revolving facilities agreement

- i) On 20 September 2007, Term Loan Facilities B and C were repaid in full, and a repayment of £1,466,000 was made on Term Loan Facility A,
- ii) On 28 September 2007, a scheduled repayment of £568,000 was made on Term Loan Facility A,
- iii) On 25 February 2008, the Group drew down £11,000,000 under each of Term Loan Facilities B2 and C2, and
- iv) On 27 February 2008, Term Loan Facilities B2 and C2 were redenominated into United States Dollars

The indebtedness guaranteed, comprises of the following balances

	29 March 2008 £'000	31 March 2007 £'000	(note)
Term Loan Facility A	14,616	14,604	1
Term Loan Facility B	-	13,418	2
Term Loan Facility B2	10,761	-	3
Term Loan Facility C	-	13,418	4
Term Loan Facility C2	10,761	-	5
Mezzanine Loan Facility	10,992	9,127	6
	<u>47,130</u>	<u>50,567</u>	

#### Note

All of the guaranteed indebtedness is denominated in Euros, except for Term Loan Facilities B2 and C2 which are denominated in United States Dollars

- (1) Term loan facility A is repayable over six years, with the final repayment on 31 March 2014
- (2) Term loan facility B was repaid in full on 20 September 2007
- (3) Term loan facility B2 is repayable on 31 March 2015
- (4) Term loan facility C was repaid in full on 20 September 2007
- (5) Term loan facility C2 is repayable on 31 March 2016
- (6) Mezzanine loan facility is repayable on 31 March 2016

# AVERY WEIGH-TRONIX HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

52 WEEKS ENDED 29 MARCH 2008

### 11 SHARE CAPITAL

	29 March 2008 £'000	31 March 2007 £'000
<b>Authorised share capital</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<b>Allotted and fully paid</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

### 12 RESERVES

	Share Premium Account £'000	Profit and Loss Account £'000	Total £'000
At 31 March 2007	22,866	(7,482)	15,384
Loss for the financial period	-	(2,098)	(2,098)
At 29 March 2008	<u>22,866</u>	<u>(9,580)</u>	<u>13,286</u>

### 13 PRINCIPAL SUBSIDIARIES

The principal subsidiaries of the Company are shown below. The Company, directly or indirectly, owns 100% of the ordinary share capital of all the companies, with the exception of Avery India Limited, of which the Company indirectly owns 53.44% (2007 53.44%) 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 of A V Co 1 Limited.

Company Name	Country of Incorporation and operation	Main Activity
Avery Weigh-Tronix, LLC	U S A	Operating company
Avery Weigh-Tronix Finance Limited	Great Britain	Holding company
SWT Holdings BV	The Netherlands	Holding company
Weigh-Tronix Canada, ULC	Canada	Operating company
Weigh-Tronix UK Limited	Great Britain	Holding company
Avery Weigh-Tronix Limited	Great Britain	Operating company
Avery Weigh-Tronix (Suzhou) Co Limited	China	Operating company
Berkel (Ireland) Limited	Ireland	Operating company
Avery Malaysia Sdn Bhd	Malaysia	Operating company
Avery India Limited	India	Operating company
Salter India Private Limited	India	Operating company
Avery Weigh-Tronix Private Limited	India	Operating company
Avery Weigh-Tronix B V	The Netherlands	Holding company
Avery Weigh-Tronix France S A S	France	Operating company
Schember Ges m b H	Austria	Operating company

All operating subsidiaries are engaged in the manufacture, sale and service of weighing equipment.

## **AVERY WEIGH-TRONIX HOLDINGS LIMITED**

### **NOTES TO THE ACCOUNTS**

**52 WEEKS ENDED 29 MARCH 2008**

---

**14     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 A V Co 1 Limited group

**15     ULTIMATE PARENT UNDERTAKING**

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

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

A V Co 1 Limited is the parent of the smallest group, of which Avery Weigh-Tronix Holdings Limited is a member and for which consolidated accounts are prepared. Copies of the accounts of A V Co 1 Limited are available from the Company Secretary at Foundry Lane, Smethwick, West Midlands, B66 2LP. No other group financial statements include the results of the Company